

4. Isolation

Total \$ Redistributed	Base	Proposed
Isolation	\$1 771 156	\$1 857 829

This factor is designed to reflect the increased costs associated with being geographically isolated. Isolation CA currently applies to three expenditure categories which are:

- general administration;
- planning and community amenities; and
- recreation and culture.

This CA is calculated by using kilometre distances between each administrative centre, relevant major regional centre and Hobart. West Tamar is the only council whose administrative centre is not used, as significant council resources are based at Riverside rather than Beaconsfield, so the Commission made a special case where distances are calculated based on a midpoint between the two centres.

Weightings are used to account for the relative importance of the regional centre. Hobart is used for all councils as it is the primary focus of administrative and political activity within the State.

For Southern Councils (S)

100% Hobart - Not Variable

For Northern Councils (N)

90% Weight To Launceston

10% Weight To Hobart

For North Western Councils Closer To Dev Than Bur (NW1)

70% Weight To Devonport

20% Weight To Launceston

10% Weight To Hobart

For North Western Councils Closer To Bur Than Dev (NW)

70% Weight To Burnie

20% Weight To Launceston

10% Weight To Hobart

The kilometre distances from King Island to Burnie, and Flinders to Launceston have been inflated by 100 per cent to account for the additional expense of air travel from the islands.

CA Impacts

The main beneficiaries from this CA are:

<u>Council</u>	<u>Cost Adjustor</u>	<u>Impact on Applicable Expenditure Categories</u>
Break O'Day	1.09	+8.6 per cent
Flinders	1.21	+21.4 per cent
King Island	1.30	+30.0 per cent
West Coast	1.09	+8.9 per cent

The Isolation CA compensates King and Flinders Islands in particular. This CA does not require updating unless a council considers moving its administrative centre. This is currently the case for West Coast, which is currently in the process of transferring some administrative responsibilities from Zeehan to Queenstown. The model will require updating to reflect this situation once the Commission has received confirmation of the transfer.

Range Factor Adjustment

The Commission determined to increase the effect of the Isolation CA by altering the range factor. The effect of this adjustment can be seen between Appendices 1 & 2. In Appendix 1 the maximum impact on applicable expenditure categories is +28.6 per cent for King Island. The Commission, through its broad judgement, altered the range factor to increase this maximum redistribution to +30.0 per cent for King Island. The dollar and percentage impacts to all councils can be observed in columns K & L in Appendix 2.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	
1	APPENDIX 1 - Isolation - Cost Adjustor Impacts on 2006-07 Base Year Data														
2															
3		GENERAL ADMINISTRATION	EDUCATION HEALTH HOUSING AND WELFARE	LAW ORDER AND PUBLIC SAFETY	PLANNING & COMMUNITY AMENITIES	WASTE MANAGEMENT AND ENVIRONMENT	RECREATION AND CULTURE	SEWERAGE		WATER	OTHER	TOTAL EXPENDITURE EFFECT	IMPACT ON APPLICABLE EXPENDITURE CATEGORIES	IMPACT ON NON-ROADS EXPENDITURE	RANK - % IMPACT ON NON-ROADS EXP
4															
5	ISOLATION - The effect of the Isolation Cost Adjustor on each expenditure category (2006-07 Data)														
6															
7	Break O'Day	+ 86 821	+ 0	+ 0	+ 37 190	+ 0	+ 77 536	+ 0	+ 0	+ 0	+ 201 546	+8.2%	+5.1%	4	
8	Brighton	- 26 258	+ 0	+ 0	- 11 248	+ 0	- 23 449	+ 0	+ 0	+ 0	- 60 955	-1.0%	-0.6%	24	
9	Burnie	+ 47 252	+ 0	+ 0	+ 20 240	+ 0	+ 42 199	+ 0	+ 0	+ 0	+ 109 691	+1.4%	+0.9%	15	
10	Central Coast	+ 67 110	+ 0	+ 0	+ 28 747	+ 0	+ 59 933	+ 0	+ 0	+ 0	+ 155 789	+1.9%	+1.2%	13	
11	Central Highlands	+ 8 151	+ 0	+ 0	+ 3 492	+ 0	+ 7 280	+ 0	+ 0	+ 0	+ 18 923	+2.1%	+1.3%	11	
12	Circular Head	+ 92 375	+ 0	+ 0	+ 39 569	+ 0	+ 82 495	+ 0	+ 0	+ 0	+ 214 439	+6.6%	+4.1%	5	
13	Clarence	- 165 245	+ 0	+ 0	- 70 783	+ 0	- 147 573	+ 0	+ 0	+ 0	- 383 602	-1.9%	-1.2%	28	
14	Derwent Valley	- 1 110	+ 0	+ 0	- 476	+ 0	- 991	+ 0	+ 0	+ 0	- 2 577	-0.1%	-0.0%	21	
15	Devonport	+ 21 790	+ 0	+ 0	+ 9 334	+ 0	+ 19 459	+ 0	+ 0	+ 0	+ 50 583	+0.5%	+0.3%	18	
16	Dorset	+ 30 777	+ 0	+ 0	+ 13 184	+ 0	+ 27 486	+ 0	+ 0	+ 0	+ 71 447	+2.5%	+1.6%	10	
17	Flinders	+ 30 575	+ 0	+ 0	+ 13 097	+ 0	+ 27 305	+ 0	+ 0	+ 0	+ 70 977	+20.4%	+12.7%	2	
18	George Town	+ 22 473	+ 0	+ 0	+ 9 626	+ 0	+ 20 069	+ 0	+ 0	+ 0	+ 52 168	+2.0%	+1.2%	12	
19	Glamorgan-Spring Bay	+ 21 806	+ 0	+ 0	+ 9 340	+ 0	+ 19 474	+ 0	+ 0	+ 0	+ 50 620	+2.9%	+1.8%	7	
20	Glenorchy	- 124 508	+ 0	+ 0	- 53 333	+ 0	- 111 193	+ 0	+ 0	+ 0	- 289 034	-1.6%	-1.0%	26	
21	Hobart	- 201 861	+ 0	+ 0	- 86 468	+ 0	- 180 273	+ 0	+ 0	+ 0	- 468 601	-2.4%	-1.5%	29	
22	Huon Valley	- 1 662	+ 0	+ 0	- 712	+ 0	- 1 484	+ 0	+ 0	+ 0	- 3 859	-0.1%	-0.0%	22	
23	Kentish	+ 15 308	+ 0	+ 0	+ 6 557	+ 0	+ 13 671	+ 0	+ 0	+ 0	+ 35 535	+1.5%	+0.9%	14	
24	King Island	+ 83 957	+ 0	+ 0	+ 35 963	+ 0	+ 74 978	+ 0	+ 0	+ 0	+ 194 899	+28.6%	+17.8%	1	
25	Kingborough	- 94 028	+ 0	+ 0	- 40 277	+ 0	- 83 972	+ 0	+ 0	+ 0	- 218 278	-1.7%	-1.1%	27	
26	Latrobe	+ 14 513	+ 0	+ 0	+ 6 217	+ 0	+ 12 961	+ 0	+ 0	+ 0	+ 33 690	+0.9%	+0.6%	17	
27	Launceston	- 130 103	+ 0	+ 0	- 55 730	+ 0	- 116 189	+ 0	+ 0	+ 0	- 302 022	-1.2%	-0.7%	25	
28	Meander Valley	+ 31 590	+ 0	+ 0	+ 13 531	+ 0	+ 28 211	+ 0	+ 0	+ 0	+ 73 332	+1.0%	+0.6%	16	
29	Northern Midlands	+ 2 730	+ 0	+ 0	+ 1 169	+ 0	+ 2 438	+ 0	+ 0	+ 0	+ 6 337	+0.1%	+0.1%	20	
30	Sorell	- 18 191	+ 0	+ 0	- 7 792	+ 0	- 16 245	+ 0	+ 0	+ 0	- 42 228	-0.9%	-0.5%	23	
31	Southern Midlands	+ 27 989	+ 0	+ 0	+ 11 989	+ 0	+ 24 996	+ 0	+ 0	+ 0	+ 64 974	+2.8%	+1.7%	8	
32	Tasman	+ 14 554	+ 0	+ 0	+ 6 234	+ 0	+ 12 998	+ 0	+ 0	+ 0	+ 33 786	+3.7%	+2.3%	6	
33	Waratah-Wynyard	+ 60 733	+ 0	+ 0	+ 26 015	+ 0	+ 54 238	+ 0	+ 0	+ 0	+ 140 985	+2.6%	+1.6%	9	
34	West Coast	+ 74 743	+ 0	+ 0	+ 32 016	+ 0	+ 66 750	+ 0	+ 0	+ 0	+ 173 510	+8.5%	+5.3%	3	
35	West Tamar	+ 7 722	+ 0	+ 0	+ 3 308	+ 0	+ 6 896	+ 0	+ 0	+ 0	+ 17 926	+0.2%	+0.1%	19	
36															
37	SUM REDISTRIBUTED	762 967	0	0	326 818	0	681 371	0	0	0	1 771 156				
38	AS PROPN OF CAT EXP	0.907%	0.000%	0.000%	0.907%	0.000%	0.907%	#DIV/0!	#DIV/0!	0.000%		0.907%	0.565%		
39															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
40	APPENDIX 2 - Isolation - Proposed Cost Adjustor Impacts on 2006-07 Base Year Data													
41														
42		GENERAL ADMINISTRATION	EDUCATION HEALTH HOUSING AND WELFARE	LAW ORDER AND PUBLIC SAFETY	PLANNING & COMMUNITY AMENITIES	WASTE MANAGEMENT AND ENVIRONMENT	RECREATION AND CULTURE	SEWERAGE	WATER	OTHER	TOTAL EXPENDITURE EFFECT	IMPACT ON APPLICABLE EXPENDITURE CATEGORIES	IMPACT ON NON-ROADS EXPENDITURE	RANK - % IMPACT ON NON-ROADS EXP
43														
44	ISOLATION - The effect of the Isolation Cost Adjustor on each expenditure category (2006-07 Data)													
45														
46	Break O'Day	+ 91 069	+ 0	+ 0	+ 39 010	+ 0	+ 81 330	+ 0	+ 0	+ 0	+ 211 409	+8.6%	+5.3%	4
47	Brighton	- 27 543	+ 0	+ 0	- 11 798	+ 0	- 24 597	+ 0	+ 0	+ 0	- 63 937	-1.1%	-0.7%	24
48	Burnie	+ 49 564	+ 0	+ 0	+ 21 231	+ 0	+ 44 264	+ 0	+ 0	+ 0	+ 115 059	+1.5%	+0.9%	15
49	Central Coast	+ 70 394	+ 0	+ 0	+ 30 153	+ 0	+ 62 866	+ 0	+ 0	+ 0	+ 163 413	+1.9%	+1.2%	13
50	Central Highlands	+ 8 550	+ 0	+ 0	+ 3 663	+ 0	+ 7 636	+ 0	+ 0	+ 0	+ 19 849	+2.2%	+1.4%	11
51	Circular Head	+ 96 895	+ 0	+ 0	+ 41 505	+ 0	+ 86 532	+ 0	+ 0	+ 0	+ 224 933	+6.9%	+4.3%	5
52	Clarence	- 173 332	+ 0	+ 0	- 74 247	+ 0	- 154 795	+ 0	+ 0	+ 0	- 402 373	-2.0%	-1.2%	28
53	Derwent Valley	- 1 165	+ 0	+ 0	- 499	+ 0	- 1 040	+ 0	+ 0	+ 0	- 2 703	-0.1%	-0.0%	22
54	Devonport	+ 22 856	+ 0	+ 0	+ 9 790	+ 0	+ 20 412	+ 0	+ 0	+ 0	+ 53 058	+0.5%	+0.3%	18
55	Dorset	+ 32 284	+ 0	+ 0	+ 13 829	+ 0	+ 28 831	+ 0	+ 0	+ 0	+ 74 943	+2.6%	+1.6%	10
56	Flinders	+ 32 071	+ 0	+ 0	+ 13 738	+ 0	+ 28 641	+ 0	+ 0	+ 0	+ 74 450	+21.4%	+13.4%	2
57	George Town	+ 23 572	+ 0	+ 0	+ 10 097	+ 0	+ 21 051	+ 0	+ 0	+ 0	+ 54 721	+2.0%	+1.3%	12
58	Glamorgan-Spring Bay	+ 22 873	+ 0	+ 0	+ 9 798	+ 0	+ 20 427	+ 0	+ 0	+ 0	+ 53 097	+3.1%	+1.9%	7
59	Glenorchy	- 130 601	+ 0	+ 0	- 55 943	+ 0	- 116 634	+ 0	+ 0	+ 0	- 303 179	-1.7%	-1.1%	26
60	Hobart	- 211 739	+ 0	+ 0	- 90 699	+ 0	- 189 095	+ 0	+ 0	+ 0	- 491 533	-2.5%	-1.6%	29
61	Huon Valley	- 1 744	+ 0	+ 0	- 747	+ 0	- 1 557	+ 0	+ 0	+ 0	- 4 048	-0.1%	-0.0%	21
62	Kentish	+ 16 057	+ 0	+ 0	+ 6 878	+ 0	+ 14 340	+ 0	+ 0	+ 0	+ 37 274	+1.6%	+1.0%	14
63	King Island	+ 88 066	+ 0	+ 0	+ 37 723	+ 0	+ 78 647	+ 0	+ 0	+ 0	+ 204 436	+30.0%	+18.7%	1
64	Kingborough	- 98 630	+ 0	+ 0	- 42 248	+ 0	- 88 082	+ 0	+ 0	+ 0	- 228 960	-1.8%	-1.1%	27
65	Latrobe	+ 15 223	+ 0	+ 0	+ 6 521	+ 0	+ 13 595	+ 0	+ 0	+ 0	+ 35 339	+1.0%	+0.6%	17
66	Launceston	- 136 470	+ 0	+ 0	- 58 457	+ 0	- 121 875	+ 0	+ 0	+ 0	- 316 802	-1.2%	-0.8%	25
67	Meander Valley	+ 33 135	+ 0	+ 0	+ 14 194	+ 0	+ 29 592	+ 0	+ 0	+ 0	+ 76 921	+1.0%	+0.6%	16
68	Northern Midlands	+ 2 863	+ 0	+ 0	+ 1 226	+ 0	+ 2 557	+ 0	+ 0	+ 0	+ 6 647	+0.1%	+0.1%	20
69	Sorell	- 19 081	+ 0	+ 0	- 8 173	+ 0	- 17 040	+ 0	+ 0	+ 0	- 44 295	-0.9%	-0.6%	23
70	Southern Midlands	+ 29 359	+ 0	+ 0	+ 12 576	+ 0	+ 26 219	+ 0	+ 0	+ 0	+ 68 154	+2.9%	+1.8%	8
71	Tasman	+ 15 266	+ 0	+ 0	+ 6 539	+ 0	+ 13 634	+ 0	+ 0	+ 0	+ 35 439	+3.9%	+2.4%	6
72	Waratah-Wynyard	+ 63 705	+ 0	+ 0	+ 27 288	+ 0	+ 56 892	+ 0	+ 0	+ 0	+ 147 884	+2.7%	+1.7%	9
73	West Coast	+ 78 401	+ 0	+ 0	+ 33 583	+ 0	+ 70 016	+ 0	+ 0	+ 0	+ 182 001	+8.9%	+5.6%	3
74	West Tamar	+ 8 100	+ 0	+ 0	+ 3 470	+ 0	+ 7 234	+ 0	+ 0	+ 0	+ 18 804	+0.2%	+0.1%	19
75														
76	SUM REDISTRIBUTED	800 303	0	0	342 812	0	714 714	0	0	0	1 857 829			
77	AS PROPN OF CAT EXP	0.951%	0.000%	0.000%	0.951%	0.000%	0.951%	#DIV/0!	#DIV/0!	0.000%		0.951%	0.593%	
78														

	A	B	C	D	E
79	APPENDIX 3 - Isolation Cost Adjustor				
80	(After Updates and Changes)				
81			WEIGHTED	"SCORE"	
82			DISTANCE	RELATIVE	RANGED
83			TO MAJOR	ISOLATION	COST
84			CENTRES	INDEX	ADJUSTOR
85					RF-> 17.235
86	Break O'Day		173	1.95	1.09
87	Brighton		22	0.25	0.99
88	Burnie		62	0.70	1.01
89	Central Coast		70	0.78	1.02
90	Central Highlands		73	0.82	1.02
91	Circular Head		147	1.66	1.07
92	Clarence		8	0.09	0.98
93	Derwent Valley		38	0.43	1.00
94	Devonport		48	0.54	1.01
95	Dorset		80	0.90	1.03
96	Flinders		375	4.23	1.21
97	George Town		71	0.80	1.02
98	Glamorgan-Spring Bay		87	0.98	1.03
99	Glenorchy		12	0.14	0.98
100	Hobart		0	0.00	0.98
101	Huon Valley		38	0.43	1.00
102	Kentish		63	0.72	1.02
103	King Island		508	5.74	1.30
104	Kingborough		11	0.12	0.98
105	Latrobe		55	0.62	1.01
106	Launceston		20	0.22	0.99
107	Meander Valley		55	0.62	1.01
108	Northern Midlands		41	0.47	1.00
109	Sorell		25	0.28	0.99
110	Southern Midlands		85	0.96	1.03
111	Tasman		100	1.13	1.04
112	Waratah-Wynyard		81	0.92	1.03
113	West Coast		179	2.02	1.09
114	West Tamar		43	0.48	1.00
115			AVG -->88.6	PWA = 0.441	PWA = 1.000
116					
117					max = 1.300
118					min = 0.975