

**Western Australian  
Local Government  
Grants Commission**

**ANNUAL  
REPORT  
2005**



# **ANNUAL REPORT 2005**

**For the year ended 31 August 2005**

## **WESTERN AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

Level 1  
Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

GPO Box R1250  
PERTH WA 6844

Telephone: (08) 9217 1500  
Facsimile: (08) 9217 1555

Free Call for Country Areas:  
1 800 620 511

E-mail: [grants@dlgrd.wa.gov.au](mailto:grants@dlgrd.wa.gov.au)  
Website: [www.dlgrd.wa.gov.au/lggc/](http://www.dlgrd.wa.gov.au/lggc/)

### **Disclaimer:**

This document is produced and published by the WA Local Government Grants Commission. Although every care has been taken, no responsibility is accepted by the Crown for any loss or damage suffered at any time by any person as a result of any error, omission or inaccuracy that has resulted from negligence or any other cause.

**ISSN 0818-9099**

Issue: November 2005

Hon John Bowler MLA  
Minister for Local Government and Regional Development  
11<sup>th</sup> Floor  
Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Minister

On behalf of members appointed under Section 5 of the *Local Government Grants Act 1978*, I am pleased to present the 25<sup>th</sup> Annual Report of the Western Australian Local Government Grants Commission, in accordance with Section 16c of that Act.

The Report details the operations of the Commission from 1 September 2004 to 31 August 2005.

Yours sincerely



John Lynch  
CHAIRMAN

October 2005

## **CHAIRMAN'S REPORT**



It is my pleasure to present the 2004-05 Annual Report of the Western Australian Local Government Grants Commission.

The key role of the Western Australian Local Government Grants Commission is to determine the General Purpose and Local Roads Grants for each local government in Western Australia.

A major initiative carried out by the Commission was the establishment of a Non Rate Revenue Working Party to explore the issue of non rate revenue capacity in grant determinations. I thank Working Party members and local governments for their interest and assistance.

The Commission held 43 public and special hearings during the year and I thank respective local governments for their input and hospitality.

In October, the Western Australian Local Government Grants Commission will be hosting the National Conference of Local Government Grants Commissions in Fremantle. The Conference is an important date on the calendar for Grants Commission staff and Commissioners, to network and share in each other's experiences.

I look forward to welcoming everyone to the Conference.

I extend my appreciation to my fellow Commissioners for their valuable support to the deliberative process. The staff also deserve special recognition for their continued commitment to providing an excellent service.

John Lynch  
CHAIRMAN

October 2005

## ACKNOWLEDGEMENTS

The Western Australian Local Government Grants Commission staff and Commissioners wish to express its appreciation for the assistance, advice and support received from the following organisations during the past year:

- ☞ Australian Bureau of Statistics
- ☞ Commonwealth Grants Commission
- ☞ Department of Environment
- ☞ Department of Indigenous Affairs
- ☞ Department of Industry and Resources
- ☞ Department of Land Information
- ☞ Department of Local Government and Regional Development
- ☞ Department of Planning and Infrastructure
- ☞ Department of Transport and Regional Services
- ☞ Department of Treasury and Finance
- ☞ Heritage Council of WA
- ☞ Local Government Finance Managers' Association
- ☞ Local Government Managers Australia
- ☞ Main Roads WA
- ☞ Valuer General's Office
- ☞ Western Australian Local Government Association

The Commission, once again is grateful to those local governments who responded to questionnaires and requests for additional information during the year. This data is used during the grant determination process to ensure that the Commission's methods are a true reflection of local government's activities.

The Commission is also appreciative of the local governments who submitted their 2003-04 Information Return by the due date (see Appendix 7).

## TABLE OF CONTENTS

<b>LETTER OF PRESENTATION TO MINISTER .....</b>	<b>iii</b>
<b>CHAIRMAN'S REPORT .....</b>	<b>iv</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>v</b>
<b>CHAPTER ONE: THE COMMISSION</b>	
Constitution and Role .....	1
Membership of the Commission .....	1
Member Profiles .....	2
Commission Officers .....	3
Operational Guidelines .....	3
Equalisation Component. ....	3
Local Roads Component .....	4
<b>CHAPTER TWO: THE YEAR IN REVIEW</b>	
Financial Assistance Grants – 2005-06 Grant Allocations .....	5
Overpayment in Funding Allocation.....	5
General Purpose Grants.....	6
Minimum Grant Councils .....	7
Local Road Funding .....	8
Grants Process.....	8
Publication of Grant Calculations .....	8
Database .....	9
Hearings & Consultations .....	9
Public Hearings.....	9
Special Hearings.....	10
Submissions .....	10
Submission Responses .....	11
Research Projects .....	11
Hospitality Register... ..	11
Internet Developments .....	12
Information Requests .....	12
Information Return Review .....	12
National Conference of Local Government Grants Commissions .....	12
Executive Officers Meeting.....	14
Recommendation on Grants to Indian Ocean Territories .....	14
Local Government Finance .....	14
Effectiveness Indicators.....	15
Grants To Local Governments Affected By Boundary Changes .....	17
Commonwealth Government Response To The Report – “Rates And Taxes: A Fair Share For Responsible Local Government” (The Cost -Shifting Inquiry).....	17
Inquiry Into the Local Government Rating System and Distribution of Funds .....	24

**CHAPTER THREE: CHANGES TO THE COMMISSION'S CALCULATION METHODS**

Changes in Population .....	26
Averaging of Equalisation Requirement .....	26
Maximum Reduction.....	26
Minimum Grants .....	26
Revenue Standards.....	27
Expenditure Standards.....	27
Law, Order and Public Safety.....	27
Transport.....	27
Disability Factors .....	27
Local Road Funding .....	28
Special Projects - Roads Serving Remote Aboriginal Communities .....	28
Special Projects - Bridges .....	29
Distribution of the 93% Component.....	29

**CHAPTER FOUR: THE YEAR AHEAD**

Methodology Review .....	30
Research Projects .....	30

<b>STATEMENT OF COMPLIANCE.....</b>	<b>31</b>
-------------------------------------	-----------

**LIST OF TABLES AND FIGURES****TABLES**

Table 1 - State Shares of Equalisation and Road Funding Components 2005-06 .....	6
Table 2 – Regional Shares of Equalisation Component 2005-06 .....	7
Table 3 – Minimum Grant Councils 2005-06.....	7
Table 4 – Public Hearing 2004-05.....	10
Table 5 – Submissions Received for 2005-06 Determinations .....	11
Table 6 – Sources of Local Government Revenue .....	14
Table 7 – Local Government Expenditure 2003-04 .....	15

**FIGURES**

Figure 1 - National Distribution of Financial Assistance Grants 2005-06 .....	5
Figure 2 - Federal Funding Allocated to Western Australia 1986-87 – 2005-06 .....	6

## APPENDICES

Appendix 1 – National Principles for Allocating Financial Assistance Grants .....	32
Appendix 2 – Special Projects Funding – Bridges .....	36
Appendix 3 – Special Projects Funding – Aboriginal Access Roads .....	37
Appendix 4 – Financial Assistance Grants – Allocation to Local Government in Western Australia 1974-75 – 2005-06.....	38
Appendix 5 – Equations used in Calculation of Standards (2005-06 Balanced Budget Detailed Calculations).....	39
Appendix 6 – Disability Factor Schedule.....	41
Appendix 7 – 2004-05 Information Return .....	42
Appendix 8 – Factoring Back Ratios .....	43
Appendix 9 – Average Rate Per Residential Assessment 2003-04 .....	44
Appendix 10 – Feedback from Survey to Participants at Public Hearings 2004-05 .....	46
Appendix 11 – Disability Matrix 2005-06 Determinations.....	47
Appendix 12 – Summary of Submissions and Responses 2005-06 .....	48
Appendix 13 – Schedule of Financial Assistance Grants 2005-06 .....	64
 <b>FEEDBACK FORM: QUESTIONNAIRE .....</b>	 <b>71</b>



## CHAPTER ONE: THE COMMISSION

### CONSTITUTION AND ROLE

The establishment and constitution of the Western Australian Local Government Grants Commission is provided for in State legislation. The *Local Government Grants Act 1978*, as amended in 1985, 1988 and 1997, requires that a Commission be appointed comprising a Chairman, Deputy Chairman and three other members.

The Chairman is appointed on the nomination of the Minister for Local Government and Regional Development. The Deputy Chairman is an officer of the Department of Local Government and Regional Development, nominated by the Department's Director General. The three other Commissioners are elected members selected by the Minister from panels of names submitted by the Western Australian Local Government Association.

Every financial year, following receipt of advice of the level of Commonwealth funding available to local government in Western Australia, the Commission is required to make recommendations to the Minister for Local Government and Regional Development on the amount of these funds to be allocated to each local government. Once approved, these recommendations are then forwarded to the Federal Minister for Local Government for his approval.

Members of the Commission are required to consider the general interest of all local governments in the State when exercising their powers. The Commission met ten times during the year under review.

### MEMBERSHIP OF THE COMMISSION

For the period under report, 1 September 2004 to 31 August 2005, the members of the Western Australian Local Government Grants Commission were:

#### MEMBERS:

Mr John Lynch	Chairman
Mr Quentin Harrington	Deputy Chairman
Cr Linton Reynolds <i>JP</i>	Member
Mayor Sally Higgins <i>JP</i>	Member
Cr Rob Walster <i>JP</i>	Member (appointed 5 April 2005)
Cr Kevin Richards <i>JP</i>	Member (resigned 10 September 2004)

#### DEPUTY MEMBERS:

Dr Christopher Berry	Deputy to Mr Quentin Harrington
Cr Louis Prospero	Deputy to Cr Linton Reynolds <i>JP</i>
Mr Brent Rudler	Deputy to Cr Sally Higgins <i>JP</i>
Cr Laurie Graham	Deputy to Cr Rob Walster

## MEMBER PROFILES

### JOHN LYNCH

(Appointed as Deputy Chairman to the WA Local Government Grants Commission 1992. Appointed Chairman from 1 August 2001, reappointed 2005 for a term, expiring 31 July 2007.)

Executive Director of the Department of Local Government until July 2001. His previous roles in public service included periods as a Homeswest Regional Manager, Commissioner of Aboriginal Affairs, and Executive Director of the Department of Regional Development and the NorthWest. He was also the Deputy Chairman of the Local Government Advisory Board and Western Australia's representative on the Australian Building Codes Board.

### LINTON REYNOLDS JP

(Appointed to the WA Local Government Grants Commission 1995. Appointment expires 31 July 2006.)

Elected to the Armadale City Council in 1989. Since then, he has played an active role in local government service; elected to the LGA Executive in 1992, the WAMA Executive in 1993, and LGA President from 1994-96. Elected Mayor of the City of Armadale in May 2001, he is also a member of the Armadale Redevelopment Authority.

### SALLY HIGGINS JP

(Appointed to the WA Local Government Grants Commission 5 September 2003. Appointment expires 31 July 2006.)

Elected to the Narrogin Town Council in 1997 and elected at large as the Mayor in 1999. A small business proprietor, she has had extensive community experience, including involvement as chair and president of various sporting and community groups.

### ROB WALSTER JP

(Appointed to the WA Local Government Grants Commission 5 April 2005. Appointment expires 31 July 2007.)

Elected to the Shire of Bridgetown Greenbushes in May 2004. As the former CEO of Goldfields Esperance Development Commission and Director of Economic and Social Development with the Shire of Bridgetown Greenbushes, he has extensive experience in financial and budget planning. In addition he has a sound understanding of local government and local community issues.

### QUENTIN HARRINGTON

(Appointed as Deputy Chairman to the WA Local Government Grants Commission in 2002 to replace Ian Cowie. Appointment expires 31 July 2008.)

Director, Governance and Statutory Support, Department of Local Government and Regional Development. Has held a senior position within the Department of Commerce and Trade in areas of regional development, infrastructure development and industry development. Also currently Deputy Chairperson of the Local Government Advisory Board.

## COMMISSION OFFICERS

Staff members of the WA Local Government Grants Commission are employed by the Department of Local Government and Regional Development to provide administrative, secretarial and research support to the Grants Commission.

During 2004-05 the Commission's officers were:

Christopher Berry	Manager
Alex McColgan	Acting Research Officer
Shanty Chong	Acting Administration & Research Officer
Clive Shepherd	Consulting Engineer (Part-time)

Amy Kwan and Carmen Milligan also served the Commission as Acting Administration and Research Officer at different times. Julie Ross acted as the Manager from 30 July to 28 August 2004 and Andrew Main from 23 May to 19 September 2005.

## OPERATIONAL GUIDELINES

The Grants Commission operates under guidelines, set down by the Commonwealth in 1986, which were modified in 1995.

The *Local Government (Financial Assistance) Act 1995* makes the existence of a State Grants Commission a prerequisite for the continuance of Commonwealth funding. The Act also provides for the Commonwealth Minister for Local Government to formulate National Principles for the distribution of funds for Local Government.

The Commission is responsible for allocating financial assistance grants to every local government in the State. The financial assistance grants comprise an equalisation component and a local roads component.

## EQUALISATION COMPONENT

It is a requirement of the Commonwealth's legislation that the principles used to distribute the equalisation funds are based on the objective of full horizontal equalisation. The purpose of horizontal equalisation is to ensure that every local government in the State has the ability to function, by reasonable effort, at a standard not lower than the average standard of other local governments in the State.

This method takes into account the differences in each local government's capacity to raise revenue and the expenditure required in the performance of their functions. There is a provision that no local government receive less than it would if 30% of the State's share of Commonwealth funding was allocated on a per capita basis.

The principles used by the Grants Commission to determine grant outcomes are those finalised by the Commonwealth Minister in October 1995. These are listed in Appendix 1.

**LOCAL ROADS COMPONENT**

Local road funds have been distributed by State Grants Commissions since 1991-92. This followed a decision of the Special Premiers' Conference in October 1990 to untie the funds. Previously, the funds were tied and distributed by Main Roads WA. The funds are separately identified, but remain untied. When the Commission took over responsibility for allocating road funds, it decided to continue the existing distribution arrangements. These arrangements provided for 7% of the funds to be distributed for special projects; one-third for roads serving remote Aboriginal communities and two-thirds for bridge works. The remaining 93% is distributed according to the asset preservation model (APM).

The *Local Government (Financial Assistance) Act 1995* states that road funds must be distributed in accordance with principles that are approved by the Federal Minister for Local Government. The current principles are listed in Appendix 1.

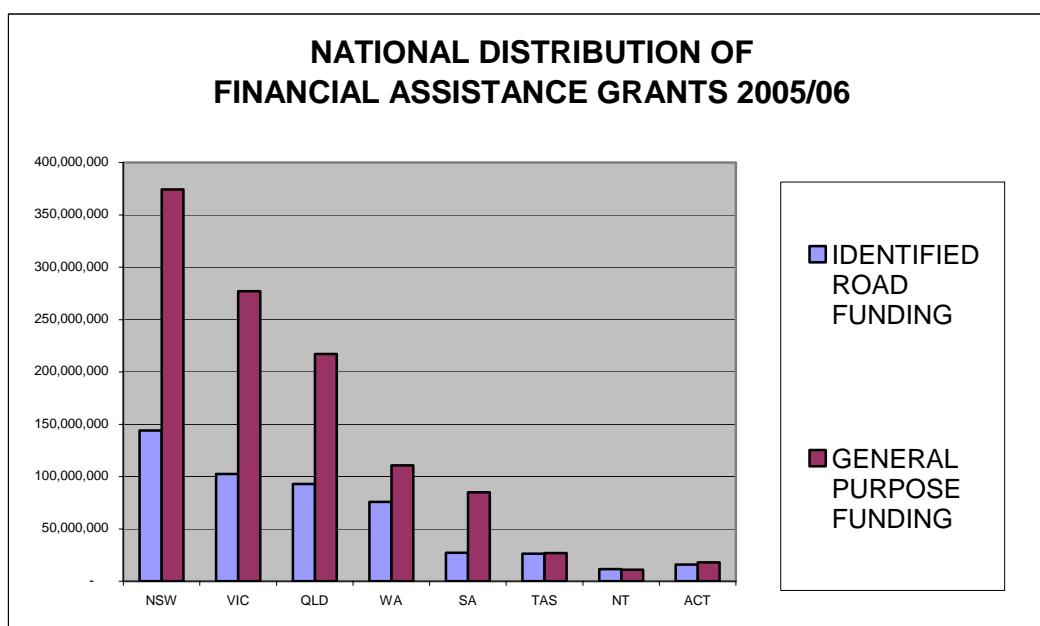
## CHAPTER TWO: THE YEAR IN REVIEW

### FINANCIAL ASSISTANCE GRANTS – 2005-06 GRANT ALLOCATIONS

The Western Australian share of Commonwealth funding for 2005-06 was \$186,625,814 being 11.5% of the national allocation of \$1.617 billion. Western Australia's share consisted of \$110,644,427 for the equalisation component and \$75,981,387 for the roads component.

The increase in available funds relative to 2004-05 on an Australia-wide basis amounted to 4.47% compared to an increase of 4.71% for Western Australia.

Figure 1



### OVERPAYMENT IN FUNDING ALLOCATION

The funding allocation for 2005-06 is increased by an adjustment of \$780,168 representing an underpayment of the previous year's funding share. This adjustment amount is distributed on a pro-rata basis to every local government, spread over the four quarterly payments for 2005-06. The adjustment is a result of the method used by the Commonwealth Government to calculate the overall level of general purpose funding available to the States.

The *Local Government (Financial Assistance) Act 1995* provides that the amount finally payable to local governments be adjusted for the difference between the actual variation in the Consumer Price Index (CPI) in the year ending in March and the forecast at the time the allocations are made, usually in July/August of the previous year.

Western Australia's adjustment (\$780,168) represents an increase of 0.42% over WA's 2005-06 allocation of \$186,625,814.

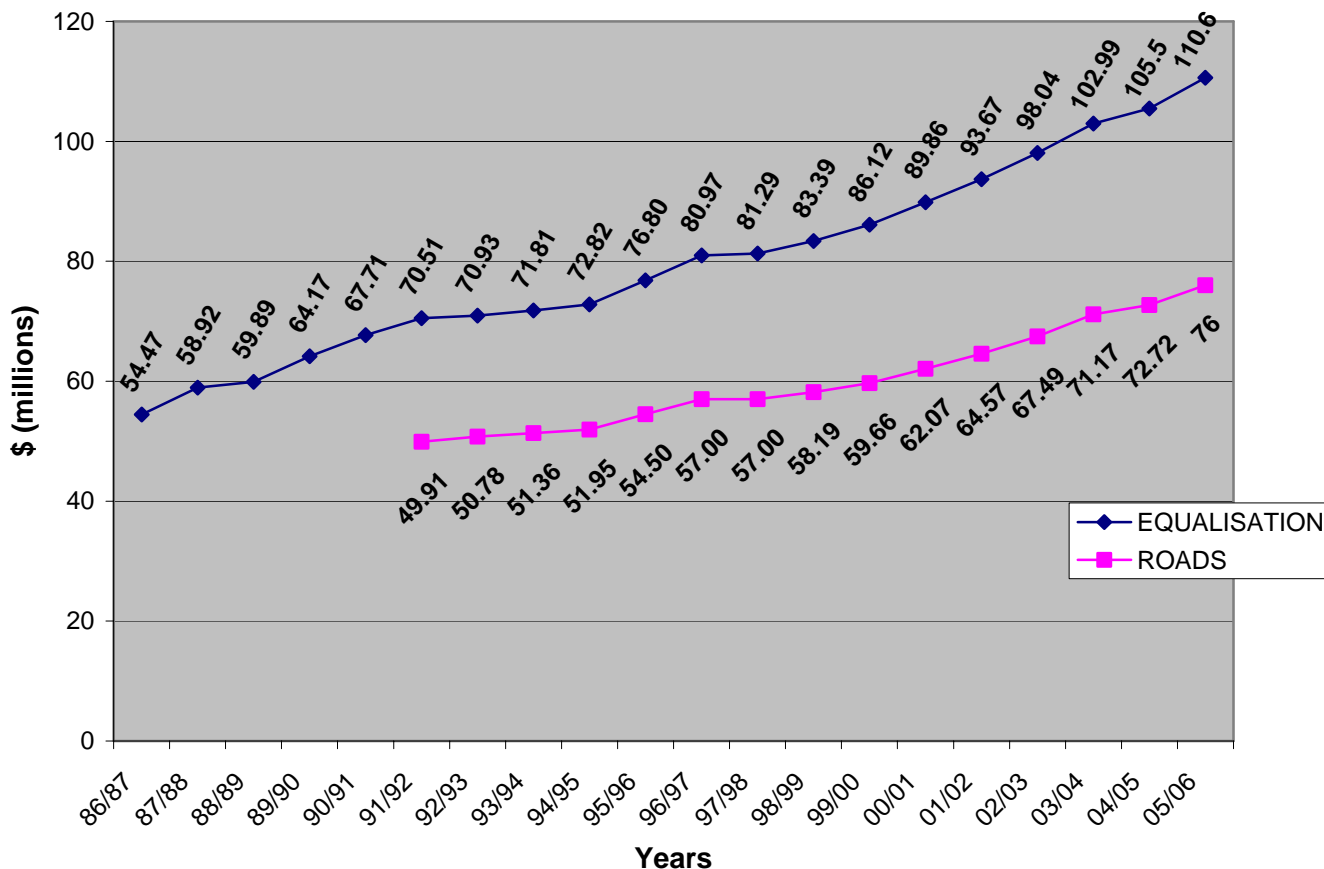
**Table 1**  
**STATE SHARES OF EQUALISATION AND ROAD FUNDING COMPONENTS 2005-06**

STATE	EQUALISATION %	ROADS %	TOTAL FUNDING %
New South Wales	33.42%	29.01%	32.07%
Victoria	24.73%	20.62%	23.47%
Queensland	19.38%	18.74%	19.18%
Western Australia	9.88%	15.29%	11.54%
South Australia	7.60%	5.50%	6.96%
Tasmania	2.39%	5.30%	3.29%
Northern Territory	0.99%	2.34%	1.41%
Australian Capital Territory	1.60%	3.21%	2.10%
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### GENERAL PURPOSE GRANT

The national distribution of the equalisation component of the financial assistance grants is determined by the Commonwealth Government on a per capita basis. This results in the more populated States receiving a greater proportion of the available funds. Western Australia received 9.88% of the national financial assistance funding.

**Figure 2**  
**FEDERAL FUNDING ALLOCATED TO WESTERN AUSTRALIA**  
**1986/87 TO 2005/06**



**Table 2**  
**REGIONAL SHARES OF EQUALISATION COMPONENT 2005-06**

REGION SHARES	POPULATION 2004	TOTAL EQUALISATION GRANTS 2005-06	AVERAGE GRANTS PER CAPITA 2005-06
GASCOYNE % of State total	9,949 0.5%	5,277,280 4.77%	\$530.43
GOLDFIELDS-ESPERANCE % of State total	54,289 2.74%	8,249,461 7.46%	\$151.95
GREAT SOUTHERN % of State total	53,656 2.71%	5,869,170 5.30%	\$109.39
KIMBERLEY % of State total	35,001 1.77%	10,518,441 9.51%	\$300.52
MID WEST % of State total	49,714 2.51%	12,621,865 11.41%	\$253.89
PEEL % of State total	87,791 4.43%	3,925,853 3.55%	\$44.72
PERTH % of State total	1,445,196 72.91%	26,813,508 24.23%	\$18.55
PILBARA % of State total	39,311 1.98%	7,791,821 7.04%	\$198.21
SOUTH WEST % of State total	136,570 6.89%	8,072,844 7.30%	\$59.11
WHEATBELT % of State total	70,727 3.57%	21,504,184 19.44%	\$304.04
<b>TOTAL</b>	<b>1,982,204</b>	<b>110,644,427</b>	<b>\$55.82</b>

### MINIMUM GRANT COUNCILS

The 2005-06 determinations resulted in 30 local governments receiving the minimum grant entitlement (being \$16.76 per head of population).

**Table 3**  
**MINIMUM GRANT COUNCILS 2005-06**

City of Bayswater	City of Belmont
Town of Bassendean	City of Bunbury
City of Busselton	Town of Cambridge
City of Canning	Town of Claremont
City of Cockburn	Town of Cottesloe
Town of East Fremantle	City of Fremantle
City of Gosnells	City of Joondalup
Shire of Kalamunda	Town of Kwinana
City of Mandurah	City of Melville
Town of Mosman Park	City of Nedlands
Shire of Peppermint Grove	City of Perth
City of Rockingham	City of South Perth
City of Stirling	City of Subiaco
City of Swan	Town of Victoria Park
Town of Vincent	City of Wanneroo

## **LOCAL ROAD FUNDING**

Calculations for the distribution of road funds are not based on a per capita formula, resulting in a different proportion of available funds than the equalisation component.

Western Australia received \$75,981,387 of the \$496,930,394 national total. This represents 15.29% of available road funds and an increase of 4.47% from the 2004-05 road allocation.

## **GRANTS PROCESS**

The Commission maintains its administrative processes so as to provide for timely notification of grants to local governments.

The Minister approved the allocation on 27 June.

After the grants were approved, the Chairman and Manager met with the President and Executive Director of the Western Australian Local Government Association to provide a briefing on the main elements of the year's allocations.

While some local governments once again failed to provide information returns in a timely manner, the Commission was still able to provide local governments advice of notional grant allocations early in the financial year. This occurred on 4 July 2005.

The local governments who facilitated the timely determinations of grants by submitting their information returns by the due date are listed in Appendix 7.

## **PUBLICATION OF GRANT CALCULATIONS**

In keeping with its commitment to openness and accountability, each year the Commission releases detailed information on the methods used to calculate each local government's grant. The detailed calculations were released to all local governments in July 2005, via the Commission's website ([www.dlgrd.wa.gov.au/lggc](http://www.dlgrd.wa.gov.au/lggc)).

The Balanced Budget Detailed Calculations 2005-06 contains all the equations, indicator variables (and sources), financial data, standards, and disability factors used in determining the equalisation component of the financial assistance grant. It is an important document for local governments when preparing submissions, and is also useful for government and community members generally.

A separate document is distributed to local governments on the calculation of the asset preservation model, which shows how the local road funding component of the financial assistance grant is calculated.



## **DATABASE**

The calculations used by the Commission to determine grant allocations are based on a comprehensive record of statistical and financial data compiled over a number of years and updated annually.

Local government rating data and other information are supplied by local governments via an annual information return. The Commission also obtains an extensive amount of data from other sources such as Main Roads WA (road data), the Australian Bureau of Statistics (population, employment) and the Valuer General's Office (gross rental, improved and unimproved valuations).

For the 2005-06 grant allocations, expenditure data for the financial years 2001-02, 2002-03 and 2003-04 were used. The three year's data was averaged before being used in the calculation of standards.

## **HEARINGS & CONSULTATIONS**

### **PUBLIC HEARINGS**

In accordance with legislation, the Commission undertakes public hearings with local governments. At the start of each hearing, the Commission makes a multi-media presentation about the operations of the Grants Commission. This presentation also explains the grant determination process. The local government then has an opportunity to present a submission to the Commission as a basis for discussion of their issues and needs.

The hearings are conducted in an informal manner to facilitate discussion between local government councillors, staff and the Commission. It is the Commission's aim to hold a public hearing and inspection at each local government at least once every five years.

Through these hearings, the Commission is able to gain a greater understanding of the issues which affect the ability of local governments to provide the services and facilities expected by the community.

The Commission is also keen to provide all local governments and other interested people with an opportunity to update their understanding of the grant determination methods and to present their views on any aspect of the allocation process.

This year the Commission visited and held public hearings with 43 local governments.

**Table 4**  
**PUBLIC HEARINGS 2004-05**

<b>Western Australia</b>	
City of Albany	Shire of Merredin
City of Bassendean	Town of Mosman Park
City of Bayswater	Shire of Murray
Shire of Boddington	Town of Narrogin
Shire of Broome	Shire of Ngaanyatjaraku
Shire of Bruce Rock	Shire of Northampton
Town of Cambridge	Shire of Nungarin
City of Canning	Shire of Peppermint Grove
Shire of Carnarvon	City of Perth
Town of Claremont	Shire of Plantagenet
City of Cockburn	City of South Perth
Shire of Collie	Shire of Tambellup
Town of Cottesloe	Shire of Trayning
Shire of Cranbrook	Town of Victoria Park
Shire of Denmark	Town of Vincent
Shire of Derby West-Kimberley	Shire of Wandering
Shire of East Fremantle	Shire of Waroona
City of Fremantle	Shire of Westonia
Shire of Halls Creek	Shire of Wiluna
Shire of Harvey	Shire of Wyndham East-Kimberley
Shire of Jerramungup	Shire of Yilgarn
Shire of Kellerberrin	

## **SPECIAL HEARINGS**

In addition to the public hearings, local governments have the opportunity to request a special hearing with the Commission. This allows those councils not on the annual schedule of public hearings to present their case for amendments to values applied to the grant methodology.

This year the Commission held 2 special hearings, with the Shires of Chittering and Coolgardie.

## **SUBMISSIONS**

Each year, local governments are given the opportunity to highlight particular disabilities they face in the provision of local government services. To facilitate this process the Commission distributes guidelines to assist councils in the preparation of submissions.

This year, 29 submissions were received from local governments.

**Table 5**  
**SUBMISSIONS RECEIVED FOR 2005-06 DETERMINATIONS**

<b>Western Australia</b>	
Albany	Harvey
Armadale	Jerramungup
Boddington	Kellerberrin
Broome	Murray
Bruce Rock	Narrogin (T)
Canning	Ngaanyatjarraku
Carnarvon	Plantagenet
Chittering	Sandstone
Claremont	Tambellup
Collie	Trayning
Coolgardie	Warooka
Denmark	Westonia
Derby-West Kimberley	Wyndham-East Kimberley
Halls Creek	Yilgarn
<b>Indian Ocean Territories</b>	
Christmas Island	

There were 98 claims from Western Australian councils on 38 different issues.

### **SUBMISSION RESPONSES**

These responses are sent in August/September, after the grants process for the year has been completed, and all submission issues have been considered. A summary of the issues raised in submissions, and the Commission's response, can be found in Appendix 12.

Each local government that makes a submission to the Commission receives an acknowledgement at the time of lodgement. Once the grant allocations have been approved, this is followed by a detailed response outlining the Commission's response to each issue in the submission.

### **RESEARCH PROJECTS**

Each year the Commission has a program of research projects. This includes reviews and updates of disability factors, as well as other areas of interest to the Commission.

Factors reviewed in the year included location and regional responsibility. The Commission also undertook work on local government revenues, with the assistance of a working party with industry representatives.

Details on changes to methodology arising from this research are reported in the section on changes to the Commission's calculation methods (Chapter Three).

### **HOSPITALITY REGISTER**

The Commission maintains a hospitality register to record any hospitality provided by local governments to Commissioners or staff. This is available for inspection at the Commission's offices.

## **INTERNET DEVELOPMENTS**

The Commission, with the assistance of information technology staff of the Department of Local Government and Regional Development, provides access to various regular and occasional publications of the Commission, through its internet site: [www.dlgrd.wa.gov.au/lggc](http://www.dlgrd.wa.gov.au/lggc).

Material available through the website include:

- Customer Service Charter
- Information Paper
- Local Government Grants - Principles and Methods for the Distribution of Commonwealth Financial Assistance in Western Australia
- Balanced Budget Detailed Calculations
- Grant Allocations to local governments in WA (recent years)
- Annual Report (recent years)
- Circulars

## **INFORMATION REQUESTS**

As well as providing detailed calculations to local governments, Commission officers receive and respond to a variety of information requests from government agencies, local governments and the private sector. These often relate to local government rating and expenditure patterns.

## **INFORMATION RETURN REVIEW**

As a result of an ABS decision in 2001 to cease collecting local government financial data and to delegate the collection to the Grants Commission, the Commission's collection of 2001-02, 2002-03 and 2003-04 data has been more comprehensive. This created some difficulties for local governments, as the reporting framework required by the ABS did not exactly match local government accounting practices in WA. The WALGGC will work with the ABS to improve the data collection process.

## **NATIONAL CONFERENCE OF LOCAL GOVERNMENT GRANTS COMMISSIONS**

During the period 19-21 October, the Commission Chairman, Commissioner Reynolds and Manager attended the 2004 National Conference of Local Government Grants Commissions in Adelaide, South Australia.

Consistent with previous conferences, each Chairman provided a report on relevant developments in each state.

The Chairs were asked to report on the activities in their state in respect of the following headings:

- How the Commission interprets the legislation
- How the Commission interprets the principle of Horizontal Fiscal Equalisation (HFE)
- The resulting outcomes

States continue to implement changes to their grant allocation methods, following reviews that build upon the 2001 CGC review of the Commonwealth Local Government (Financial Assistance) Act 1996, and the subsequent methodology reviews in Western Australia, South Australia, Queensland, Victoria and Tasmania. It was evident that a number of Commissions sought additional assistance and resources to assist with reviews of aspects of methodology.

Many Commissions release 'fact sheets', and a higher level of information about Commission processes appears to be more available than previously.

Grants Commission executive officers presented some joint discussions, where two officers from each state described their approach to an issue. Each officer presented for 5 minutes. The presentations were as follows:

- Use of the SEIFA Index - Vic & SA
- Depreciation - NSW, Tas & Qld
- Netting Off Expenditure - NSW & WA  
(netting out the estimated value of disabilities to ensure that there is not double counting by their inclusion in the base standard and in the applied disability factors)

Professor Brian Howe spoke on the topic of "Making local government more sustainable". He revisited the origins of Financial Assistance Grants in 1970s' urban and regional development, at a time when Whitlam wanted to support the fringes of large cities which were service poor and needed to manage urban growth more effectively. As the Federal Minister, Howe wanted greater emphasis on efficiency and equity, with reform to be encouraged by LGGCs. Howe went on to look at the philosophical roots of HFE, noting that society is becoming more unequal.

Jim Hancock's "Principles of HFE: a historical perspective" noted the introduction of the pure equalisation principle in the 1970s undermined by successive governments; WA had a 80% equal per capita component in 1978, the only State doing so at a time when the 1976 legislation required a minimum of 30%. Hancock provided a good history of the evolution of FAGs and HFE – for example, the equal per capita distribution between States which has been in place since 1989/99.

The Executive Director of the SA office of Local Government, John Comrie, also addressed the Conference, with particular reference to the impact of recent increases on property valuations on council rating levels. He noted that those households on low incomes but high property valuations were hurting. Consequently, changes to the rate base and rate structure are being investigated. This includes consideration of fixed charges, changes in the valuation base, and rate deferment schemes.

In summary, some of the main benefits of the Conference for the Western Australia Local Government Grants Commission were the information gained on approaches to various aspects of methodology in other states, including aspects of revenue raising (eg ways of measuring non-rate revenue), expenditure needs and the treatment of disability factors. This information is particularly useful given the on-going WA methodology review. The insight provided into the implications of the demographic changes occurring in the community, was particularly useful and highlighted the need for Grants Commissions to address the relevant considerations in their methodology.

The 2005 National Conference will be held in Fremantle, Western Australia.

## EXECUTIVE OFFICERS MEETING, CANBERRA, 23-24 FEBRUARY 2005

The Manager attended the annual Executive Officers meeting, held in Canberra, over 23-24 February 2005. The meeting included a presentation on developments in each State and other speakers on topics relevant to Grants Commission activities (e.g. issues associated with ABS population estimates, 2<sup>nd</sup> Roads to Recovery Program, update on progress for the Government's response to the cost shifting inquiry, Commission processes for providing advice on final allocations to councils, impact of ageing populations and treatment of depreciation).

Many similarities and differences in allocation methodologies were noted.

## RECOMMENDATION ON GRANTS TO INDIAN OCEAN TERRITORIES

Once again the Commission was requested by the Commonwealth Department of Transport and Regional Services (Territories Office), to provide advice on the level of general purpose financial assistance, to the Shires of Christmas and Cocos (Keeling) Islands would be entitled to, if they were Western Australian local governments.

The Commission evaluates the funding requirements in accordance with its methodology for mainland councils, with one or two special factors to recognise the unique service context of the Territories. The outcomes for 2005-06 were as follows:

2005-06	POPULATION (30 JUNE 2004 EST.)	EQUALISATION FUNDING COMPONENT	ROAD FUNDING COMPONENT	TOTAL FINANCIAL ASSISTANCE GRANTS
Christmas Island	1,516	\$1,925,720	\$245,840	\$2,171,560
Cocos (Keeling) Islands	598	\$1,146,293	\$73,321	\$1,219,614

This funding does not come from the WA pool, but is a separate Commonwealth allocation.

## LOCAL GOVERNMENT FINANCE

Tables 6 and 7 below categorise local government revenue sources and expenditures. Table 6 shows that half of local governments' income is derived from rates. Table 7 shows that the three largest expenditure categories are Transport, Recreation and Culture, and Governance.

**Table 6**  
**SOURCES OF LOCAL GOVERNMENT REVENUE 2003-04**

RATE INCOME	CHARGES, FEES, FINES & DONATIONS	INVESTMENT EARNINGS & LOAN INCOME	GENERAL PURPOSE GRANTS	SPECIFIC PURPOSE GRANTS (SPG)	OTHER SOURCES	TOTAL
\$754,890,993	\$465,256,739	\$44,344,075	\$177,336,747	\$264,406,281	\$76,848,236	\$1,783,083,070
42.34%	26.09%	2.49%	9.95%	14.83%	4.31%	100%

Source: Local Government Information Returns for the ABS/WA Local Government Grants Commission – 2003/04

**Table 7**  
**LOCAL GOVERNMENT EXPENDITURE 2003-04**

CATEGORY	TOTAL EXPENDITURE	%	TOTAL EXPENDITURE NET OF GRANTS	%
Governance	\$163,392,914	9.85%	\$156,302,747	9.42%
Law, Order and Public Safety	\$58,158,990	3.51%	\$46,725,316	2.82%
Education, Health and Welfare	\$127,199,531	7.67%	\$74,927,091	4.52%
Housing	\$10,323,696	0.62%	\$8,885,787	0.54%
Sanitation and Refuse (incl Sewerage)	\$133,174,196	8.03%	\$131,433,102	7.92%
Other Community Amenities	\$92,467,605	5.57%	\$88,410,370	5.33%
Recreation and Culture	\$383,564,110	23.13%	\$353,018,644	21.28%
Transport	\$527,741,421	31.82%	\$382,168,898	23.04%
Economic Services	\$63,015,856	3.80%	\$53,915,194	3.25%
Other Purpose	\$99,604,132	6.01%	\$98,493,919	5.94%
<b>TOTAL EXPENDITURE</b>	<b>\$1,658,642,451</b>	<b>100%</b>	<b>\$1,394,281,070</b>	<b>84.06%</b>

Source: Local Government Information Returns for the ABS/WA Local Government Grants Commission – 2003/04

## EFFECTIVENESS INDICATORS

The Commission continues to survey attendees at its public hearings about the grants process in general and the way the hearings are conducted. A summary of the feedback received in the year is at Appendix 10. The Commission is committed to customer satisfaction, whilst working within the Commonwealth's principles for the distribution of funds. The Commission has developed a customer service charter to confirm the Commission's commitment to this goal. The WALGGC Vision is 'continuous improvement in equitable and transparent grant determinations'.

As part of its annual effectiveness evaluation, the Department of Local Government and Regional Development commissioned an independent consultant, Colmar Brunton, to undertake a customer satisfaction survey on its behalf.

The consultant devised survey questionnaires on the Department's activities and services for each of the specific target groups, which included the Minister for Local Government and Regional Development and Local Government Chief Executive Officers.

The Local Government CEO's were asked a series of questions about the Grants Commission that they had contact with over the last financial year. This was based on 103 questionnaires, and 56% of them reported having had dealings with the Grants Commission in the previous year. This represented 58 respondents.

Respondents were requested to rate specific aspects of the Department's service delivery on a 7 point scale comprising "Very dissatisfied", "Dissatisfied", "Slightly dissatisfied", "Neither Satisfied nor Dissatisfied", "Slightly satisfied", "Satisfied" and "Very satisfied".

Responses were elicited from those respondents that had experienced dealings with the Department in the preceding 12 months. Thus, respondents were afforded the opportunity to indicate whether comment on particular questions was "Not Relevant/Can't Say". This enabled the consultant to separate those who were neither satisfied nor dissatisfied from those to whom the question was not relevant or where an opinion could not be given. It also enabled the elimination of any potential bias that

would arise from large numbers of “Not Relevant/Can’t Say” responses and enabled a Satisfaction Index Score that focused entirely upon relevant responses.

The following is an extract from the Colmar Brunton Market Research report:

*The Local Government clients, if they had contact with the Grants Commission over the last financial year, were asked a series of questions about the Commission. 58 (56%) of the 104 Local Governments who took part in this year’s survey had some dealing with the Grants Commission.*

*Table 8 details the satisfaction levels among these 58 respondents regarding their dealings with the Grants Commission. The first column in the table following outlines satisfaction with the Grants Commission’s performance overall. The second column shows satisfaction with the usefulness of the publications and information regarding the grants allocation process, and the final column shows satisfaction with the openness and transparency of the grants allocation process.*

**Table 8. Satisfaction with Grants Commission**

<b>Satisfaction</b>	<b>Grants Commissions Performance %</b>	<b>Usefulness of Publications and Info Regarding Grants Allocations Process %</b>	<b>Openness and Transparency of Grants Allocation Process %</b>
Very Dissatisfied	0	0	0
Dissatisfied	2	0	2
Slightly Dissatisfied	2	2	10
Neither	5	8	5
Slightly Satisfied	13	19	14
Satisfied	66	48	47
Very Satisfied	12	21	22
Not relevant/Can’t say	0	2	0
Totals	100	100	100
<b>Net Dissatisfied</b>	<b>4</b>	<b>2</b>	<b>12</b>
<b>Net Satisfied</b>	<b>91</b>	<b>88</b>	<b>83</b>
Sample Size	n = 58	n = 58	n = 58
<b>Mean rating 2005</b>	<b>5.8</b>	<b>5.8</b>	<b>5.6</b>
<b>Mean rating 2004</b>	<b>5.3</b>	<b>5.4</b>	<b>5.3</b>
<b>Mean rating 2003</b>	<b>5.7</b>	<b>5.5</b>	<b>5.5</b>
<b>Mean rating 2002</b>	<b>5.4</b>	<b>5.6</b>	<b>5.3</b>

Overall, 91% of participants were satisfied with the overall performance of the Grants Commission. 88% were satisfied with the usefulness of publications and information and 83% were satisfied with the openness and transparency of the grants allocation process.

This year, an increase can be seen in the overall mean ratings for each of the three aspects in relation to the Grants Commission, with the overall rating and the usefulness of publications rating being 5.8 out of 7.0. The transparency rating was slightly lower, at 5.6, but was still relatively higher than the previous three years.



**GRANTS COMMISSION'S PUBLIC HEARINGS**

*45% of respondents to this part of the survey indicated that the Grants Commission had conducted a public hearing for their Local Government in the past financial year. This represented 29 respondents, and among this sub-sample, the perceived usefulness of the public hearing process was assessed. Overall, three of these reported that they were very dissatisfied with the usefulness of the public hearing process, and 25 reported that they were satisfied to some degree. This produced an overall mean rating of 5.7.*

**GRANTS TO LOCAL GOVERNMENTS AFFECTED BY BOUNDARY CHANGES**

At its meeting of 1 September 2005 the Grants Commission resolved to modify its policy on grants to councils affected by amalgamations and boundary changes so as to minimise the grants issue as an impediment to rational boundary change. The policy states:

*"That the combined general purpose grant to the newly amalgamated council will be increased every year, for a period of five years, by the annual percentage increase in the pool of funds provided to Western Australia by the Commonwealth Government."*

This policy applies to the allocation of the general purpose (equalisation) component. The policy does not apply to the identified local road component, as this is allocated on an asset preservation basis.

In changing its policy, it should be stated that the Commission itself is not arguing for or supporting boundary change. The Commission believes that any proposal for boundary change should be considered on its merits and as far as possible the grants should not be an issue.

**COMMONWEALTH GOVERNMENT RESPONSE TO THE REPORT – "RATES AND TAXES: A FAIR SHARE FOR RESPONSIBLE LOCAL GOVERNMENT" (THE COST-SHIFTING INQUIRY)**

In May 2002, the House of Representatives Standing Committee on Economics, Finance and Public Administration was asked to conduct an inquiry into local government and cost shifting. The Inquiry was completed in November 2003. On 23 June 2005, the Commonwealth Government announced its response to the 18 recommendations made in the Inquiry report.

**RECOMMENDATION 1**

*The Committee recommends that the Prime Minister and the Treasurer meet with State and Territory Premiers/Chief Ministers and Treasurers and local government to develop a Federal-State inter-governmental agreement which identifies:*

- the roles and responsibilities of local government in delivering Federal and State programs;*
- policy priorities and strategies at the local level;*
- the allocation of funds and resources from the Federal and the State governments to local government in order to fulfil its responsibilities; and*
- the expected performance and funding responsibilities on the part of all levels of government.*

**COMMONWEALTH RESPONSE**

The development of a tripartite inter-governmental agreement on local government relations is supported in principle and the Government has announced that it will pursue the development of such an inter-governmental agreement.

A special roundtable meeting convened by the Local Government and Planning Ministers' Council on 10 June 2004 agreed to further explore the development of an inter-governmental agreement on local government aimed at improving outcomes for local communities. The roundtable agreed that officials, representing the Australian Government, the State and Territory Governments and Local Government Associations, would take this work forward and would provide a progress report to the next meeting of the Ministerial Council.

The text of an inter-governmental agreement will need to be agreed by all spheres of government and will need to be referred for consideration to the Council of Australian Governments.

**RECOMMENDATION 2**

---

*The Committee recommends that local government nominate one representative from each State and the Northern Territory to represent local government at Federal-State inter-governmental agreement negotiations.*

**COMMONWEALTH RESPONSE**

The Australian Government supports this recommendation in principle but will only be one of the parties in these negotiations. It would be up to all the parties involved in developing each inter-governmental agreement to determine whether local government should be represented during negotiations and this would not be appropriate in all circumstances.

**RECOMMENDATION 3**

---

*The Committee recommends that the Minister representing the Minister for Local Government, Territories and Roads propose, as a precursor to the Summit on inter-governmental relations, a resolution that the House of Representatives recognises local government as an integral level of governance of Australia.*

**COMMONWEALTH RESPONSE**

The Australian Government supports a Parliamentary resolution that recognises local government as an integral level of governance in Australia and the Government will propose such a resolution in both Chambers of Parliament.

**RECOMMENDATION 4**

---

*The Committee recommends that, when developing Federal-State inter-governmental agreements, the Federal government consider:*

- *including representation from local government during negotiations; and*
- *requiring a commitment from State governments to identify and provide a share of payments to local government when it is seen as having a significant role in delivery of programs under the agreement.*

**COMMONWEALTH RESPONSE**

The Government supports this recommendation in principle, noting that the participation of local government during the negotiation of Australian Government-State Government inter-governmental agreements would depend on the agreement of all parties and would not be appropriate in all circumstances. Where local government has a direct role in delivering a programme and participates in negotiations, the Australian Government will require the identification of the share of payments that are to be provided to local government.

**RECOMMENDATION 5**

*The Committee recommends that, in line with the Tasmanian Partnership Agreement, Federal and State governments pay rates to local government.*

**COMMONWEALTH RESPONSE**

The Australian Government does not support this recommendation.

The Tasmanian Partnership Agreement includes reciprocal obligations so that local government pays land and payroll taxes to the State Government. It also contains significant exemptions for the State government from paying rates. In some states, local government associations have estimated that such an agreement would leave local government worse off financially and consequently some local government associations do not support this proposal.

Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* signed by Heads of Governments in June 1999, reciprocal taxation was to be progressed on a revenue neutral basis through negotiating a Reciprocal Tax Agreement. However, the inclusion of local government in reciprocal taxation would be administratively and legally complex. It would involve local government rates being applied to both Australian Government and State Government landholdings, and State taxes being applied to local government activities. This would involve a complex three-way revenue neutrality mechanism between the Australian Government, State and Territory Governments and local government. In March 2002, the Ministerial Council for Commonwealth-State Financial Relations agreed that no further action be taken on reciprocal taxation.

One effect of local government financial assistance grants is to compensate local government for its lack of rate revenue from Australian Government land. In some States the Local Government Grants Commission takes into account the impact of non-rateable land on each council directly in determining the council's share of the financial assistance grants.

**RECOMMENDATION 6**

*The Committee recommends that the Prime Minister and the Treasurer meet with State and Territory Premiers and Treasurers and local government representatives to develop a Federal-State inter-governmental agreement which:*

- *recognises cost shifting as a problem which has occurred over a number of years;*
- *allocates revenue to local government from the relevant level of government if responsibilities are devolved;*
- *addresses State restrictions on local government revenue raising such as rate capping, levies and charges and non-rateable land; and*
- *develops local government impact statements to identify the financial impact on local government of legislation by State and Commonwealth governments.*

**COMMONWEALTH RESPONSE**

Under the proposed inter-governmental agreement, the Australian Government will seek to have cost shifting recognised as a problem, to have revenue allocated to local government from the relevant level of government if responsibilities are devolved and to have State restrictions on local government revenue raising addressed.

The development by the Australian Government of local government impact statements is not supported.

**RECOMMENDATION 7**

*The Committee recommends that the Federal government consider extending ANAO's powers to examine the expenditure of Federal SPPs to and through the States to local government.*

**COMMONWEALTH RESPONSE**

The Australian Government has reviewed the possible extension of the Australian National Audit Office's powers to examine the expenditure of Australian Government Specific Purpose Payments to and through the States to local government but has decided against extending those powers.

**RECOMMENDATION 8**

*The Committee recommends that the Minister for Finance issue a direction to all Federal agencies to ensure that all renegotiated and future Federal-State SPP agreements:*

- *describe clear Federal government objectives and measurable outcomes;*
- *specify performance indicators that are directly linked to the objectives to ensure financial accountability;*
- *define the roles and responsibilities of each party to the agreement;*
- *require State governments to report on the volume of funds to be distributed to local government to perform functions; and*
- *disclose the funding adjustments to be applied to State governments in the case of cost shifting to local government.*

**COMMONWEALTH RESPONSE**

The Australian Government already requires that new and renegotiated Special Purpose Payment agreements provide clear Australian Government objectives and measurable outcomes, specify performance indicators that are directly linked to the objectives and define the roles and responsibilities of each party to the agreement.

The Government supports State Governments reporting on the volume of funds to be distributed to local government to perform particular functions.

Disclosure of cost shifting issues will be considered in the context of the negotiation of the proposed inter-governmental agreement.

**RECOMMENDATION 9**

*The Committee recommends that local government bodies be required to audit the state of their infrastructure (using a nationally accepted methodology) and provide status reports to the Commonwealth Grants Commission as one of the inputs into the needs based formula for Federal FAGs to local government.*

- *The infrastructure data collected should be used to adjust FAGs where councils are found to be negligent in managing infrastructure.*

**COMMONWEALTH RESPONSE**

The Australian Government supports efforts to improve the management of local government infrastructure.

The financial assistance grants provide recurrent funding for local governments and allocations to individual authorities do not take into account capital requirements. The Government does not support the proposal that financial assistance grants for councils should be reduced where councils are found to be negligent in managing infrastructure. In rejecting this proposal the Government acknowledges the difficulty of determining when a council may be considered negligent.

The Government recognises that local government authorities may wish to make prudent use of borrowing to finance infrastructure investment and the Minister for Local Government, Territories and Roads will facilitate consultation between key stakeholders, including the State and Territory Governments and local government, on impediments to such prudent borrowing.

**RECOMMENDATION 10**

*The Committee recommends that SPPs directed to local government, such as roads, should be conditional on States not reducing their effort.*

**COMMONWEALTH RESPONSE**

The Australian Government supports this recommendation.

The Government programmes of tied road funding to local government, the *Roads to Recovery* and *National Blackspot* programmes and the AusLink programme, contain this condition.

**RECOMMENDATION 11**

*The Committee recommends that the Local Government and Planning Ministers' Council establish a body along the lines of the UK IDeA to address capacity building. This body should also oversee the Federal and State governments' best practice awards.*

**COMMONWEALTH RESPONSE**

This recommendation needs to be considered by the Local Government and Planning Ministers' Council.

The Minister for Local Government, Territories and Roads will pursue local government capacity building by seeking to enhance the National Awards for Local Government through the Local Government and Planning Ministers' Council.

**RECOMMENDATION 12**

*The Committee recommends that the Federal government establish a Local Government Liaison Unit to:*

- *liaise with State departments of Local Government and local government peak bodies to strengthen Federal/State/local relations;*
- *provide the contact point and conduit for local government at the Federal level and provide information on new Federal initiatives, policies and programs;*
- *receive feedback on the performance of Federal programs and any cost shifting occurrences; and*
- *coordinate periodic strategic meetings and policy briefings for a Federal and local government officers' forum and other interested parties as required.*

**COMMONWEALTH RESPONSE**

The Australian Government does not support the need to establish a new Local Government Liaison Unit. The functions identified for such a unit are largely provided by the Local Government Branch within the Department of Transport and Regional Services. Agencies also use the Australian Local Government Association for disseminating information on Australian Government initiatives, policies and programmes. The Government liaises with State and Territory Departments of Local Government and local government peak bodies through periodic meetings of the Local Government and Planning Ministers' Council and the Local Government Roundtable.

**RECOMMENDATION 13**

*The Committee recommends that the Commonwealth Grants Commission, in consultation with the LGGCs in each State, assess the efficiencies of amalgamations or regional cooperation of local government, and use available mechanisms to adjust FAGs grants for the benefit of the sector at large.*

- *To facilitate amalgamations, where appropriate, councils should not be financially penalised through a net loss of FAGs payments for four years.*

**COMMONWEALTH RESPONSE**

The Australian Government does not support the use of the Commonwealth Grants Commission to assess the efficiencies of amalgamations or regional cooperation.

The Government does, however, agree that the financial assistance grants should not be seen to financially penalise councils which amalgamate. The Minister for Local Government, Territories and Roads will propose a new National Principle under the *Local Government (Financial Assistance) Act 1995* specifying that financial assistance grants for amalgamated councils be maintained for four years after an amalgamation so that the grants do not act as a disincentive to voluntary amalgamation. It is intended that funding for the amalgamated council for the four years would be determined as if the councils had not amalgamated. The Minister will consult with State and Territory Ministers for Local Government and with local government on the variation to the National Principles as required under the Act.

**RECOMMENDATION 14**

*The Committee recommends that the Federal government:*

- *continue to develop partnership arrangements with local government on the delivery of Federal programs and service delivery; and*
- *as appropriate, engage established regional organisations of councils, or similar regional bodies, which have demonstrated capacity, in regional planning and service delivery.*

**COMMONWEALTH RESPONSE**

The Australian Government supports this recommendation.

**RECOMMENDATION 15**

*The Committee recommends that the Commonwealth, States and local governments consider what tax design improvements would be necessary to eliminate tax on tax effects arising out of the GST.*

**COMMONWEALTH RESPONSE**

Division 81 of the GST Act has the effect of allowing a determination by the Australian Government Treasurer to list certain taxes, fees and charges that are not subject to GST. However, the determination can only make the payment of a compulsory tax, fee or charge to Government not subject to GST. Stamp duties are usually included in the Division 81 list. This means that the GST does not apply to stamp duty when paid to the State revenue collection authority.

Stamp duties are State taxes and the calculation of those duties is determined by the States. Individual States can decide whether their stamp duties are levied on a GST inclusive or exclusive price and whether to adjust the rate of stamp duty accordingly.

However, the States have recently indicated that they are not willing to remove these tax effects. For example, the abolition of stamp duty on general insurance products was recommended by the Royal Commission into the failure of the HIH Insurance Group. The Royal Commission also recommended that the states exclude the cost of

the GST for the purposes of calculating stamp duties or other levies that are imposed on insurance premiums. The Treasurer wrote to the States on 11 September 2003 encouraging them to carefully consider the recommendations and to take appropriate action. However, the States have strongly resisted the implementation of these recommendations to date.

#### **RECOMMENDATION 16**

*The Committee recommends that a new methodology for the distribution of FAGs to local government be designed which incorporates the following elements:*

- *a national model which is consistent across each Local Governing Body;*
- *distribution of funds on equalisation principles ie on the basis of need;*
- *funds to be paid direct to local government;*
- *funds to remain untied and be allocated from one pool;*
- *data on local conditions/factors to be provided by LGGCs;*
- *a weighted factor be applied to indigenous community councils to ensure their level of disadvantage is taken into account;*
- *appropriate acquittal arrangements; and*
- *a new model, as presented by Professor Farish, to be designed by a Federal and Local Government Finance Advisory Group of experts and phased in over three years, with the process to be facilitated by the Commonwealth Grants Commission.*

#### **COMMONWEALTH RESPONSE**

The Australian Government does not support this recommendation.

The current system of distribution of financial assistance grants aims to achieve a balance between national consistency in the different methodologies to allocate grants within States and Territories and the need for flexibility in accommodating local variations in services provided by local government and in available data. The Government will continue to promote greater consistency between the differing methodologies through regular exchange of view between the State Local Government Grants Commissions.

The Government supports the continuation of the minimum grant whereby all councils receive a proportion of financial assistance grants funding based on population.

The Government acknowledges the apparent disadvantage to South Australia in the current interstate distribution of the identified roads component of the financial assistance grants. This disadvantage was addressed in the interim by the Prime Minister's announcement on 15 March 2004 of additional local roads funding for South Australia of \$26.25 million over the three years to 2006–07.

The Government will ask the Commonwealth Grants Commission to review the current interstate distribution of the identified roads component of the financial assistance grants and to report back to Government by 30 June 2006. The Government will provide a long term solution to South Australia's disadvantage after the Commonwealth Grants Commission reports.

#### **RECOMMENDATION 17**

*The Committee recommends that COAG host a Summit in 2005 on Inter-governmental Relations:*

- *to report on the implementation of the Committee's recommendations;*
- *to review:*
  - *SPPs paid to States and Territories with a view to isolating funds for direct payment to local government;*
  - *the relevant anomalies of A New Tax System;*

- *the revenue raising capacity of councils with consideration of financial penalties for States and Territories which fail to adequately support or deliberately suppress that capacity; and*
- *successful State/local government partnerships and the opportunities for Federal government participation in those partnerships;*
- *to determine processes to develop:*
  - *methods to resolve duplication and overlap of service provision;*
  - *a fully responsible financial role for local government free from policies that arbitrarily limit revenue raising capacity from their normal sources;*
  - *a direct financial relationship between the Commonwealth and local government;*
  - *a national methodology for local government bodies to evaluate their infrastructure needs and requirements; and*
  - *a set of principles to reduce cost shifting and unfunded mandates and to ensure that Commonwealth and State and Territory responsibilities administered by local government are adequately funded.*

#### **COMMONWEALTH RESPONSE**

The Australian Government does not support the recommendation for a Summit on inter-governmental relations at this time and believes that many of the issues identified in this recommendation will be considered by the Local Government and Planning Ministers' Council in the development of an inter-governmental agreement.

The Government does agree with the Committee on the importance of local government authorities having the capacity to raise revenue from their own sources and will ask the Productivity Commission to examine this issue.

#### **RECOMMENDATION 18**

*The Committee recommends that the Federal Treasurer assume responsibility for the financial relationship with local government.*

#### **COMMONWEALTH RESPONSE**

The Australian Government does not support this recommendation. Responsibility for the financial relationships with local government is to remain with portfolio Ministers.

### **INQUIRY INTO THE LOCAL GOVERNMENT AND RATING SYSTEM AND DISTRIBUTION OF FUNDS**

The Local Government Grants Commission made a submission to the Legislative Council Standing Committee on Public Administration and Finance Inquiry into the Local Government Rating System and Distribution of Funds, which was created in October 2003. The following recommendations were brought down by the Committee in November 2004:

#### **RECOMMENDATION 1:**

The Committee recommends that if there are to be future State Agreement Acts that:

- they do not automatically impose rating restrictions on local government authorities; and
- the State will not generally seek to include such provisions in State Agreement Acts, consistent with recent practice.

#### **RECOMMENDATION 2:**

The Committee recommends that the current *Local Government and Department of Industry and Resources Protocol for future State Agreements and resource projects of significance to the State* be maintained.



**RECOMMENDATION 3:**

The Committee recommends, in order to ensure that local government authorities (when being consulted about a future State Agreement Act) are not precluded by budgetary constraints from obtaining independent expert advice, that the State Government examines and considers making available reasonable financial provision for such independent expert advice.

**RECOMMENDATION 4:**

The Committee recommends that the Western Australian Local Government Grants Commission, in its grant determination process, make allowance in respect of the fly-in/fly-out workers who use facilities provided by a local government authority where the primary place of residence of those workers is not within that local government authority's rating jurisdiction.

## **CHAPTER THREE: CHANGES TO THE COMMISSION'S CALCULATION METHODS**

### **CHANGES IN POPULATION**

The Commission has used the latest (30 June 2004) ABS estimated resident population estimates (Cat. No. 3234.5) in the calculation of standards.

### **EQUALISATION FUNDING**

#### **AVERAGING OF EQUALISATION REQUIREMENT**

The 2005-06 grants are based on a four-year average of Preliminary Equalisation Requirement of local governments. In using a four-year average, the Commission took the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years were those remaining once the years with the highest and lowest equalisation requirement were dropped from the five year period).

This is different to the average previously used by the Commission where it took the equalisation requirement for the previous six years but dropped the years with the highest and lowest equalisation requirement of the six figures out of the average. Using this method, there was no guarantee that the most recent year would be included in the average.

The Commission has changed the averaging method in response to submissions made by a number of local governments. It is also considered that including the most recent year in the averaging calculation provides more currency to the current year grant allocation.

### **MAXIMUM REDUCTION**

In reviewing the grant allocations derived from the final model, the Commission again decided limit any decreases to an individual local government to a maximum of 15%. The Shire of Augusta-Margaret River is the only local government to be affected by applying this limit.

### **MINIMUM GRANTS**

For most local governments, the assessed expenditure needs exceed the assessed revenue capacity. In a number of cases, assessed revenue capacity is greater than assessed expenditure needs, particularly in metropolitan local governments. However, these local governments still receive a grant. Federal legislation requires that local governments do not get less than 30% of what they would have been allotted had the funding been distributed solely on the basis of population.

In the 2005-06 assessment, there were 30 local governments (mainly metropolitan) which received grants based on this minimum grant provision (\$16.76 per capita). Together these local governments accounted for \$24.7 million of the \$111.071 million general purpose funding pool (and 74.3% of the State population). For the first time, the City of Bunbury and Shire of Kalamunda received the minimum entitlement only.

## REVENUE STANDARDS

Revenue standards were adopted by the WALGGC for Residential, Commercial and Industrial Rates, Agricultural Rates, Pastoral Rates, Mining Rates and Other Revenue, as well as Building Control charges and Recreation and Culture charges, consistent with previous years.

## EXPENDITURE STANDARDS

There were no significant changes in the methods of calculation of the expenditure standards compared to 2004-05 and previous years, however there were some minor changes.

### *LAW, ORDER AND PUBLIC SAFETY*

The Commission has continued with four categories of assessing this expenditure category. This is due to the (historically) different arrangements for fire fighting. However, the law and order component of the assessment is now calculated as a single standard for all councils, rather than within each category, as was the previous practice. This is considered an improvement to the equalisation methodology.

### *TRANSPORT*

As in previous years, transport needs were calculated for each local government by adding non-road expenditure items (footpaths, street lighting, laneways and aerodromes) to road preservation needs obtained from the Asset Preservation Model.

The transport assessments overall have reduced by 4.3% as a result of inclusion of Roads to Recovery grants in the assessment. The change in assessments for individual councils is greater or lesser than this figure, depending on the change in asset preservation needs, and the amount of asset preservation grants. The Commission has also changed its method of including aerodromes, and councils with aerodromes have generally benefited from increased assessment.

## DISABILITY FACTORS

Once again, a broad range of disability factors has been applied. A number of factors have been updated to reflect more current information (eg heritage, drainage, jetties and boat ramps factors).

Some minor amendments were made to the Extraordinary Planning, Medical Facilities and Population Dispersion factors. In general, these amendments affected only a small number of councils.

The Commission retained the Indigenous factor adopted in 2004/05, but has moved its application from the Education, Health and Welfare standards to the Governance standard. This resulted in increased allowances for relevant councils.

A new allowance was introduced for those local governments which have a disproportionate number of public toilets, primarily to recognise the impact of tourists. Information was sourced from the Commonwealth Department of Health and Ageing, who produce a National Public Toilet map, covering approximately 1,700 public toilets in WA. This information was analysed to establish those councils with a disproportionate number of facilities to maintain.

The Commission has provided an allowance of \$2,000 per public toilet (above the expected number to service the resident population).

The Commission includes in the Communities Amenities assessment an Environmental Allowance, which is based on a number of indicators, including the State of the Environment Report, land salinity, and the number of council managed reserves with declared species. The Commission has increased the allowances for coastal councils by \$10,000 to recognise the environment management costs incurred by coastal councils.

The Commission has adopted a new factor, to recognise the additional expenditure needs (and revenue capacity) incurred by Regional Centres. The Commission has recognised two tiers of regional centres, the first level (Albany, Bunbury, Geraldton, Kalgoorlie-Boulder, Narrogin, Northam) receive a factor of 1.10, and a second level (10 centres) a factor of 1.03. This decision has come about after many submissions, research and discussions on the issue. In applying this new factor, these councils will no longer receive the benefit of Adjusted Population, which is used as the key driver of a number of expenditure categories, as this would be a doubling up of the recognition of regional centres. All local governments except the City of Geraldton are expected to benefit from this change (The used Adjusted Population was retained for the City of Geraldton).

The Location factor was also updated. The proposed changes generally bring factors down and there are large downward movements in standards for some councils. This appears to be a reflection of the reduced difference in relativities in award rates of pay and is probably a result of the increase of workplace/enterprise/employee bargaining agreements. The Building Index numbers have also contributed to this, with two or three minor increases, the majority of figures set to the same level and around 30 or so councils being reduced.

## **LOCAL ROAD FUNDING**

Under the current principles 7% of the Federal funds is allocated for special projects (one-third for roads serving Aboriginal communities and two-thirds for major bridge works). The remaining 93% is distributed according to the Asset Preservation Model. The amounts involved are:

Roads Serving Aboriginal Communities	\$ 1,773,246
Bridges	\$ 3,546,492
Amount for distribution	\$70,661,649
<b>Total</b>	<b>\$75,981,387</b>

## **SPECIAL PROJECTS – ROADS SERVING ABORIGINAL COMMUNITIES**

The Commission is advised by the Aboriginal Roads Committee, which comprises representatives from the WA Local Government Association, Main Roads WA, Department of Indigenous Affairs as well as the Local Government Grants Commission. The Aboriginal Torres Islander Commission was represented until it was disbanded in July 2004. Arrangements are being made for the Office of Indigenous Policy Coordination to nominate a representative on the Aboriginal Roads Committee.

The aim of the Committee is to ensure that the funds are allocated in accordance with the needs of the Aboriginal communities.

The Committee has established funding criteria based on factors including the number of Aboriginal people served by a road, the distance of a community from a sealed road, the condition of the road, the proportion of traffic serving Aboriginal communities and the availability of an alternative access. These criteria have provided a rational method of assessing priorities in developing a Five Year Program.

Approved allocations for 2005-06 are listed in Appendix 3. For every \$2 allocated through WALGGC, Main Roads WA provides a matching \$1.

### **SPECIAL PROJECTS – BRIDGES**

A Bridge Committee advises the Commission on priorities for allocating funds for bridges. Membership of the Committee is made up of representatives from WALGGC, WA Local Government Association, and Main Roads WA. The Committee receives recommendations from Main Roads on the priorities of projects under consideration. These recommendations are the outcome of an ongoing program of inspecting and evaluating the condition of local government bridges.

Approved allocations for 2005-06 are listed in Appendix 2. For every \$2 allocated through the WALGGC, Main Roads WA provides a matching \$1.

### **DISTRIBUTION OF THE 93% COMPONENT**

These funds are distributed in accordance with road preservation needs determined by the Commission's Asset Preservation Model. The model assesses the average annual costs of maintaining each local government's road network and has the facility to equalise road standards through the application of minimum standards. These standards help local governments that have not been able to develop their roads to the same standard as more affluent local governments.

Allowances are made for heavy traffic on gravel roads where councils have provided traffic count statistics.

New asset preservation needs have been determined using updated road statistics provided by Main Roads WA. Road costs have been adjusted for inflation.

Changes for individual councils vary because of changes in road statistics and allowances for heavy traffic.

Most of the changes in road grants are less than 5%. 26 councils will receive an increase of 6% or more, while five councils will receive decreases, mostly less than 1%. The largest increases were 14.6% for Meekatharra, 14.8 % for Sandstone, 25.4% for Menzies and 25.4% for Dundas. The large increase for Menzies is because Council has accepted responsibility for 233 kilometres of access roads associated with the Tjuntjuntjarra Aboriginal Community, while the increase for Dundas is due to increased traffic on the Norseman Hyden Road.

## **CHAPTER FOUR: THE YEAR AHEAD**

In addition to the Commission's normal activities of completing the grant determinations and visiting councils for public hearings and so on, there will be a number of other major initiatives and issues to follow up during the year.

### **RESEARCH PROJECTS**

The Commission intends to undertake reviews and further work on a number of other aspects of Commission methodology:

- i. Non-rate Revenue;
- ii. Sanitation and Refuse;
- iii. Environment Allowance;
- iv. Growth and Development and related disabilities;
- v. Aboriginal Environmental Health Allowance;
- vi. Adjusted Population.

## **STATEMENT OF COMPLIANCE**

Compliance with Electoral Act 1907 Section 175ZE(1)

Any public agency required to publish an Annual Report under the FAAA or any other law is required under section 175ZE (1) to include a statement in the annual report setting out the details of all expenditure in relation to:

- advertising agencies;
- market research organisations;
- polling organisations;
- direct mail organisations; and
- media advertising organisations

detailing the amount of the expenditure and in relation to each class of expenditure constituted by subsection (1) the amount of the expenditure for the class, and the name of each person, agency or organisation to whom an amount was paid.

In compliance with the above, the following is submitted for the year in review:

Nil expenditure.

**APPENDIX 1****NATIONAL PRINCIPLES FOR ALLOCATING FINANCIAL ASSISTANCE GRANTS**

**A** The National Principles relating to the allocation of general purpose grants payable under section 9 of the *Local Government (Financial Assistance) Act 1995* (the Act) among local governing bodies are as follows:

**1. HORIZONTAL EQUALISATION**

General purpose grants will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the Act. This is a basis that ensures that each local governing body in the State or Territory is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State or Territory. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.

**2. EFFORT NEUTRALITY**

An effort or policy neutral approach will be used in assessing expenditure requirements and revenue-raising capacity of each local governing body. This means as far as practicable, policies of individual local governing bodies in terms of expenditure and revenue effort will not affect grant determination.

**3. MINIMUM GRANT**

The minimum general purpose grant allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30 per cent of the total amount of general purpose grants to which the State or Territory is entitled under Section 9 of the Act in respect of the year were allocated among local governing bodies in the State or Territory on a per capita basis.

**4. OTHER GRANT SUPPORT**

Other relevant grant support provided to local governing bodies to meet any of the expenditure needs assessed should be taken into account using an inclusion approach.

**5. ABORIGINAL PEOPLES AND TORRES STRAIT ISLANDERS**

Financial assistance shall be allocated to councils in a way, which recognises the needs of Aboriginal peoples and Torres Strait Islanders within their boundaries.

**B** The National Principle relating to the allocation of the amounts payable under section 12 of the Act (the identified road component of the financial assistance grants) among local governing bodies is as follows:

**1. IDENTIFIED ROAD COMPONENT**

The identified road component of the financial assistance grants should be allocated to local governing bodies as far as practicable on the basis of the relative needs of each local governing body for roads expenditure and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each local governing area.



## EXPLANATORY STATEMENT

### LOCAL GOVERNMENT FINANCIAL ASSISTANCE PROGRAMME

#### DISALLOWABLE INSTRUMENT PURSUANT TO SUB-SECTION 6 (1) OF THE LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) ACT 1995

##### CONTEXT

The Minister, following extensive consultations with State/Territory Local Government and Local Government Association officials and with the relevant State Ministers, has formulated these National Principles. These Principles were formally agreed by the Commonwealth, State/Territory Ministers and Australian Local Government Association at the April 1995 Local Government Ministers' Conference.

##### BACKGROUND

Following discussion at the Local Government Minister's Conference in June 1993, the Commonwealth announced a review of processes associated with payments made to Local Government under the *Local Government (Financial Assistance) Act 1986*.

The Australian Urban and Regional Development Review Discussion Paper No 1 "Financing Local Government" was released in February 1994 as part of the review.

As a result of this discussion paper, the review commissioned subsequent studies, one specifically relating to aspects of various States allocation methodologies.

The methodologies study (Discussion Paper No 2 "Local Government Funding Methodologies") found that:

- (a) there are seven different models operating in the nation; and
- (b) the current process, requiring the Minister to approve grant allocation principles on a State by State basis, is of little relevance in ensuring equity in distribution or of allowing for monitoring of outcomes.

The review of the legislation led to the enactment of the *Local Government (Financial Assistance) Act 1995*. The new legislation includes the requirement to establish national principles by way of a disallowable instrument.

##### PURPOSE AND EFFECT OF THE INSTRUMENT

The main objective of having national principles in lieu of bilateral principles is to establish a more nationally consistent and transparent basis for allocating funds to local governing bodies. These principles reflect existing and well-established distribution practices of the Commonwealth Grants Commission and of most State and Territory Local Government Grants Commissions. Application of common principles will ensure, subject to the particular methodologies of the State and Territory Grants Commissions, that similar councils receive similar grants, at least in relative terms.

**LEGISLATION PURSUANT TO WHICH THE INSTRUMENT IS MADE**

This instrument is made pursuant to the *Local Government (Financial Assistance) Act 1995*. The purpose of that Act is to provide financial assistance to the States and Territories for the purpose of improving:

- the financial capacity of local government bodies;
- the capacity of local government bodies to provide their residents with an equitable level of services;
- the certainty of funding for local governing bodies;
- the efficiency and effectiveness of local governing bodies; and
- the provision by local governing bodies of services to Aboriginal and Torres Strait Islander communities.

The financial assistance is provided to the States and Territories for local government purposes in the form of general grants under section 9 and additional funding for local roads in accordance with recommendations of Local Government Grants Commissions who are required to make their recommendations in accordance with the National Principles for 1996-97 financial year and later years.

## EXPLANATION OF THE NATIONAL PRINCIPLES

### **PRINCIPLE A1. (HORIZONTAL EQUALISATION)**

*This principle is the basis that ensures that each local governing body in the State/Territory is able to function by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.*

### **PRINCIPLE A2. (EFFORT NEUTRALITY)**

*This principle allows for the use of effort or policy neutral approach in assessing expenditure requirements and revenue raising capacity of each local governing body. This means that, as far as practicable, policies of individual local governing bodies in terms of expenditure and revenue effort will not affect the grant determination.*

### **PRINCIPLE A3. (MINIMUM GRANT)**

*This principle requires that the minimum general grant allocation for a local governing body in a year will be not less than the amount to which the local governing body would be entitled if 30% of the total amount of general grant funds for the State/Territory in respect of the year were allocated among local governing bodies in the State/Territory on a per capita basis. The effect of this is to provide each local governing body with a guaranteed minimum grant.*

*In summary, Principles A1 to A3 (Horizontal Equalisation, Effort Neutrality and Minimum Grant) reiterate principles that exist within the current legislation. Their inclusion in the National Principles contributes to the balance and completeness of the National Principles and allows for clarification of their definitions.*

### **PRINCIPLE A4. (OTHER GRANT SUPPORT)**

*This principle requires the recognition and application of certain relevant grants from other sources against council expenditure needs. The issue here is to account for revenue from other sources provided for the purpose of delivering certain local government services.*

### **PRINCIPLE A5. (ABORIGINAL PEOPLES AND TORRES STRAIT ISLANDERS)**

*This principle requires financial assistance to be allocated in a way which recognises the needs of Aboriginal peoples and Torres Strait Islanders. The Principle addresses the specific need for the provision of equitable council services to Aboriginal peoples and Torres Strait Islander communities and indicates that the level of grants received by councils reflects the Aboriginal and Torres Strait Islander population within council boundaries.*

### **PRINCIPLE B1. (IDENTIFIED ROAD FUNDING)**

*This principle relates to the allocation of the local road funding component of the financial assistance grants and replaces the existing prescriptive bilateral principles, highlighting the requirement to focus on road expenditure needs of local governing bodies as well as the requirement to preserve current road assets. The principle recognises the variations across States and that the Local Government Grants Commissions are best placed to determine the detailed methodologies to meet the national principle.*

## APPENDIX 2

## SPECIAL PROJECT BRIDGE FUNDING 2005-06

LOCAL GOVERNMENT	ALLOCATION
Armadale (City)	\$30,000
Boyup Brook (Shire)	\$76,000
Busselton (Shire)	\$36,000
Capel (Shire)	\$630,492
Chittering (Shire)	\$134,000
Dardanup (Shire)	\$20,000
Donnybrook-Balingup (Shire)	\$172,000
Dumbleyung (Shire)	\$382,000
Gingin (Shire)	\$86,000
Goomalling (Shire)	\$154,000
Gosnells (City)	\$50,000
Kellerberrin (Shire)	\$40,000
Kojonup (Shire)	\$20,000
Manjimup (Shire)	\$568,000
Murray (Shire)	\$306,000
Nannup (Shire)	\$120,000
Narrogin (Shire)	\$18,000
Northam (Shire)	\$10,000
Pingelly (Shire)	\$50,000
Plantagenet (Shire)	\$12,000
Quairading (Shire)	\$302,000
West Arthur (Shire)	\$4,000
Wongan-Ballidu (Shire)	\$150,000
York (Shire)	\$176,000
<b>TOTAL</b>	<b>\$3,546,492</b>

## APPENDIX 3

**SPECIAL PROJECTS FEDERAL FUNDING 2005-06  
ROADS SERVING REMOTE ABORIGINAL COMMUNITIES**

LOCAL GOVERNMENT	ROAD	ALLOCATION
Ashburton (Shire)	Ngurrawanna	\$4,000
Broome (Shire)	Cape Leveque	\$164,000
	Bidyadanga (La Grange)	\$20,000
Derby-West Kimberley (Shire)	Cherrabun	\$16,000
	Fossil Downs	\$16,000
	GHD Gee Gully	\$36,000
East Pilbara (Shire)	Punmu Access	\$64,000
	Kiwirrkurra Access	\$66,000
	Talawana Track	\$72,000
	Jiggalong	\$60,000
	Kunawarritji	\$66,000
	Jupiter Well Access	\$58,000
Halls Creek (Shire)	Tanami	\$164,000
	Gordon Downs	\$54,000
Kalgoorlie (City)	Trans Access	\$50,000
Laverton (Shire)	Great Central	\$70,000
Menzies (Shire)	Tjuntjuntjarra	\$60,000
Ngaanyatjarraku (Shire)	Great Central	\$96,000
	Warburton Blackstone	\$106,000
	Giles Mulga Park	\$78,000
	Warakurna Com Access	\$3,000
	Tjukurla Com Access	\$28,000
	Jameson Wanarn	\$20,000
	Wingellina Com Access	\$3,000
	Tjirrkarli Com Access	\$28,000
	Wanarn Com Access	\$4,000
	Patjarr Com Access	\$50,000
	Kanpa Access (Bail Facility)	\$5,246
Port Hedland (Town)	Yandeyarra	\$36,000
Upper Gascoyne (Shire)	Landor Mt Augustus	\$68,000
Wiluna (Shire)	Sandstone Wiluna	\$28,000
Wyndham East Kimberley (Shire)	Gibb River Kalumburu	\$180,000
<b>TOTAL</b>		<b>\$1,773,246</b>

## APPENDIX 4

## FINANCIAL ASSISTANCE GRANTS 1974-75 – 2005-06

## ALLOCATION TO LOCAL GOVERNMENTS IN WESTERN AUSTRALIA

YEAR	EQUALISATION FUNDING \$	IDENTIFIED LOCAL ROAD FUNDING \$			TOTAL \$
		93% ALLOCATION	SPECIAL PROJECTS ALLOCATION - BRIDGES	SPECIAL PROJECTS ALLOCATION – ABORIGINAL COMMUNITY ACCESS ROADS	
1974-75	4,959,000				4,959,000
1975-76	7,524,000				7,524,000
1976-77	13,162,000				13,162,000
1977-78	15,524,000				15,524,000
1978-79	16,848,000				16,848,000
1979-80	20,821,000				20,821,000
1980-81	28,243,000				28,243,000
1981-82	32,945,000				32,945,000
1982-83	39,858,000				39,858,000
1983-84	43,130,000				43,130,000
1984-85	45,684,000				45,684,000
1985-86	50,326,000				50,326,000
1986-87	54,477,000				54,477,000
1987-88	59,285,000				59,285,000
1988-89	59,892,000				59,892,000
1989-90	64,821,000				64,821,000
1990-91	67,606,000				67,606,000
1991-92	69,717,000	45,816,903	2,897,575	688,170	119,119,648
1992-93	70,387,416	46,830,231	2,586,497	998,000	120,802,144
1993-94	71,814,708	47,779,872	2,418,497	1,166,000	123,179,077
1994-95	73,171,707	48,603,474	2,400,000	1,200,000	125,375,181
1995-96	76,803,740	50,680,923	2,543,147	1,271,573	131,299,383
1996-97	80,663,797	53,179,716	2,656,489	1,328,244	137,828,246
1997-98	81,291,066	52,647,863	2,659,955	1,329,978	137,928,862
1998-99	83,388,788	53,623,751	2,716,660	1,358,330	141,087,529
1999-00	86,117,505	55,249,393	2,784,280	1,392,140	145,543,318
2000-01	89,856,404	57,800,082	2,899,589	1,449,794	152,005,869
2001-02	93,749,256	60,429,614	3,015,222	1,507,611	158,701,703
2002-03	98,042,460	64,291,354	3,149,415	1,574,707	167,057,936
2003-04	102,482,222	66,208,900	3,308,171	1,654,086	173,653,379
2004-05	105,502,589	67,297,627	3,387,360	1,693,680	177,881,256
2005-06	110,644,427	71,014,353	3,546,492	1,773,246	186,978,518
<b>Total</b>	<b>1,918,738,085</b>	<b>841,454,056</b>	<b>42,969,349</b>	<b>20,385,559</b>	<b>2,830,245,456</b>

## APPENDIX 5

## EQUATIONS USED IN CALCULATION OF STANDARDS 2005-06

**REVENUE STANDARDS****RESIDENTIAL AND COMMERCIAL/INDUSTRIAL RATES**

$$\text{Standard} = (\$137.60 * \text{RCIAssmt}) + (5.804c \text{ in } \$ * \text{RCIValuations})$$

RCIValuations: Average Total Equalised Gross Rental Values (GRV) of Residential and Commercial/Industrial Property in the period 2001/02 to 2003/04

RCIAssmt: Average Number of Rateable Assessments provided for the period 2001/02 to 2003/04

**MINING RATES**

$$\text{Standard} = [(113.61 * \text{Tlease/MiningAssmt234}) + (0.086625 * \text{MinVal234})] * 0.9587$$

Tlease/MiningAssmt234: Total Number of Mining Leases and Licences registered, or Assessments for the period 2001/02 to 2003/04

MinVal234: Total Unimproved Mining Valuations for the period 2001/02 to 2003/04

**AGRICULTURAL RATES**

$$\text{Standard} = \$0.002286\text{val} + \$1.444\text{area} + \$358.05\text{assmts}$$

TVal234: Total Average Agricultural Valuations for the period 2001/02 to 2003/04

VGArea: Total Average Agricultural Land Area in Hectares for Agricultural Valuations for the period 2001/02 to 2003/04 (Note: Waste (salt and rock) have been excluded)

**PASTORAL RATES**

$$\text{Standard} = 0.06909 * \text{PstValuations}$$

PstValuations: Total Average Pastoral Valuations for the period 2001/02 to 2003/04

**OTHER REVENUE**

$$\text{Standard} = \text{Individual Assessments}$$

**RECREATION AND CULTURE CHARGES**

$$\text{Standard} = \$38.82 \times \text{AdjPop04}$$

AdjPop04: Estimated Service Population derived from formula (Population + Net additional Employment) based on ABS statistics, Employment derived from Business Register

**EXPENDITURE STANDARDS****GOVERNANCE**

$$\text{Standard} = ((\$37.25 * \text{RateAssmt}) + (\$37.76 * \text{AdjPop04})) + \$137,493$$

RateAssmt: Total no. of Rates Assessments for the period 2001/02 to 2003/04  
(Average)

AdjPop04: Estimated Service Population derived from formula (Population + Net additional Employment) based on ABS statistics, Employment derived from Business Register

**LAW, ORDER AND PUBLIC SAFETY**

$$\text{Standard} = \text{Category 1: } (\$19.68 * \text{Pop04}) + (\$1.29 * \text{Dwell2004})$$

$$\text{Standard} = \text{Category 2: (City of Perth): Actual Expenditure}$$

$$\text{Standard} = \text{Category 3: } (\$19.68 * \text{pop}) + (\$199.85 * \text{dwellings outside WAFRS})$$

$$\text{Standard} = \text{Category 4: } (\$19.68 * \text{pop}) + (\$115.99 * \text{dwellings outside WAFRS})$$

Pop04: Estimated Resident Population in Statistical Local areas in WA, 30 June 2003, & 30 June 2004

Dwell2004: Estimated Stocks of Dwellings in WA, as at June 2001 Census, increased by dwelling approvals in 2001/02, 2002/03 and 2003/04

Dwellings Outside WAFRS: Number of Dwellings outside the protection of WAFRS;  
Dwellings protected by Bush Fires Brigades

**EDUCATION, HEALTH AND WELFARE**

$$\text{Standard} = \$38.39 * \text{Pop04} * \text{SPG Factor } 0.488$$

**COMMUNITY AMENITIES**

$$\text{Standard} = \$16.00 * \text{AdjPop04} * \text{SPG Factor } 0.942$$

**RECREATION AND CULTURE**

$$\text{Standard} = (\$70.18 * \text{AdjPop04}) + (179.42 * \text{dwellings}) + \$78,570$$

**TRANSPORT**

$$\text{Standard} = \text{Factored back APM needs} + \text{aerodrome allowance} - \text{Total preservation grants}$$

**BUILDING CONTROL**

$$\text{Standard} = 1.04 * ((2.42 * \text{VTBld234}) + (82.90 * \text{Size04}))$$

VTBld234: Estimated Total Value of Building Activity for the period 2001/02 to 2003/04

Size04: Formula Assessment =  $[(10.1 * \text{BAILs01}) + \text{DWELL2004}] / 2$



## APPENDIX 6

**DISABILITY FACTOR SCHEDULE FOLLOWED FOR 2005-06  
BALANCED BUDGET DETAILED CALCULATIONS**

DISABILITY FACTOR	INTRODUCED	LAST REVIEW	NEXT REVIEW
Aboriginal Environmental Health	1994-95	2004-05	2006-07
Climate	1986-87	2001-02	2006-07
Coastal	1986-87 (as beaches)	Superseded by the Environmental Allowance	—
Cyclone	1997-98	2002-03 Amended	2007-08
Development	1993-94	2002-03 Updated	2006-07
Drainage	1987-88	2004-05	Annual update
Environmental Allowance	2001-02	2005-06 Extended	2007-08
Environmental Assessment	1998-99	2005-06 Updated	2009-10
Extraordinary Planning	2001-02		2006-07
Health Special	1995-96	2001-02	2006-07
Heritage	1995-96	2004-05	Annual update
Hobby Farms	1995-96	2001-02	2006-07
Indigenous	2004-05		2008-09
Jetties Boat Ramps	2001-02		Updated as data becomes available
Location	1986-87 (as distance and isolation)	2005-06	2008-09
Medical	2002-03		2007-08
Population Dispersion	1986-87	2004-05	2008-09
Public Toilet Allowance	2005-2006		2009-2010
Regional Centres	2005-2006		2009-2010
Salinity/Landcare	1998-99	Superseded by the Environmental Allowance	—
Size/Shape	1986-87	2002-03	2006-07
Socio-Economic Disadvantage	1994-95	2004-05	2009-10
Special Needs	Various		
Terrain	1986-87	2001-02	2006-07
Tourism	1986-87	2001-02	Discontinued
Water Supply	1986-87	2003-04	2008-09

## APPENDIX 7

## 2004-05 INFORMATION RETURN

The Local Government Grants Commission would like to extend its sincere thanks to those 126 local governments who submitted their 2004 Information Return by the end of December 2004 and thereby facilitated the timely determination of grants.

Albany	East Fremantle	Narrogin (T)
Armadale	Esperance	Nedlands
Ashburton	Exmouth	Ngaanyatjarraku
Bassendean	Fremantle	Northam (S)
Bayswater	Geraldton	Northam (T)
Belmont	Gingin	Northampton
Beverley	Gnowangerup	Peppermint Grove
Boddington	Goomalling	Perenjori
Bridgetown	Gosnells	Perth
Brookton	Greenough	Pingelly
Broome	Harvey	Plantagenet
Broomehill	Irwin	Rockingham
Bruce Rock	Jerramungup	Roebourne
Bunbury	Kalamunda	Sandstone
Busselton	Kalgoorlie-Boulder	Serpentine-Jarrahdale
Cambridge	Katanning	Shark Bay
Canning	Kellerberrin	South Perth
Capel	Kent	Stirling
Carnamah	Kojonup	Subiaco
Carnarvon	Kondinin	Swan
Chapman Valley	Koorda	Tambellup
Chittering	Kwinana	Tammin
Christmas Island	Lake Grace	Three Springs
Claremont	Laverton	Trayning
Cockburn	Leonora	Upper Gascoyne
Cocos Island	Mandurah	Victoria Park
Collie	Manjimup	Victoria Plains
Coolgardie	Meekatharra	Vincent
Coorow	Melville	Wagin
Corrigin	Menzies	Wandering
Cottesloe	Merredin	Wanneroo
Cuballing	Mingenew	Waroona
Cue	Moora	West Arthur
Dalwallinu	Morawa	Wickepin
Dandaragan	Mosman Park	Williams
Dardanup	Mount Magnet	Wiluna
Denmark	Mount Marshall	Wongan-Ballidu
Derby-West Kimberley	Mundaring	Woodanilling
Donnybrook	Murray	Wyalkatchem
Dowerin	Nannup	Wyndham-East Kimberley
Dumbleyung	Narembene	Yilgarn
Dundas	Narrogin (S)	York

## APPENDIX 8

## FACTORING BACK RATIOS

These factoring back ratios represent the percentage of the Total (Average) Equalisation Requirement, which has been funded in each year.

For example, for every \$1000 of need assessed in 2005-06, only \$901.90 of general purpose grants were allocated.

1987-88	0.58683	
1988-89	0.65997	
1989-90	0.91558	
1990-91	0.69412	
1991-92	0.74907	
1992-93	0.56150	
1993-94	0.51248	
1994-95	0.47449	
1995-96	0.51177	
1996-97	0.52189	Based on a 3-year average of equalisation requirement
1997-98	0.49920	Based on a 3-year average of equalisation requirement
1998-99	0.56228	Based on a 3-year average of equalisation requirement
1999-00	0.63800	Based on a 4-year average of equalisation requirement
2000-01	0.70002	Based on a 5-year average of equalisation requirement
2001-02	0.78273	Based on a 5-year average of equalisation requirement
2002-03	0.86992	Based on the latest 6 years of equalisation requirement, with the highest and lowest figures omitted from a 4- year average of equalisation requirement
2003-04	0.93824	Based on the latest 6 years of equalisation requirement, with the highest and lowest figures omitted from the 4- year average of equalisation requirement
2004-05	0.9219	Based on the latest 6 years of equalisation requirement, with the highest and lowest figures omitted from the 4- year average of equalisation requirement
2005-06	0.9098	Based on an average of the current year's equalisation requirement plus the previous 5 years' equalisation requirement, with the highest and lowest figures omitted to make a 4-year average equalisation requirement

## APPENDIX 9

## AVERAGE RATE PER RESIDENTIAL ASSESSMENT 2003-04 (ARPR)

LOCAL GOVERNMENT	AVERAGE RATE PER RESIDENTIAL ASSESSMENT 2003-04	SEPARATE GARBAGE CHARGES?	LOCAL GOVERNMENT	AVERAGE RATE PER RESIDENTIAL ASSESSMENT 2003-04	SEPARATE GARBAGE CHARGES?
Albany (C)	\$675	yes	Lake Grace (S)	\$515	yes*
Armadale (C)	\$653	yes	Laverton (S)	\$673	yes*
Ashburton (S)	\$783	yes	Leonora (S)	\$574	yes
Augusta-Margaret River (S)	\$912	yes*	Mandurah (C)	\$574	yes
Bassendean (T)	\$733	no	Manjimup (S)	\$535	yes
Bayswater (C)	\$611	yes	Meekatharra (S)	\$421	yes
Belmont (C)	\$620	yes	Melville (C)	\$616	yes
Beverley (S)	\$529	yes*	Menzies (S)	\$137	yes*
Boddington (S)	\$792	yes*	Merredin (S)	\$484	yes
Boyup Brook (S)	\$585	yes	Mingenew (S)	\$304	yes
Bridgetown-Greenbushes (S)	\$563	yes	Moora (S)	\$508	yes*
Brookton (S)	\$339	yes	Morawa (S)	\$335	yes*
Broome (S)	\$949	yes	Mosman Park (T)	\$1,112	no
Broomehill (S)	\$139	yes	Mount Magnet (S)	\$415	yes
Bruce Rock (S)	na	yes	Mount Marshall (S)	\$232	yes
Bunbury (C)	\$693	yes	Mukinbudin (S)	\$552	yes
Busselton (S)	\$808	yes	Mullewa (S)	\$495	yes*
Cambridge (T)	\$1,041	no	Mundaring (S)	\$680	yes
Canning (C)	\$483	yes	Murchison (S)	na	
Capel (S)	\$494	yes	Murray (S)	\$554	yes
Carnamah (S)	\$507	yes	Nannup (S)	\$495	yes
Carnarvon (S)	\$569	yes	Naremburn (S)	\$434	yes*
Chapman Valley (S)	\$300	yes*	Narrogin (S)	\$265	yes*
Chittering (S)	\$623	yes	Narrogin (T)	\$624	yes
Christmas Island (S)	\$834	no	Nedlands (C)	\$1,304	yes*
Claremont (T)	\$1,281	no *	Ngaanyatjarraku (S)	na	
Cockburn (C)	\$526	yes	Northam (S)	\$519	yes
Cocos (Keeling) Islands (S)	\$1,453	yes	Northam (T)	\$666	yes
Collie (S)	\$530	yes	Northampton (S)	\$814	yes*
Coolgardie (S)	\$609	yes*	Nungarin (S)	\$216	yes*
Coorow (S)	\$604	yes	Peppermint Grove (S)	\$1,646	no
Corrigin (S)	\$456	yes	Perenjori (S)	\$320	yes*
Cottesloe (T)	\$1,152	no	Perth (C)	\$636	yes
Cranbrook (S)	\$296	yes	Pingelly (S)	\$539	yes
Cuballing (S)	\$384	yes	Plantagenet (S)	\$553	yes
Cue (S)	\$267	yes	Port Hedland (T)	\$1,161	yes
Cunderdin (S)	\$360	yes*	Quairading (S)	\$396	yes
Dalwallinu (S)	\$404	yes	Ravensthorpe (S)	\$502	yes*
Dandaragan (S)	\$617	yes	Rockingham (C)	\$560	yes
Dardanup (S)	\$554	yes	Roebourne (S)	\$873	yes
Denmark (S)	\$650	yes	Sandstone (S)	\$228	yes
Derby-West Kimberley (S)	\$839	yes	Serpentine-Jarrahdale (S)	\$624	yes
Donnybrook-Balingup (S)	\$478	yes	Shark Bay (S)	\$463	yes
Dowerin (S)	\$330	yes	South Perth (C)	\$792	yes
Dumbleyung (S)	\$339	yes*	Stirling (C)	\$605	yes
Dundas (S)	\$476	yes	Subiaco (C)	\$811	yes
East Fremantle (T)	\$811	no	Swan (S)	\$658	yes
East Pilbara (S)	\$625	yes	Tambellup (S)	\$253	yes
Esperance (S)	\$553	yes	Tammin (S)	\$297	yes*
Exmouth (S)	\$777	yes	Three Springs (S)	\$465	yes
Fremantle (C)	\$736	yes	Toodyay (S)	\$568	yes

LOCAL GOVERNMENT	AVERAGE RATE PER RESIDENTIAL ASSESSMENT 2003-04	SEPARATE GARBAGE CHARGES?	LOCAL GOVERNMENT	AVERAGE RATE PER RESIDENTIAL ASSESSMENT 2003-04	SEPARATE GARBAGE CHARGES?
Gingin (S)	\$551	yes	Upper Gascoyne (S)	\$220	no
Gnowangerup (S)	\$487	yes	Victoria Park (T)	\$670	no
Goomalling (S)	\$331	yes	Victoria Plains (S)	\$512	yes
Gosnells (C)	\$564	yes	Vincent (T)	\$754	no
Greenough (S)	\$728	yes	Wagin (S)	\$445	yes
Hall's Creek (S)	\$1,007	yes*	Wandering (S)	\$323	yes
Harvey (S)	\$587	yes	Wanneroo (C)	\$558	yes
Irwin (S)	\$894	yes	Warooka (S)	\$529	yes*
Jerramungup (S)	\$496	yes*	West Arthur (S)	\$304	yes
Joondalup (C)	\$640	yes	Westonia (S)	\$291	no
Kalamunda (S)	na	yes	Wickepin (S)	\$264	yes*
Kalgoorlie/Boulder (C)	\$631	yes	Williams (S)	\$370	yes
Katanning (S)	\$625	yes*	Wiluna (S)	\$264	yes
Kellerberrin (S)	\$288	yes	Wongan-Ballidu (S)	\$479	yes
Kent (S)	\$226	yes	Woodanilling (S)	\$307	yes*
Kojonup (S)	na	yes	Wyalkatchem (S)	\$312	yes*
Kondinin (S)	\$534	yes*	Wyndham-East Kimberley (S)	\$1,467	yes*
Koorda (S)	\$348	yes	Yalgoo (S)	na	yes
Kulin (S)	\$489	yes	Yilgarn (S)	\$404	yes
Kwinana (T)	\$556	yes	York (S)	\$580	yes*

**Source:** Local government 2003-04 Information Returns to the WA Local Government Grants Commission

**^sgc** Separate garbage charge. Where no separate garbage charge is levied, the cost of the garbage service is included in the total rates.

**\*** Average includes commercial and industrial properties

**na** Not available/not applicable.

**APPENDIX 10****FEEDBACK FROM SURVEY DISTRIBUTED TO PARTICIPANTS AT PUBLIC HEARINGS 2004-05****Q. 1 Principles for the allocation of financial assistance grants**

Long run average 3.4

Average = 3.2

RESPONSE								
1 (very equitable)	2	3	4	5	6	7 (inequitable)	8 (don't know)	TOTAL RESPONSES
5	35	47	21	10	5	4	0	127

**Q. 2 Process for the allocation of financial assistance grants**

Long run average 3.3

Average = 3.2

RESPONSE								
1 (very equitable)	2	3	4	5	6	7 (inequitable)	8 (don't know)	TOTAL RESPONSES
3	34	52	21	11	5	1	0	127

**Q.3 Openness and transparency of process for the allocation of financial assistance grants**

Long run average 2.4

Average = 2.3

RESPONSE								
1 (open & transparent)	2	3	4	5	6	7 (secretive)	8 (don't know)	TOTAL RESPONSES
36	43	32	8	3	4	0	1	127

**Q.4 Publications and information produced by the Commission to assist understanding of the grant allocation process**

Long run average 2.6

Average = 2.4

RESPONSE								
1 (very useful)	2	3	4	5	6	7 (not useful)	8 (don't know)	TOTAL RESPONSES
25	47	33	15	3	2	0	1	126

**Q. 5 Balanced Budget Detailed Calculations produced by the Commission as a record of the grant allocation process**

Long run average 2.8

Average = 2.6

RESPONSE								
1 (very useful)	2	3	4	5	6	7 (not useful)	8 (don't know)	TOTAL RESPONSES
21	38	42	14	6	0	0	4	125

**Q. 6 Public hearings conducted by the Commission**

Long run average 1.9

Average = 1.9

RESPONSE								
1 (very useful)	2	3	4	5	6	7 (not useful)	8 (don't know)	TOTAL RESPONSES
47	53	16	5	2	0	0	0	123

**Q. 7 Overview of the Commission's methods presented at the public hearing**

Long run average 2.0

Average = 2.0

RESPONSE								
1 (very useful)	2	3	4	5	6	7 (not useful)	8 (don't know)	TOTAL RESPONSES
35	60	22	4	1	1	0	0	123

**Q 8 Public hearings conducted by the Commission as an opportunity for councils to make input into the grant allocation process**

Long run average 2.2

Average = 2.2

RESPONSE								
1 (very effective)	2	3	4	5	6	7 (ineffective)	8 (don't know)	TOTAL RESPONSES
37	47	21	12	3	1	1	1	123

Responses from Elected Members - 44, Council/Officer Staff - 29, Other - 1, Not stated - 21

## APPENDIX 11

## DISABILITY MATRIX 2005-06 DETERMINATIONS

	GOVERNANCE	LAW, ORDER & PUBLIC SAFETY	HEALTH, EDUCATION & WELFARE	COMMUNITY AMENITIES	RECREATION & CULTURE	BUILDING CONTROL
Aboriginal Environmental Health			X			
Climate					X	
Cyclone		X				
Development				X		
Drainage;				X		
Environment Assessments				X		
Environment Allowance				X		
Extraordinary Planning				X		
Health Special			X			
Heritage				X		
Hobby Farms		X				
Indigenous	X					
Jetties and Boat Ramp;					X	
Location	X	X	X	X	X	X
Medical Facilities			X			
Population Dispersion;		X	X	X	X	X
Public Toilet Allowance				X		
Regional Centres Factor	X			X	X	
Size/Shape	X					
Socio-Economic Disadvantage		X	X	X	X	
Special Needs	X	X				
Terrain		X				
Water Supply					X	
Variable used in calculation of Standard	Adjusted Population	Population	Population	Adjusted Population	Adjusted Population	Value of Building
	Rates Assessments	Dwellings			Dwellings	Size
	Constant	WAFRS Levy			Constant	

## SUMMARY OF SUBMISSIONS AND RESPONSES 2005/06

## APPENDIX 12

LOCAL GOVERNMENT	CATEGORY	CLAIM ITEM	ISSUE	PROPOSAL	CLAIMED VALUE (WHERE APPLICABLE)	GRANTS COMMISSION RESPONSE
Albany	Community Amenities	Heritage	Council submits that having one place listed on the Register of Heritage Places is now the average.	Only local governments with more than one listed place should receive the allowance.	\$50,000	At this stage, the City's submission has been declined. The introduction of the proposal is deferred until 2006/07 determinations, so that the proposal can be explained to local governments.
Albany	Mining Rates	Standard	Assessing all local governments on a single equation results in the over assessment of rate capacity for agricultural local governments.	Incorporate the assessment of mining rates into modified versions of the equations for Agricultural and Pastoral Rates.	\$7,000	The claim has been declined as the Commission is of the view that a single equation provides a common assessment for all councils and is therefore consistent with the principle of horizontal equalisation.
Albany	Various	Regional Facilities	Council seeks recognition of services it provides to residents of other local governments from within the region.	That the Commission introduce a new factor or allowance to recognise the additional cost of servicing residents from other local governments from within the region.	\$375,000	The Commission has resolved to apply a regional disability factor to the Governance, Community Amenities and Recreation and Culture standards. A factor of 1.10 has been provided.
Albany	Various	Tourism	The Commission currently recognises additional rates raised due to the impact of tourism but does not balance this with recognition of the costs of servicing tourists with local government services and facilities.	That the Commission introduce a new factor or allowance to recognise the additional costs of servicing tourists.	To be determined.	The Commission does not support the reintroduction of a tourism disability factor, but prefers to make more direct recognition of some of the related direct costs. This year, the Commission has resolved to introduce a public toilet allowance, where councils have an above standard number of public toilets. The allowance is \$2,000 per public toilet, and the source of the data is the 'National Public Toilet Map' produced by the Commonwealth Department of Health and Ageing. The City of Albany has received an allowance of \$48,000.
Armadale	Agricultural Rates	Assessment	Commission's error in not validating data.	Retrospective adjustment be made to the City's Assessed Net Assessed Preliminary Equalisation Requirement figures for the years 1999-00 to		The Commission has agreed to adjust the equalisation requirement for the 2001/02, 2002/03 and 2003/04 determinations.



				2003-04 inclusive.		
Armadale	Community Amenities	Environmental Assessments	The factor for this disability is 1.05 which is relatively low given the City's wide range of issues it must address because of the large number of environmentally sensitive areas.	Increase factor from 1.05 to 1.10.	From \$29,276 to \$58,552	The submission has been declined as most issues fall outside of environmental assessments factor scope and are more relevant to environment allowance, for which Armadale currently receives an allowance of \$26,500. Based on an update of the source data for all councils, the factor for the City has reduced to 1.02.
Armadale	Community Amenities	Extraordinary Planning	Range of significant developments and accelerated planning requests have arisen due to the work of the Armadale Redevelopment Authority.	Introduce this factor at 1.10	From nil to \$58,552	A factor of 1.04 has been awarded to recognise Armadale's particular circumstances.
Armadale	Community Amenities	Off Road Drainage Data Allowance	Substantial open drainage and are no longer able to capitalise annual maintenance costs by constructing formal drainage systems. Also many significant environmental issues.	Claim for greater allowance	From \$89,020 to \$100,000	Allowance has increased to \$94,361.
Armadale	Education, Health and Welfare	Indigenous Factor	Given that most metropolitan councils receive a factor of 1.01 suggests that the factor fails to differentiate between the different sizes of indigenous populations. Request that the factor is updated annually and be applied to other categories.	Favourably consider a disability factor of 1.02, and review this factor more frequently, i.e. annually, than that which will otherwise occur based on ABS Census data.		The City's claim has been declined. This is the first submission the Commission has received on this issue and it would be premature to make adjustments in this area. Annual updating of Indigenous population data is not possible. The factor has been applied to the Governance rather than the Education, Health and Welfare standard.
Armadale	Equalisation Funding	Distribution	A two tier distribution methodology is proposed for consideration and analysis by the Commission.	The alternate two tier distribution methodology as proposed by the City to be worthy of the Commission's further consideration and analysis.		The claim has been declined as the Commission is of the view that a single equation provides a common assessment for all councils and is therefore consistent with the principle of horizontal equalisation.
Armadale	Law, Order & Public Safety	Fire Services	Unlike most urban local governments, some like Armadale will continue to have significant ongoing fire prevention responsibilities not funded under the current ESL arrangements.	Any future review of the law, order & public safety expenditure standard, will need to recognise that Armadale will continue to incur considerable ongoing fire services responsibilities and costs not funded by the ESL		The Commission with the assessment of fire expenditure needs.

Armadale	Law, Order & Public Safety	Hobby Farms	High proportion of ratepayers residing on rural/residential properties & 2 large rural residential estates not recognised by current disability criterion. Pose same level of fire threat due to location in high bush fire prone areas & high level of absentee land owners.	Increase hobby farm factor from 1.07 to 1.12	From \$71,028 to \$121,763	This factor will be reviewed for the 2006/07 determinations.
Armadale	Law, Order & Public Safety	Terrain	Darling escarpment terrain is a significant factor for the City's fire and other services. Many challenges unique to City and extend beyond those of other councils.	Retain factor of 1.15		Terrain factor has been retained and is unchanged.
Armadale	Transport	Roads	Federal road grants should be based on the lesser of actual expenditure and the asset preservation requirement. The current approach to road funding with its extended transition period is distorting long term asset management funding relativities.	The Commission is requested to review its current assessment methodology by applying only the Asset Preservation Model Expenditure Requirement as the standard for future road funding.		No action has been taken because the claim is based on an incorrect interpretation of the Commission's methodology. The claim states that grants are based on the greater of actual expenditure and the asset preservation requirement. Actual expenditure is not considered. Grants are based on the greater of asset preservation needs calculated using actual road data and asset preservation needs calculated using minimum standard road data.
Armadale	Various	Socio-economic	Higher than state average levels of; - unemployment & especially youth unemployment; - early school leavers; - labourer workers; or - lower than State average individual & family median incomes.	Increase factor from 1.03 to 1.07	From \$448,388 to \$963,137	The claim has been declined on the basis that the issues raised by the Council are largely incorporated into the socio-economic disadvantage factor. This factor will be updated after the 2006 census.
Boddington	Community Amenities	Provision of cemeteries	Council is required to maintain three operational cemeteries			No action be taken on this claim at present, although there may be a case to treat cemeteries in a way similar to public toilets allowance, and provide additional allowance to councils with above standard of cemeteries.
Boddington	Community Amenities	Sanitation	Providing an attended Refuse Disposal Site (smallest local authority to do so) with annual loan repayment of \$9,660 and \$45,000 per annum for tip maintenance. \$210,000 to establish.	Would council receive any additional consideration for proceeding in this manner?		The claim has been deferred as sanitation is the subject of a Commission research project, expected to be completed for the 2006/07 determinations.
Boddington	Education, Health and Welfare	Medical	Providing a doctor at a substantial cost, including \$250,000 residence cost; vehicle cost of \$55,000, as well as providing the medical centre at no cost.	Will Shire of Boddington be entitled to Medical Facilities Allowance and will the costs of acquiring a doctor be considered when determining the Health Special Factor?		The claim has been accepted and an allowance of \$5000 has been provided.

Boddington	Law, Order & Public Safety	Hobby Farms	Increasingly becoming popular as a rural lifestyle shire with unprecedented period of subdivision of broad acre farming lots to provide hobby farms.	Hobby Farms Disability should be immediately increased from 1.03 to 1.15, with the figure being reviewed annually rather than every four years.	N/a	This factor will be reviewed for the 2006/07 determinations.
Boddington	Recreation and Culture	Climate	Boddington experiences similar climate, sometimes more extreme than Wandaring who have a climate factor of 1.01, where as Boddington's is 1.03. Inability to provide recreation facilities due to climate restrictions.	a) Climate factor be increased to 1.03 as a minimum. b) Can a disability of this nature be taken into consideration when determining the appropriate disability factor?		The claim has been declined. On the basis of climate information sourced from the Bureau of Meteorology, the current factors are considered appropriate.
Boddington	Recreation and Culture	TV Retransmission	Contract to maintain four TV stations and 1 radio station as well as to maintain access roads to transmitter			It is the view of the Commission that it is a council decision to provide for television retransmission. The claim has been declined.
Broome	Community Amenities	Extraordinary Planning	The factor should be increased to recognise the impact that not only future population growth has on the Shire's planning function but also the impact of growth in the number of tourists.	That the Shire's Extraordinary Planning Factor be increased to 1.12.	\$18,718	The factor will be updated for the 2006/07 determinations when final population projections are available through Department of Planning and Infrastructure.
Broome	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).
Broome	Residential/Commercial/Industrial Rates	Standard	The assessment component should be increased and the valuation component reduced.	Adopt an assessment component of about \$200.	As Appropriate.	The final equation adopted by the Commission resulted in a slightly lower weighing on valuation and higher weighing on assessments. This is consistent with the Shire's submission.
Broome	Various	Location	The Shire's employment costs have increased as a result of all employees being granted 5 weeks annual leave.	That the Shire's Location Factor be reviewed.	As Appropriate.	The location factor was reviewed in the 2005/06 determinations. The value of the factor for the Shire has marginally decreased in 2005-06 compared to the previous year.
Broome	Various	Location - Application of Factor	The Location Factor is not currently applied to the additional costs of disability factors.	That Disability Factors should be applied to the Standard after application of the Location Factor.	As Appropriate.	The Commission has previously rejected the idea of treating location as affecting not only the preliminary standard, but also other disability factors that are applied to the standard. There are no more persuasive arguments in current submissions to change the current method.

Broome	Various	Tourism	The Shire is experiencing increased costs as a result of hosting a large number of tourists.	For discussion with the Commission.	To be determined.	The Commission does not support the reintroduction of a tourism disability factor, but prefers to make more direct recognition of some of the related direct costs. This year, the Commission has resolved to introduce a public toilet allowance, where councils have an above standard number of public toilets. The allowance is \$2000 per public toilet, and the source of the data is the 'National Public Toilet Map' produced by the Commonwealth Department of Health and Ageing. The Shire of Broome has received an allowance of \$14,000.
Bruce Rock	Community Amenities	Heritage	The Shire's office and chambers were constructed in the late 1920's for the then Bruce Rock Road Board. The Shire offices were placed on the Heritage Council's Register of Heritage Places in early 1999. Although built on Crown Reserve 15098, the land is vested in Council which also has complete responsibility for the buildings on the site.	The Shire requests that the Commission amend its disability weightings to reflect Council's stewardship of the building, applying a heritage allowance of \$10,000.	\$10,000	The submission has been accepted and an allowance of \$10,000 has been provided.
Bruce Rock	Discussion paper only					Noted
Canning	Position Statement		Change in methodology for the distribution of FAGs by way of simplifying formulas and encouraging efficiencies	Level of service and financial accountability should be recognised and rewarded, not penalised.	N/A	Noted
Carnarvon	Discussion paper only		1. Governance - special needs allowance 2. Law, Order & Public Safety - impact of camping on ranger services within the Shire 3. Education, Health & Welfare - indigenous factor 4. Community Amenities - impact of Carnarvon-Ningaloo Coast strategy 5. Community Amenities - impact of managing the Gascoyne River Floodplain 6. Community Amenities - impact of managing the Carnarvon Fascine to prevent storm surge			Noted
Chittering	Community Amenities	Absentee Owners	The Shire services a number of absentee land holders and these land holders are not representative of residential population.	Use number of properties in standard.	N/A	Regression analysis using the number of rate assessments as a key variable was undertaken. Specific data on absentee landowners is not available and the number of assessments was used instead. The submission is noted but no action is to be taken as it is shown that the number of rate assessments does not assist in predicting community amenities expenditure.

Chittering	Community Amenities	Planning	Assist local needs and other agencies in the planning of the North Eastern Corridor Extension Strategy	Make allowance for extra-ordinary planning.	N/A	The extraordinary planning factor has been increased to 1.70 to recognise Chittering's particular circumstances.
Chittering	Community Amenities	Planning	Outer-metropolitan local government with limited capacity in a period of rapid growth.	Recognition of these extra-ordinary circumstances should be considered by the Commission.	N/A	The extraordinary planning factor has been increased to 1.70 to recognise Chittering's particular circumstances.
Claremont	General Submission		1.Town has 25% non-rateable land. 2.Traffic Volumes 3.Private Schools	Increase in the value of the grant.	N/A	Noted
Collie	Community Amenities	Extraordinary Planning	Restrictions on development within the Shire, due to the coal basin and water catchment area and the large area of state forest within the Shire.	That the Commission give consideration to the significant disability facing this council in relation to investment and development.		The Commission examined the impact of planning work required and recognised that Collie's issues will not result in significant population growth. The factor will be subject to a review when final population projections are available from the Department of Planning and Infrastructure.
Collie	Community Amenities	Extraordinary Planning	Extraordinary planning factor of 1.00 not satisfactory recognition for the extremely complex situation of the Council attempting to rewrite Town Planning Scheme for past 5 years, costing \$71,187 in external contractors, not including council staff costs.	That the Commission consider increasing the extra ordinary planning factor from 1.00 to 1.10.		A factor of 1.10 has been awarded to recognise Collie's particular circumstances.
Collie	Mining Rates	Assessment/Mining Rate Collection Cost	Rating restrictions encountered by the Council, specifically due to State Agreement Acts.	That the WA Local Government Grants Commission give consideration to the significant disability facing this council in relation to loss of potential mining related rate revenue.		The Commission indirectly compensates the Shire already through the grant allocations, which are higher than otherwise would be the case if the Agreement Acts did not restrict rating capacity.
Collie	Transport	Special Needs	Legal and monetary ramifications the Council faces due to decisions made by Special Projects Committee in regards to the Lynn Street Bridge.	That the WA Local Government Grants Commission give consideration to: a) A special grant to council due to significant variation between original project cost and current cost of \$92,400 and; b) Special projects		Main Roads has advised that Council has agreed to a proposal that the level of service be reviewed with the aim of setting a level below that of the present design, but one that Council would be comfortable with. Main Roads will then redesign the bridge and Council will put the revised project to tender. If necessary, additional funds could be provided in 2006-07. The bridge will be built in 2006-07.

				grants committee revising guidelines for grant formulation.		
Coolgardie	Various	Adjusted Population	Updating of Adjusted Population	Annually Review Adjusted Population based on Department of Industry and Resources employment data	N/A	The mining employment data compiled by DOIR has limitations. Not all types of mining industries are represented and many of the workers counted would be part of the resident population.
Denmark	Agricultural Rates	Standard	Council wishes to reinforce the need for the Commission to continue to maintain the 3 components of the Agricultural Rate equation at their current relativities.	The Commission continue to maintain the 3 components of the Agricultural Rate equation at their current relativities.	As Appropriate.	The relativities of the three components of the agricultural rates assessment have been maintained.
Denmark	Various	Tourism	The Commission currently recognises additional rates raised due to the impact of tourism but does not balance this with recognition of the costs of servicing tourists with local government services and facilities.	That the Commission introduce a new factor or allowance to recognise the additional cost of servicing tourists.	To be determined.	The Commission does not support the reintroduction of a tourism disability factor, but prefers to make more direct recognition of some of the related direct costs. This year, the Commission has resolved to introduce a public toilet allowance, where councils have an above standard number of public toilets. The allowance is \$2000 per public toilet, and the source of the data is the 'National Public Toilet Map' produced by the Commonwealth Department of Health and Ageing. The Shire of Denmark has received an allowance of \$14,000.
Derby-West Kimberley	Community Amenities	Sanitation	The Shire is experiencing increased costs and difficulty in disposing of rubbish.	To grant the Shire a Special Needs Allowance of \$100,000.	\$100,000	The claim has been deferred, as sanitation is the subject of a Commission research project, expected to be completed for the 2006/07 determinations
Derby-West Kimberley	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).
Derby-West Kimberley	Recreation and Culture	Jetties and Boat Ramps	The Shire is liable for significant cyclic maintenance costs for the Derby Wharf and understand that cyclic costs are not currently included in the allowance.	To grant the Shire a recognition of the cyclic costs associated with the Derby Wharf.	\$100,000	The claim for the Derby Jetty expenditure has been declined on the basis that the expenditure has not yet been incurred. An allowance of \$33,769 has been provided
Derby-West Kimberley	Transport	Airport	The allowance for the Shire's 3 airports within the Asset Preservation Model should not be factored back and the base allowance should be increased.	That the airport recognition in the Asset Preservation Model not be factored back but recognised as its	To be determined.	The Commission has changed its method of factoring back transport needs to equal actual expenditure. The allowance for airports will not be factored back. The minimum allowance for commercial airports has been increased.

				full value in the Transport Standard and that recognition be increased.		
Derby-West Kimberley	Various	Location	The Location Factor is not currently applied to the additional costs of disability factors.	That Disability Factors should be applied to the Standard after application of the Location Factor.	As Appropriate.	The Commission has previously rejected the idea of treating location as affecting not only the preliminary standard, but also other disability factors that are applied to the standard. There are no more persuasive arguments in current submissions to change the current method.
Halls Creek	Community Amenities	Sanitation	The Shire is experiencing increased costs and difficulty in disposing of rubbish.	To grant the Shire a Special Needs Allowance of \$50,000.	\$50,000	The claim has been deferred, as sanitation is the subject of a Commission research project, expected to be completed for the 2006/07 determinations.
Halls Creek	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).
Halls Creek	Transport	Airport	The allowance for the airport within the Asset Preservation Model should not be factored back and the base allowance should be increased.	That the airport recognition in the Asset Preservation Model not be factored back but recognised as its full value in the Transport Standard and that recognition be increased.	To be determined.	The Commission has changed its method of factoring back transport needs to equal actual expenditure. The allowance for airports will not be factored back. The minimum allowance for commercial airports has been increased.
Halls Creek	Various	Location	The Location Factor is not currently applied to the additional costs of disability factors.	That Disability Factors should be applied to the Standard after application of the Location Factor.		The Commission has previously rejected the idea of treating location as affecting not only the preliminary standard, but also other disability factors that are applied to the standard. There are no more persuasive arguments in current submissions to change the current method.
Harvey	Building Control	Population Dispersion	Current weighting does not provide sufficient recognition for the degree of population dispersion existing in the Shire. For example, Australind is excluded from the calculation. The council incurs additional expenditure (duplication of resources) as a direct result of having a widely dispersed population.		21,438 or 12,863	The Commission has accepted the Shire's claim in part, and increased the factor to 1.06

Harvey	Community Amenities	Development	Property developments/building approvals continue to grow. The data used to determining weightings has not been updated for years. The use of this data is likely to mask the true level of development that is occurring.	The Commission use updated data in the calculation of weightings for the development factor for 05/06 calc; and the data used in the calculation be updated every second year.	TBD	The development factor was last updated in 2002/03 and is due for review for 2006/07 determinations. The submission claim is to be held over for proposed review next year, as significant changes in the factor is expected given the high level of subdivision activity in recent years.
Harvey	Community Amenities	Extraordinary Planning	Current weighting of 1.01 does not accurately represent its level of need. Harvey has had considerable rate of growth since 2001. Level of Strategic/Planning/Environmental review work required also considerable.	The Commission uses updated data in the calculation of weightings for the extraordinary planning factor for 2005/06 determinations.	TBD	The factor will be updated for the 2006/07 determinations when final population projections are available through Department of Planning and Infrastructure.
Harvey	Community Amenities	Off Road Drainage Data Allowance	Harvey does not receive any recognition for its off-road drainage needs, despite having a significant need.	Harvey will provide the Commission with the appropriate data at the public hearing.	TBD	Allowance of \$15,672 has been provided
Harvey	Community Amenities	Population Dispersion	Refer to Council's claim for the expenditure function Law, Order and Public Safety.		30,920 or 18,553	The Commission has accepted the Shire's claim in part, and increased the factor to 1.06.
Harvey	Education, Health and Welfare	Population Dispersion	Current weighting does not provide sufficient recognition for the degree of population dispersion existing in the Shire. Australind (pop. <5000) is excluded from the calculation. When in fact the local government incurs additional expenditure (duplication of resources) as a direct result of having a widely dispersed population.		108,474 or 65,085	The Commission has accepted the Shire's claim in part, and increased the factor to 1.06.
Harvey	Law, Order & Public Safety	Population Dispersion	Current weighting does not provide sufficient recognition for the degree of population dispersion existing in the Shire. Australind (pop. <5000) is excluded from the calculation. When in fact the local government incurs additional expenditure (duplication of resources) as a direct result of having a widely dispersed population.	a) Where the Town of Australind is used as the main population centre for the purpose of calculating "population dispersion factor" that a weighting of 1.15 be applied (Cookernup, Harvey, Myalup, Wagerup/Yarloop & Wokalup - excess of 25km from Aust). b) Where the town of Harvey is used as main pop.	107,166 or 64,299	The Commission has accepted the Shire's claim in part, and increased the factor to 1.06.



				centre for purpose of calculating "pop disp fact" that a weighting of 1.09 be applied (Aust., Binninup & Roelands >25km from Harvey.		
Harvey	Recreation and Culture	Population Dispersion	Current weighting does not provide sufficient recognition for the degree of population dispersion existing in the Shire. Australind (pop. <5000) is excluded from the calculation. When in fact the local government incurs additional expenditure (duplication of resources) as a direct result of having a widely dispersed population.		399,153 or 239,492	Using the town of Harvey as the main population centre, the updated data from the Shire indicates that Binningup meets the Commissions criteria for this factor. As a result the factor has increased to 1.06.
Jerramungup	Discussion paper only		1. Governance - special needs allowance 2. Education, Health & Welfare - medical facilities allowance 3. Community Amenities - recognition for Department of Environment imposed conditions on the operations of Council maintained tip sites 4. Community Amenities - assessment of environment related disabilities 5. Recreation & Culture - jetties and boat ramps allowance 6. Recreation & Culture - special needs allowance 7. Review of the location factor 8. Tourism			Noted
Kellerberrin	Education, Health and Welfare	Medical	The Shire's expenditure on assisting doctors has increased and Council seeks an increase in its Medical Allowance.	That the Shire be granted a Medical Allowance.	\$5,000	The claim has been accepted and an allowance of \$5,000 has been provided.
Kellerberrin	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).
Kellerberrin	Recreation and Culture	Jetties and Boat Ramps	The Shire maintains a boat ramp at Lake Bandee.	A Jetties and Boat Ramp Allowance be granted.	\$5,000	The claim has been accepted and an allowance of \$416 provided.
Murray	Agricultural Rates	Standard	Council wishes to reinforce the need for the Commission to continue to maintain the 3 components of the Agricultural Rate equation at their current relativities.	The Commission continue to maintain the 3 components of the Agricultural Rate equation at their	As Appropriate	The relativities of the three components of the agricultural rates assessment have been maintained.

				current relativities.		
Murray	Community Amenities	Environmental Allowance	As an estuarine council, the Shire considers that it should receive recognition within the coastal component.	That the Environmental Allowance Factor be reviewed to take account of all of the environmental issues impacting on the Shire.		The allowance has been increased by \$10,000 to reflect the Shire's estuarine location.
Murray	Community Amenities	Environmental Assessment	Council does not believe that the Environmental Assessment Factor takes adequate account of the environmental factors impacting on the Shire.	That the Environmental Assessment Factor be reviewed to take account of all of the environmental issues impacting on the Shire.		To ensure consistency, the Commission uses data from the DEP. As such assessments provided by councils are not used. The request from the Shire has not been accepted. Based on an update of the source data for all councils, the factor for the Shire has increased to 1.03.
Murray	Law, Order & Public Safety	Terrain	The Shire of Murray has needed to provide a fire fighting boat to service islands in the Murray River Delta (capital cost \$6000, may be a need for further maintenance expenditure.	Commission requested to take this matter into account.		The Commission does not recognise capital expenditures, and would need additional detail on actual maintenance costs before considering the claim.
Murray	Transport	Canals	Council seeks recognition of its requirement to maintain canals.	That canals be recognised as part of the Transport Standard.		Canals provide a lifestyle and recreation amenity that may merit recognition under recreation in the same way as boat ramps and jetties, but they have no place in the Commission's Transport Standard. The Commission is examining the costs that councils incur in maintaining canals. Based on its findings an allowance under the recreation category could be considered in the 2006-07 grants determination process.
Murray	Transport	Laneways and Dual Use Paths	The Shire is not receiving recognition of its Laneways nor all of its Dual Use Paths	Council will submit an updated list of Laneways and Dual Use Paths		Council is receiving allowances for laneways and dual use paths based on data provided by Council.
Murray	Various	Population Dispersion	Council seeks recognition of Yamba Estate as a dispersed population centre.	That Yamba Estate be recognised and the Shire's Population Dispersion Factor be increased to 1-09.	As Appropriate to each Classification	The council's claim has been declined. Due to correction of data for Coolup, the factor has been reduced to 1.03.

Murray	Various	Tourism		The Commission currently recognises any additional rates raised due to the impact of tourism but does not balance this with recognition of the costs of servicing tourists with local government services and facilities	That the Commission introduce a new Factor or Allowance to recognise the additional cost of servicing tourists.	The Commission does not support the reintroduction of a tourism disability factor, but prefers to make more direct recognition of some of the related direct costs. This year, the Commission has resolved to introduce a public toilet allowance, where councils have an above standard number of public toilets. The allowance is \$2000 per public toilet, and the source of the data is the 'National Public Toilet Map' produced by the Commonwealth Department of Health and Ageing. The Shire of Murray has received an allowance of \$12,000.
Narrogin (T)	Various	Regional Facilities	Council seeks recognition of services it provides to residents of other local governments from within the region.	That the Commission introduce a new factor or allowance to recognise the cost of servicing residents from other local governments from within the region.	\$375,000	The Commission has resolved to apply a regional disability factor to the Governance, Community Amenities and Recreation and Culture standards. A factor of 1.10 has been provided.
Ngaanyatjarraku	Community Amenities	Communications	Council seeks recognition of its need to contribute towards the upgrading of broadband telecommunications infrastructure in the Shire.	Grant a Special Needs allowance.	\$50,000	The Commission has previously taken the view that it is a council's decision to provide this service. The claim has been declined.
Ngaanyatjarraku	Community Amenities	Sanitation	A combination of factors necessitates the collection of rubbish 3 times per week from properties in Warburton, Warakurna and Jameson.	To grant the Shire a Special Needs Allowance of \$50,000.	\$50,000	The claim has been deferred, as sanitation is the subject of a Commission research project, expected to be completed for the 2006/07 determinations
Ngaanyatjarraku	Education, Health and Welfare	Medical	Council seeks a Medical Facilities Allowance in recognition of its need to support an Online Patient Health Records System for the 11 Health Clinics in the Ngaanyatjarraku Lands.	To grant the Shire a Medical Allowance of \$15,000.	\$15,000	The claim has been declined at present, on the basis that the expenditure had not yet been incurred.
Ngaanyatjarraku	Rate Revenue/Other Revenue	Assessment	The Commission is assessing the Shire for basically the same income source under three Classifications, Residential/Commercial/Industrial Rates, Pastoral Rates and now Other Revenue.	That the Shire not be assessed for Ex Gratia Rates under Other Revenue.		The Commission has accepted the council's claim and deleted the ex gratia rates assessment.
Ngaanyatjarraku	Various	Location	The Location Factor is not currently applied to the additional costs of disability factors.	That Disability Factors should be applied to the Standard after application of the Location Factor.	As Appropriate.	The Commission has previously rejected the idea of treating location as affecting not only the preliminary standard, but also other disability factors that are applied to the standard. There are no more persuasive arguments in current submissions to change the current method.

Plantagenet	Community Amenities	Saleyard	Council in conjunction with the City of Albany is responsible for the Region Truck Wash down Facility at the Saleyards.	The Commission grant a Special Needs Allowance in recognition of the Truck Wash down Facility.	\$50,000	<p>The claim does not warrant a special needs allowance. The following points are relevant:</p> <ul style="list-style-type: none"> <li>· The quoted expense is a proposed capital expenditure, and the Commission does not recognise capital expenditures on their own, and the expenditure has not as yet actually been incurred.</li> <li>· The costs of running the facility are associated with the saleyard, which will be accounted for in the program Other Economic Services. Activities within this program, other than building control, are not assessed by the Commission.</li> <li>· The saleyard is effectively a council owned business, and the washdown facility is a cost associated with the business, and the Commission does not assess either profits or losses of such businesses (it is conceivable that the facility may run at a profit at some stage).</li> <li>· A 'user pays system' is a better approach to funding this facility than through the local government grant system.</li> <li>· If an allowance is made, then the allowance would need to be shared between the Shire and the City of Albany given that the facility is run as a partnership.</li> </ul>
Plantagenet	Mining Rates	Standard	Assessing all local governments on a single equation results in the over assessment of rate capacity for agricultural local governments.	Incorporate the assessment of mining rates into modified versions of the equations for Agricultural and Pastoral Rates.	\$7,000	The claim has been declined, as the Commission is of the view that a single equation provides a common assessment for all councils and is therefore consistent with the principle of horizontal equalisation.
Sandstone	Law, Order and Public Safety or Community Amenities	New - Wild Dog Control	Significant financial contribution made towards controlling the wild dog problem in pastoral region.	That the Commission recognise the need for wild dog control in pastoral agricultural areas and translate it to a valid disability factor.		The claim is not accepted as there is insufficient evidence of local government expenditure.
Tambellup	Briefing Paper only		1. Impact of heavy haulage 2. Staff Housing 3. Final averaging of assessments			Noted
Trayning	Briefing Paper only		1. Heavy haulage and the impact of the reclassification of grain receivable points 2. Final averaging of assessments			Noted

Waroona	Community Amenities	Development & extraordinary planning	Council does not believe the weightings currently applied by the Commission for both factors reflect its true level of disadvantage given the high level of strategic planning required to facilitate strong development activity.	Would like the opportunity to discuss this issue to determine whether there is a case for amendment of these disability weightings		The development factor was last updated in 2002/03 and is due for review for 2006/07 determinations. The submission claim is to be held over for proposed review next year, as changes in the factor are expected given the high level of subdivision activity in recent years. The extraordinary planning factor claim be held over for 2006/07 as a review of this factor using updated population projections from the Department of Planning and Infrastructure will take place.
Waroona	Community Amenities	Environmental Allowance	Council receives a weighting of 1.02 for EAF & \$24,500 for EAA for the work associated with Alcoa's Wagerup Refinery Disposal Area and similarly with Iluka Resource's Limited environ. Reviews.	Request the Commission to detail the methodology used to determined each of these disabilities.		This issue was considered by the Commission, however it was decided to retain the current allowance, subject to a more complete review in 2006/07. Based on an update of the source data for all councils, the factor for the Shire has been maintained at 1.02.
Waroona	Education, Health and Welfare	Medical	Having recently completed Waroona Health and Community Resource Centre, the Shire has become involved in the financial support of health and welfare support facilities.	Would appreciate the opportunity to discuss this issue, with particular reference to how long the disability "medical facilities allowance" will remain within the grant determination methodology.		No allowance is proposed, as the council did not report any expenditure on doctors in the information return. Based on the Commission's visit, the expenditure is likely to be in the future rather than in the past. An allowance may be warranted in the future.
Waroona	Various	Population Dispersion	Lake Clifton gazetted townsite situated 28km from Waroona not recognised in the calculation of the population dispersion factor.	Amend disability weightings to reflect Council's need to provide services and facilities to Lake Clifton, applying a 'pop. Dispersion factor' of 1.06 in all affected expenditure functions.		The claim is not accepted as it is an isolated rural subdivision that does not warrant recognition by the Commission. To amend the Commission's treatment would create a precedent for many other subdivisions around the State.
Westonia	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).

Westonia	Law, Order and Public Safety or Community Amenities	New - Wild Dog Control	Increasing numbers of wild dogs entering the agricultural area have necessitated the Shire becoming involved in wild dog control.	That the Commission recognise the need for wild dog control in fringe agricultural areas.	\$5,000	The claim is not accepted as there is insufficient evidence of local government expenditure.
Wyndham-East Kimberley	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).
Wyndham-East Kimberley	Law, Order and Public Safety	Wildfires	The cost of fighting wildfires has the potential to be a major cost to the Shire.	For discussion with the Commission.	To be determined.	This claim has not been accepted. It is suggested that this is already recognised within the standard and disability factors.
Wyndham-East Kimberley	Transport	Airport	The allowance for the Shire's airports within the Asset Preservation Model should not be factored back and the base allowance should be increased.	That the recognition of the Shire's airports in the Asset Preservation Model not be factored back but recognised at its full value in the Transport Standard and the value of that recognition be increased.	To be determined.	The Commission has changed its method of factoring back transport needs to equal actual expenditure. The allowance for airports will not be factored back. The minimum allowance for commercial airports has been increased.
Wyndham-East Kimberley	Various	Location	The Location Factor is not currently applied to the additional costs of disability factors.	That Disability Factors should be applied to the Standard after application of the Location Factor.	As Appropriate.	The Commission has previously rejected the idea of treating location as affecting not only the preliminary standard, but also other disability factors that are applied to the standard. There are no more persuasive arguments in current submissions to change the current method.
Wyndham-East Kimberley	Various	Population Dispersion	There are now 5 dispersed population centres in the Shire which comply with the Commission's criteria for recognition.	Increase the Shire's Population Dispersion Factor to 1.15.	\$52,527	On the information provided, an increase in the population dispersion factor appears to be justified. The council's claim has been accepted and the factor increased to 1.15
Wyndham-East Kimberley	Various	Tourism	The Shire is experiencing increased costs as a result of hosting a large number of tourists.	That the Commission reintroduce recognition of the impact of tourists on the Shire's expenditure.	To be determined.	The Commission does not support the reintroduction of a tourism disability factor, but prefers to make more direct recognition of some of the related direct costs. This year, the Commission has resolved to introduce a public toilet allowance, where councils have an above standard number of public toilets. The allowance is \$2,000 per public toilet, and the source of the data is the 'National Public Toilet Map' produced by the Commonwealth Department of Health and Ageing. The Shire of Wyndham-East Kimberley has received an allowance of \$14,000.

Yilgarn	Agricultural Rates	Standard	The weighting placed on the Area component of the equation is critical to the Shire's assessment. The greater the weighting on area, the lower the grant allocation.	That the Commission's trend of reducing the emphasis on the area component be continued.	As Appropriate.	The relativities of the three components of the agricultural rates assessment have been maintained.
Yilgarn	Education, Health and Welfare	Medical	The Shire's expenditure on assisting doctors has increased and Council seeks an increase in its Medical Allowance.	That the Shire's Medical Allowance be increased.	As Appropriate.	The current allowance of \$10,000 for the Shire has been retained.
Yilgarn	Final Averaging of Assessments	N/A	A 3 year average will make the grant process more responsive to current needs.	Return to a three year average.	N/A	The Commission changed its method of averaging for the 2005-06 determinations. The method now used is to take the equalisation requirement for the 2005-06 year and three of the previous five years. (The three years are those remaining once the years with the highest and lowest equalisation requirement are dropped from the five year period).
Yilgarn	Mining Rates	Standard	Assessing all local governments on a single equation results in the over assessment of rate capacity for agricultural local governments.	Incorporate the assessment of mining rates into modified versions of the equations for Agricultural and Pastoral Rates.	\$250,000	The claim has been declined, as the Commission is of the view that a single equation provides a common assessment for all councils and is therefore consistent with the principle of horizontal equalisation.

## APPENDIX 13

SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06												
General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
Albany	31,652	1,671,672	1,647,849	-1.4%	6,811	1,654,660	1,205,552	1,254,776	4.1%	6,286	0	1,261,062
Armadale	52,478	1,834,556	1,984,576	8.2%	7,475	1,992,051	695,426	714,362	2.7%	3,626	30,000	747,988
Ashburton	5,987	1,954,231	2,191,355	12.1%	7,961	2,199,316	909,169	966,003	6.3%	4,740	4,000	974,744
Augusta-Margaret River	11,380	280,582	238,495	-15.0%	1,144	239,639	583,582	634,183	8.7%	3,043	0	637,226
Bassendean	14,078	226,758	235,745	4.0%	924	236,669	151,567	154,549	2.0%	790	0	155,339
Bayswater	56,565	913,386	947,219	3.7%	3,720	950,939	547,840	558,263	1.9%	2,856	0	561,119
Belmont	30,960	491,109	518,446	5.6%	2,000	520,446	372,501	379,942	2.0%	1,942	0	381,884
Beverley	1,585	377,594	427,275	13.2%	1,537	428,812	326,559	341,244	4.5%	1,703	0	342,947
Boddington	1,375	222,149	212,761	-4.2%	905	213,666	129,884	135,577	4.4%	677	0	136,254
Boyup Brook	1,547	243,586	255,336	4.8%	992	256,327	450,843	476,994	5.8%	2,351	76,000	555,344
Bridgetown-Greenbushes	3,972	651,158	662,240	1.7%	2,653	664,892	442,531	472,068	6.7%	2,307	0	474,375
Brookton	1,049	318,731	329,404	3.3%	1,298	330,702	228,142	237,736	4.2%	1,190	0	238,926
Broome	14,273	2,011,833	2,066,678	2.7%	8,196	2,074,874	506,774	564,732	11.4%	2,642	184,000	751,374
Broomehill	507	209,142	218,179	4.3%	852	219,031	206,092	207,518	0.7%	1,075	0	208,592
Bruce Rock	1,061	728,988	788,778	8.2%	2,969	791,746	556,359	586,485	5.4%	2,901	0	589,386
Bunbury	31,314	584,139	524,374	-10.2%	2,382	526,755	589,546	601,181	2.0%	3,074	0	604,255
Busselton	25,950	403,694	434,550	7.6%	1,644	436,194	825,019	889,220	7.8%	4,302	36,000	929,522
Cambridge	24,656	398,381	412,881	3.6%	1,623	414,504	275,201	280,640	2.0%	1,435	0	282,075
Canning	79,600	1,272,000	1,332,955	4.8%	5,181	1,338,136	879,076	898,170	2.2%	4,583	0	902,754
Capel	8,905	531,600	589,727	10.9%	2,166	591,893	330,873	330,036	-0.3%	1,725	630,492	962,253



SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06												
General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
Carnamah	710	472,703	479,063	1.3%	1,925	480,988	272,881	282,647	3.6%	1,423	0	284,070
Carnarvon	6,340	2,208,636	2,240,354	1.4%	8,996	2,249,350	776,576	779,702	0.4%	4,049	0	783,751
Chapman Valley	959	217,445	208,047	-4.3%	886	208,932	368,427	381,724	3.6%	1,921	0	383,645
Chittering	3,323	324,108	347,036	7.1%	1,320	348,356	230,813	246,748	6.9%	1,203	134,000	381,952
Claremont	9,142	147,597	153,089	3.7%	601	153,690	73,427	74,613	1.6%	383	0	74,995
Cockburn	74,606	1,168,876	1,249,327	6.9%	4,760	1,254,088	828,687	834,251	0.7%	4,321	0	838,572
Collie	8,938	1,224,455	1,298,166	6.0%	4,986	1,303,152	349,687	363,328	3.9%	1,823	0	365,151
Coolgardie	3,875	418,398	419,900	0.4%	1,705	421,605	319,550	329,837	3.2%	1,666	0	331,503
Coorow	1,358	478,836	527,316	10.1%	1,949	529,265	375,830	387,295	3.1%	1,960	0	389,254
Corrigin	1,184	561,997	588,565	4.7%	2,288	590,853	484,343	494,554	2.1%	2,525	0	497,080
Cottesloe	7,617	121,411	127,552	5.1%	494	128,046	74,056	74,259	0.3%	386	0	74,645
Cranbrook	1,057	302,871	325,189	7.4%	1,233	326,421	416,055	442,734	6.4%	2,169	0	444,903
Cuballing	736	353,222	393,364	11.4%	1,438	394,802	241,398	248,879	3.1%	1,259	0	250,138
Cue	367	621,369	660,707	6.3%	2,531	663,237	295,385	319,440	8.1%	1,540	0	320,980
Cunderdin	1,308	532,043	526,906	-1.0%	2,167	529,073	361,043	377,227	4.5%	1,882	0	379,109
Dalwallinu	1,592	735,565	739,860	0.6%	2,995	742,855	794,966	820,108	3.2%	4,145	0	824,253
Dandaragan	2,956	410,476	433,698	5.7%	1,671	435,369	624,643	655,216	4.9%	3,257	0	658,473
Dardanup	9,805	612,343	615,383	0.5%	2,494	617,877	292,610	303,546	3.7%	1,526	20,000	325,072
Denmark	5,128	507,448	537,054	5.8%	2,067	539,121	299,606	335,213	11.9%	1,562	0	336,775
Derby/West Kimberley	8,776	3,416,770	3,590,118	5.1%	13,917	3,604,034	596,574	615,386	3.2%	3,110	68,000	686,496
Donnybrook	4,723	626,302	653,839	4.4%	2,551	656,389	432,979	449,494	3.8%	2,258	172,000	623,751
Dowerin	792	455,403	457,738	0.5%	1,855	459,593	375,521	393,014	4.7%	1,958	0	394,972

### SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06

General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
Dumbleyung	679	467,745	493,491	5.5%	1,904	495,395	398,516	418,613	5.0%	2,078	382,000	802,691
Dundas	1,150	585,805	665,742	13.6%	2,386	668,128	268,017	335,913	25.3%	1,397	0	337,310
East Fremantle	6,885	111,466	115,294	3.4%	454	115,748	54,675	54,547	-0.2%	285	0	54,832
East Pilbara	5,535	1,781,904	2,047,985	14.9%	7,261	2,055,246	1,128,328	1,153,663	2.2%	5,883	386,000	1,545,546
Esperance	13,293	1,421,528	1,341,807	-5.6%	5,790	1,347,597	1,900,194	1,942,275	2.2%	9,907	0	1,952,182
Exmouth	2,271	904,720	929,139	2.7%	3,685	932,825	252,569	276,392	9.4%	1,317	0	277,709
Fremantle	26,266	422,319	439,842	4.1%	1,720	441,562	283,735	289,254	1.9%	1,479	0	290,734
Geraldton	19,051	1,161,072	1,148,514	-1.1%	4,730	1,153,244	420,104	435,249	3.6%	2,190	0	437,440
Gingin	4,528	417,243	494,910	18.6%	1,698	496,607	523,445	563,474	7.6%	2,729	86,000	652,203
Gnowangerup	1,434	335,260	353,359	5.4%	1,365	354,724	430,214	444,949	3.4%	2,243	0	447,192
Goomalling	961	246,974	258,124	4.5%	1,005	259,130	254,595	262,219	3.0%	1,327	154,000	417,547
Gosnells	90,096	1,410,081	1,508,718	7.0%	5,742	1,514,460	941,207	970,552	3.1%	4,907	50,000	1,025,459
Greenough	13,172	986,150	1,095,802	11.1%	4,015	1,099,817	428,684	436,270	1.8%	2,235	0	438,505
Halls Creek	4,274	2,112,955	2,400,379	13.6%	8,605	2,408,983	468,185	481,577	2.9%	2,441	218,000	702,018
Harvey	18,948	858,350	927,002	8.0%	3,497	930,500	612,931	660,261	7.7%	3,196	0	663,456
Irwin	3,040	325,021	320,730	-1.3%	1,324	322,054	207,333	213,090	2.8%	1,081	0	214,171
Jerramungup	1,174	244,023	279,603	14.6%	993	280,596	407,040	431,286	6.0%	2,122	0	433,408
Joondalup	158,216	2,539,795	2,649,432	4.3%	10,344	2,659,777	1,510,145	1,539,334	1.9%	7,874	0	1,547,208
Kalamunda	50,202	983,100	840,666	-14.5%	4,008	844,674	657,338	705,689	7.4%	3,427	0	709,116
Kalgoorlie-Boulder	29,452	1,096,450	1,176,431	7.3%	4,469	1,180,900	1,093,693	1,148,614	5.0%	5,702	50,000	1,204,316
Katanning	4,245	825,485	847,515	2.7%	3,362	850,877	362,159	372,339	2.8%	1,888	0	374,227
Kellerberrin	1,153	618,141	662,957	7.3%	2,517	665,474	390,880	408,908	4.6%	2,038	40,000	450,946

SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06												
General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
Kent	577	225,901	250,927	11.1%	919	251,846	453,579	478,584	5.5%	2,365	0	480,949
Kojonup	2,190	364,434	379,004	4.0%	1,484	380,488	470,657	494,081	5.0%	2,454	20,000	516,535
Kondinin	998	394,431	421,071	6.8%	1,606	422,677	483,035	508,516	5.3%	2,519	0	511,035
Koorda	473	669,930	717,406	7.1%	2,727	720,133	462,097	472,581	2.3%	2,409	0	474,990
Kulin	879	364,043	400,031	9.9%	1,482	401,512	571,186	579,074	1.4%	2,978	0	582,052
Kwinana	22,893	363,954	383,359	5.3%	1,482	384,841	371,681	381,360	2.6%	1,938	0	383,298
Lake Grace	1,530	406,657	471,120	15.9%	1,654	472,774	840,816	877,498	4.4%	4,384	0	881,882
Laverton	1,208	873,992	896,111	2.5%	3,560	899,670	504,167	546,519	8.4%	2,629	70,000	619,148
Leonora	1,924	438,902	427,186	-2.7%	1,789	428,975	472,115	492,860	4.4%	2,462	0	495,321
Mandurah	58,587	876,922	981,078	11.9%	3,570	984,649	632,048	646,363	2.3%	3,295	0	649,659
Manjimup	9,875	1,294,247	1,399,510	8.1%	5,272	1,404,782	857,182	935,382	9.1%	4,469	568,000	1,507,852
Meekatharra	1,532	1,088,684	1,242,021	14.1%	4,433	1,246,453	708,580	811,770	14.6%	3,694	0	815,465
Melville	97,541	1,570,281	1,633,389	4.0%	6,396	1,639,785	794,809	807,228	1.6%	4,144	0	811,372
Menzies	360	636,266	800,538	25.8%	2,591	803,129	443,913	556,385	25.3%	2,315	60,000	618,700
Merredin	3,499	821,064	836,421	1.9%	3,343	839,765	563,105	582,116	3.4%	2,936	0	585,052
Mingenew	558	235,488	237,512	0.9%	959	238,471	228,909	234,552	2.5%	1,194	0	235,746
Moora	2,569	404,430	405,201	0.2%	1,646	406,848	439,756	450,814	2.5%	2,293	0	453,107
Morawa	906	523,937	534,785	2.1%	2,134	536,919	389,966	406,156	4.2%	2,033	0	408,189
Mosman Park	8,594	137,429	143,912	4.7%	560	144,472	61,348	62,840	2.4%	320	0	63,160
Mount Magnet	759	757,079	833,019	10.0%	3,082	836,100	339,773	351,708	3.5%	1,772	0	353,479
Mount Marshall	616	686,273	755,696	10.1%	2,793	758,490	641,548	667,770	4.1%	3,345	0	671,115
Mukinbudin	670	475,283	548,643	15.4%	1,934	550,578	370,016	384,734	4.0%	1,929	0	386,663

SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06												
General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
Mullewa	1,059	250,847	237,488	-5.3%	1,022	238,510	422,946	449,811	6.4%	2,205	0	452,016
Mundaring	35,558	2,096,839	2,102,382	0.3%	8,542	2,110,924	680,023	698,335	2.7%	3,546	0	701,881
Murchison	162	1,086,823	1,208,745	11.2%	4,424	1,213,170	549,541	577,740	5.1%	2,865	0	580,605
Murray	11,831	1,016,178	1,115,381	9.8%	4,138	1,119,519	534,888	558,845	4.5%	2,789	306,000	867,634
Nannup	1,213	446,226	474,224	6.3%	1,817	476,041	286,898	294,645	2.7%	1,496	120,000	416,141
Narembene	911	544,229	610,948	12.3%	2,215	613,163	553,928	585,273	5.7%	2,888	0	588,161
Narrogin(S)	746	324,956	345,274	6.3%	1,323	346,597	287,409	303,238	5.5%	1,499	18,000	322,737
Narrogin(T)	4,482	617,511	648,146	5.0%	2,516	650,661	116,121	118,996	2.5%	605	0	119,602
Nedlands	21,964	356,323	367,802	3.2%	1,451	369,253	206,968	223,774	8.1%	1,079	0	224,853
Ngaanyatjarraku	1,683	1,880,292	2,008,688	6.8%	7,658	2,016,346	409,364	432,709	5.7%	2,134	421,246	856,089
Northam(S)	3,669	580,178	632,244	9.0%	2,363	634,607	383,180	407,713	6.4%	1,998	10,000	419,711
Northam(T)	6,290	808,903	816,429	0.9%	3,295	819,725	143,396	146,355	2.1%	748	0	147,102
Northampton	3,320	489,684	502,485	2.6%	1,994	504,479	475,471	493,627	3.8%	2,479	0	496,106
Nungarin	272	423,569	468,229	10.5%	1,724	469,953	215,037	219,090	1.9%	1,121	0	220,211
Peppermint Grove	1,679	26,643	28,116	5.5%	109	28,224	13,367	13,626	1.9%	70	0	13,696
Perenjori	585	486,357	526,533	8.3%	1,980	528,513	506,504	541,554	6.9%	2,641	0	544,195
Perth	10,469	150,812	175,310	16.2%	614	175,924	335,221	341,132	1.8%	1,748	0	342,880
Pingelly	1,149	403,344	426,362	5.7%	1,642	428,004	255,222	265,369	4.0%	1,331	50,000	316,700
Plantagenet	4,621	369,936	395,641	6.9%	1,505	397,146	580,577	598,054	3.0%	3,027	12,000	613,081
Port Hedland	12,487	1,353,962	1,318,570	-2.6%	5,513	1,324,083	548,553	545,117	-0.6%	2,860	36,000	583,978
Quairading	1,041	575,770	587,365	2.0%	2,345	589,709	401,465	413,884	3.1%	2,093	302,000	717,977
Ravensthorpe	1,344	458,943	513,058	11.8%	1,867	514,925	476,734	485,679	1.9%	2,486	0	488,164

SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06												
General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
Rockingham	81,847	1,269,470	1,370,583	8.0%	5,170	1,375,752	966,588	1,060,242	9.7%	5,040	0	1,065,282
Roebourne	15,302	2,259,128	2,233,911	-1.1%	9,205	2,243,116	568,340	571,009	0.5%	2,963	0	573,972
Sandstone	150	836,120	898,653	7.5%	3,405	902,058	414,239	475,473	14.8%	2,160	0	477,632
Serpentine-Jarrahdale	12,443	1,025,456	1,104,330	7.7%	4,177	1,108,507	564,386	591,881	4.9%	2,943	0	594,824
Shark Bay	968	775,336	783,486	1.1%	3,159	786,645	295,204	295,485	0.1%	1,539	0	297,024
South Perth	38,413	616,024	643,251	4.4%	2,509	645,760	294,710	300,414	1.9%	1,537	0	301,951
Stirling	181,079	2,890,615	3,032,289	4.9%	11,773	3,044,062	1,554,848	1,606,161	3.3%	8,107	0	1,614,268
Subiaco	16,399	255,683	274,612	7.4%	1,041	275,654	165,808	163,896	-1.2%	865	0	164,760
Swan	91,697	1,445,026	1,535,527	6.3%	5,885	1,541,412	1,392,886	1,431,581	2.8%	7,262	0	1,438,843
Tambellup	682	326,994	360,561	10.3%	1,331	361,892	223,021	229,995	3.1%	1,163	0	231,158
Tammin	439	386,968	409,069	5.7%	1,576	410,645	203,891	212,396	4.2%	1,063	0	213,459
Three Springs	745	360,521	358,949	-0.4%	1,468	360,417	290,070	299,210	3.2%	1,512	0	300,722
Toodyay	4,237	528,473	548,551	3.8%	2,153	550,704	369,306	380,677	3.1%	1,926	0	382,603
Trayning	364	514,326	534,848	4.0%	2,094	536,942	318,892	326,424	2.4%	1,663	0	328,087
Upper Gascoyne	370	1,208,940	1,324,300	9.5%	4,922	1,329,222	559,116	593,031	6.1%	2,915	68,000	663,946
Victoria Park	28,632	456,643	479,462	5.0%	1,860	481,322	253,926	260,783	2.7%	1,324	0	262,107
Victoria Plains	932	214,899	212,264	-1.2%	874	213,139	323,542	333,767	3.2%	1,687	0	335,454
Vincent	26,632	428,695	445,971	4.0%	1,746	447,717	247,491	251,935	1.8%	1,290	0	253,225
Wagin	1,816	472,770	497,678	5.3%	1,925	499,603	347,677	366,320	5.4%	1,813	0	368,133
Wandering	345	146,394	143,341	-2.1%	596	143,938	151,181	158,556	4.9%	788	0	159,344
Wanneroo	100,432	1,513,521	1,681,801	11.1%	6,163	1,687,964	1,164,174	1,274,943	9.5%	6,070	0	1,281,013
Waroona	3,555	457,786	512,303	11.9%	1,864	514,167	255,584	267,244	4.6%	1,333	0	268,577

SCHEDULE OF FINANCIAL ASSISTANCE GRANTS 2005-06												
General Purpose Funding							Local Road Funding					
Local Government	Pop 2004	Final Grant 2004/05	Final Grant 2005/06	% Change	2004/05 Adjust-ment	2005/06 Final Plus 2004/05 Adjustments	2004/05 Final (Excluding Special Projects)	2005/06 Final (Excluding Special Projects)	% Change	2004/05 Adjust-ment	2005/06 Special Projects	2005/06 Final + Spec Projects + 2004/05 Adjustment
West Arthur	908	173,060	211,054	22.0%	704	211,757	350,944	364,626	3.9%	1,830	4,000	370,455
Westonia	238	359,502	374,646	4.2%	1,464	376,109	347,077	356,764	2.8%	1,810	0	358,574
Wickepin	694	445,317	485,418	9.0%	1,813	487,231	358,263	379,248	5.9%	1,868	0	381,116
Williams	873	69,903	67,274	-3.8%	284	67,558	206,071	215,899	4.8%	1,074	0	216,973
Wiluna	953	574,693	711,401	23.8%	2,341	713,742	570,757	598,299	4.8%	2,976	28,000	629,275
Wongan-Ballidu	1,500	593,787	619,717	4.4%	2,418	622,135	545,490	568,011	4.1%	2,844	150,000	720,855
Woodanilling	389	263,413	274,289	4.1%	1,073	275,361	209,453	218,365	4.3%	1,092	0	219,457
Wyalkatchem	665	478,741	512,060	7.0%	1,949	514,009	308,910	319,359	3.4%	1,611	0	320,969
Wyndham-East Kimberley	7,678	2,509,471	2,461,267	-1.9%	10,223	2,471,490	597,878	591,792	-1.0%	3,117	180,000	774,909
Yalgoo	328	825,574	890,095	7.8%	3,362	893,457	424,577	446,328	5.1%	2,214	0	448,542
Yilgarn	1,692	393,911	409,748	4.0%	1,603	411,351	814,720	843,555	3.5%	4,248	0	847,803
York	3,323	423,817	445,826	5.2%	1,726	447,552	412,667	427,164	3.5%	2,152	176,000	605,315
<b>Total</b>	<b>1,982,204</b>	<b>104,958,080</b>	<b>110,644,427</b>	<b>5.4%</b>	<b>427,465</b>	<b>111,071,892</b>	<b>67,646,364</b>	<b>70,661,649</b>	<b>4.5%</b>	<b>352,703</b>	<b>5,319,738</b>	<b>76,334,090</b>

## FEEDBACK FORM (OPTIONAL)

(Please fax or post to WALGGC when completed, and thank you for your time.)

The Manager  
WA Local Government Grants Commission  
GPO Box R1250  
PERTH WA 6844

Fax No. (08) 9217 1555

### QUESTIONNAIRE

On the scale of 1 to 10, please circle the score that reflects your answer.

1. The information in the Annual Report produced by the WALGGC is:

1    2    3    4    5    6    7    8    9    10  
*Very useful* *Not useful*

Comment:

---

---

2. The amount of information in the Annual Report is:

1    2    3    4    5    6    7    8    9    10  
*Too much* *Too little*

Comment:

---

---

3. From the information provided, my understanding of the allocation of financial assistance grants to local government bodies in WA is:

1    2    3    4    5    6    7    8    9    10  
*Very clear* *Unclear*

Comment:

---

---

4. From the information provided, the process for allocation of financial assistance grants to local government bodies in WA is open and transparent:

1    2    3    4    5    6    7    8    9    10  
*Yes* *No*

Comment:

---

---

5. With the information provided, the graphical presentation is:

1	2	3	4	5	6	7	8	9	10
<i>Just right</i>								<i>Not enough</i>	

*Comment:*

---

6. Improvements can be made (if any) in: *Chapter 1, 2, 3, 4, Appendices*

---

---

---

---

---

---

7. Other comments or suggestions (if any):

---

---

---

---

---

---

From: Name: \_\_\_\_\_

Position: \_\_\_\_\_

Organisation: \_\_\_\_\_

Contact details: \_\_\_\_\_

\_\_\_\_\_

**DATE:**



## **MORE INFORMATION**

More information may be obtained by visiting the WA Local Government Grants Commission's web page at **[www.dlgrd.wa.gov.au/lggc/](http://www.dlgrd.wa.gov.au/lggc/)** for

- Local Government Grants Principles and Methods for the Distribution of Commonwealth Financial Assistance in Western Australia
- Balanced Budget Detailed Calculations
- Grant Allocations to local governments in WA (recent years)
- Annual Report (recent years)
- List of Services
- Information Paper
- Customer Service Charter

The web page will be updated from time to time, and should you not find the above listed information, please make your request through the Commission's e-mail address: **[grants@dlgrd.wa.gov.au](mailto:grants@dlgrd.wa.gov.au)**



## **WESTERN AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

Level 1  
Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

GPO Box R1250  
PERTH WA 6844

Telephone: (08) 9217 1500  
Facsimile: (08) 9217 1555

Free Call for Country Areas:  
1 800 620 511

E-mail: [grants@dlgrd.wa.gov.au](mailto:grants@dlgrd.wa.gov.au)  
Website: [www.dlgrd.wa.gov.au/lggc/](http://www.dlgrd.wa.gov.au/lggc/)

**ISSN 0818-9099**

Issue: November 2005