



Tasmania

## State Grants Commission

---

ANNUAL REPORT FOR 2003-04

Please address any enquiries to:

The Secretary  
State Grants Commission  
GPO Box 147  
HOBART TASMANIA 7001

Telephone: 03 6233 3583  
Facsimile: 03 6233 5690  
E-mail: [jeremy.threlfall@treasury.tas.gov.au](mailto:jeremy.threlfall@treasury.tas.gov.au)

This report is available on the internet at:

[\*www.treasury.tas.gov.au/sgc\*](http://www.treasury.tas.gov.au/sgc)

ISSN 1327-4406

The Hon. Dr David Crean MLC  
TREASURER

Dear Treasurer

In accordance with Section 9(3) of the *State Grants Commission Act (No. 40 of 1976)*, I have pleasure in presenting the State Grants Commission's Annual Report and recommendations of financial assistance for local government authorities in Tasmania. This is the twenty eighth Annual Report of the Commission, and relates to grants for payment in the 2003-04 financial year.

Yours sincerely

R C Close  
CHAIRMAN

# CONTENTS

---

1. INTRODUCTION	1
2. LEGISLATION GOVERNING THE GRANTS	1
3. LEVEL OF ASSISTANCE FOR 2003-04	3
4. INVESTIGATIONS AND INQUIRIES	4
5. PRINCIPLES AND METHODS	5
Base grant distribution	5
Calculation of standardised revenue	7
Calculation of standardised expenditure	7
Application of council-specific disability factors	9
(i) Scale	11
(ii) Population dispersion	11
(iii) Isolation	11
(iv) Regional responsibility	11
(v) Population growth/population decline	12
(vi) Worker influx	12
(vii) Absentee population	12
(viii) Age profile	13
(ix) Unemployment	13
(x) Tourism	13
(xi) Day-tripper	13
(xii) Equivalent tenements	13
Identified local road fund distribution	14
6. ISSUES REVIEWED FOR THE ASSESSMENTS	15
(i) Disability Factors Centred on One	15
(ii) The Budget Result Term	16
(iii) Means of Factoring Back	16
(iv) Ongoing Review of the MMM Disability Factors	17
(v) Revised Isolation Factors	18
(vi) Review - Assessment of Water & Sewerage Expenditure	18
7. DISTRIBUTION OF HEAVY VEHICLE MOTOR TAX REVENUES TO COUNCILS	19
8. OUTCOMES OF THE 2003-04 ASSESSMENTS	21
Total grants	21
Base grants	21
ILRF (Road) Grants	21

9. ISSUES FOR FUTURE ASSESSMENTS	21
Review of the <i>Local Government (Financial Assistance) Act 1995</i>	21
10. GENERAL OBSERVATIONS	23
11. RECOMMENDATIONS	23
12. CONCLUSION	24
APPENDICES	
1. Mathematical form of the equalisation model	26
2. Example of the application of disability factors	27
3. Example of the application of the Mulholland Model for assessment of road expenditure needs	28
4. Total grants provided in 2002-03	30
5. Population of local government areas as at 30 June 2003	31
6. Length of local government roads as at 1 January 2003	32
7. Municipal property valuations as at 1 July 2001	33
8. Rate revenue received by local government 2001-02	34
9. Standardised revenue and specific purpose payments 2003-04	35
10. Standard expenditure in the 2003-04 Assessments	36
11. Standardised expenditure 2003-04	38
12. Disability factors 2003-04	40
13. Mulholland model disability factors	42
14. Base and ILRF Grants (per capita) 2003-04	44
15. Standardised Expenditure (per capita) in the 2003-04 Assessments	44
16. Standardised Revenue (per capita) in the 2003-04 Assessments	45
17. Specific Purpose Payments (per capita) in the 2003-04 Assessments	45
18. Share of Base Grant Pool by Population: 1994-95 Compared to 2003-04	46
19. Schedule of Hearings and Visits 2003	47

# 1 - INTRODUCTION

---

The State Grants Commission was established under the *State Grants Commission Act 1976*. It is responsible for making recommendations to the Treasurer concerning the distribution of Commonwealth financial assistance grants and identified local road funds to local government.

In performing its task the Commission, *inter alia*, adopts the principle of horizontal fiscal equalisation to ensure that as far as possible, the grants which it recommends are sufficient to enable a municipality to function, by reasonable effort, at a standard not lower than the average standard of other municipalities within the State.

The abovementioned Act provides that the Commission comprise four members: a Chairman, who is appointed by the Governor; two representatives of local government nominated by the Minister responsible for the *Local Government Act 1993* from a list of four names submitted by the Local Government Association of Tasmania (LGAT); and one person nominated by the Secretary of the Department of Treasury and Finance and approved by the Treasurer.

Mrs Lindy Mackey, previously one of the two representatives of local government on the Commission did not seek reappointment on expiry of her term in October 2002. Mr Hugh Denny was appointed to the Commission as a representative of local government in October 2002. The other representative of local government, Mr Barrie Southorn, was re-appointed for a further term.

The Commission would like to formally record its appreciation to Mrs Mackey for her valuable contribution to the Commission's work.

The current members of the Commission are:

Mr R C Close	Chairman
Mr G P Appleyard	nominee of the Secretary of the Department of Treasury and Finance
Mr B A Southorn PSM	representative of local government
Mr G H K Denny	representative of local government

# 2 - LEGISLATION GOVERNING THE GRANTS

---

The Commonwealth *Local Government (Financial Assistance) Act 1995* replaced the earlier 1986 Act in April 1995, which had in turn replaced the *Local Government (Personal Income Tax Sharing) Act 1976*. The Act prescribes the conditions that must be fulfilled for the states to receive funds, and stipulates the basis for distributing the funds among local governing bodies.

The Act also provides that a set of national principles governing the distribution of grants be developed in consultation with the states, territories and local government. The principles came into effect on 1 July 1996.

The most important principle is horizontal fiscal equalisation (HFE). However, the achievement of full HFE is compromised to some extent by the minimum grant principle which ensures that no local governing body will be allocated a base grant less than that which it would receive if 30 per cent of the State entitlement was allocated amongst local governing bodies in the State on an equal per capita basis.

The other principles include the need for effort neutrality in the assessments, inclusion of other grant support, recognition of the needs of Aboriginal and Torres Strait Islanders and the distribution of identified local road funds. These principles are described in full in Section 5 of this Report.

The principle regarding identified local road funds recognises the relative needs of councils for roads expenditure and the preservation of their road assets, but has no regard to councils' fiscal capacities. These funds remain separately identified but are untied and are not required to be spent on roads.

The Commonwealth Act provides for the base grant to be distributed on a population share basis among the states and the Northern Territory. This share is determined by the Commonwealth Statistician, based on state populations as at 31 December in the year prior to the application of the grants. Road funds are distributed between the states and territories on the basis of historical shares as defined in the *Australian Land Transport Development Act 1988*.

The Local Government (Financial Assistance) Act has recently been reviewed by the Commonwealth Grants Commission (CGC). The final report arising from the review was presented to the Hon John Fahey, the (then) Minister for Finance and Administration, on 22 June 2001, and was publicly released on 4 July 2001. Section 6 of this Report provides a summary of the progress by the Commission in response to the findings of this Review.

### 3 - LEVEL OF ASSISTANCE FOR 2003-04

---

The amount of general purpose financial assistance provided for local government by the Commonwealth is shown in Table 1 below.

**Table 1: Financial assistance for local government – 2003-04**

	National pool of funds	Tasmanian grant entitlement	Proportion of national pool	Change from 2001-02 final grants
	\$	\$	%	%
Base grant	1,044,843,617	25,053,704	2.5	3.4
Road grant	463,627,861	24,569,000	5.3	4.1
Total grant	1,508,471,478	49,622,704	3.3	3.7

Since the reforms of Commonwealth-State financial arrangements arising from the introduction of *A New Tax System (ANTS)* in 2000-01, the national quantum of local government general purpose financial assistance has been linked to annual changes in both the Australian population and the consumer price index, so that the pool is maintained in “real per capita” terms.

In line with long term demographic trends, Tasmania’s base grant did not increase by the full level of the indexation applied to the national pool, as the estimated Tasmanian population decreased as a proportion of the national population. According to the latest Australian Bureau of Statistics (ABS) estimates, Tasmania’s share of total national population fell from 2.42 per cent at 31 December 2001 to 2.40 per cent at 31 December 2002.

The Commonwealth has determined that there will be a positive adjustment of \$229,059 to the 2002-03 estimated grant entitlement of \$47,835,359 as the estimate of inflation and population growth of 3.67 per cent used to determine last year’s pool was lower than the actual level of 4.35 per cent. Therefore, the “final” 2002-03 grant entitlement for Tasmania has been calculated by the Commonwealth as \$48,064,418 (which is \$47,835,359 plus \$229,059). Details are provided in Appendix 4.

This adjustment will be added to the 2003-04 quarterly payments, based on the distribution of the 2002-03 grants. This will mean that the cash actually paid to councils in 2003-04 will be the estimated 2003-04 entitlement of \$49,622,704 plus the positive adjustment to the 2002-03 grants of \$229,059, which is a total of \$49,851,763.



## 4 - INVESTIGATIONS AND INQUIRIES

---

Section 8 of the *State Grants Commission Act 1976* provides that, for the purpose of making recommendations to the State Treasurer, the Commission may hold such inquiries and make such investigations as it considers necessary.

Under Section 11 of the Commonwealth Act, a state is not entitled to its grant unless the Commission has held public hearings in connection with the recommendations and permitted or required local governing bodies in the state, or associations of those bodies, to make submissions to it in connection with the recommendations.

In accordance with these requirements the Commission conducted a series of regional hearings which councils, the public and media representatives were free to attend.

The dates of the hearings were:

Hobart            30 and 31 January 2003 - for southern and eastern councils.  
Devonport       4 and 5 February 2003 - for north-western councils; and  
Launceston      3 and 4 April 2003 - for northern and north-eastern councils;

In addition to these hearings, the Commission visited ten municipalities throughout the State and considered written submissions from a majority of councils.

The Commission made relatively few changes to its base grant equalisation method during 2002-03. This reflects the fact that the primary focus of the Commission's work programme has been upon its response to the conclusions presented in the CGC Review of the Local Government (Financial Assistance) Act 1995. This matter is addressed in detail in Section 6 of this Report.

In addition to the work undertaken in response to the CGC Report, the Commission has continued its work on a review of the disability factors applied in the Modified Mulholland Model (MMM) that is used to distribute the ILRF grants.

It is anticipated that further work concerning this issue and the assessment of councils' water and sewerage expenditure needs will be undertaken in the 2003-04 financial year.

Details of the Commission's conclusions in relation to methodological issues are reported in Section 6.

## 5 - PRINCIPLES AND METHODS

### BASE GRANT DISTRIBUTION

The national principles for the distribution of base grants (Section 9 payments under the Commonwealth Act) are shown in the box below.

#### **National principles for the distribution of base grants**

##### *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 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.

##### *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 the grant determination.

##### *3. Minimum Grant*

The minimum general purpose grant allocation for a local governing body in a year will not be 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/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.

The Commission's equalisation model is based on the 'balanced budget' approach. That is, each council's grant entitlement is derived from the difference between:

- the expenditure 'required' to provide a common range of services, given that council's unique cost conditions (standardised expenditure); and
- revenue that the council could raise by applying a standard or average rate per dollar of assessed annual values to all rateable property in its area (standardised revenue), *plus* specific purpose payments (SPP) received that are treated by the 'inclusion' approach, as defined later in this section.

The difference between standardised expenditure and standardised revenue is the 'standardised deficit'. This becomes the net standardised deficit after adjustment for SPPs and any special allowances. It should be noted that the total net standardised deficit substantially exceeds the total of grant funds available. Accordingly, the final step in determining grant entitlements is to proportionately adjust the individual net standardised deficits to account for the shortfall.

SPPs are treated by either the 'inclusion' or 'deduction' approach. The 'inclusion' approach recognises funds received by councils as contributing to normal expenditure for the purpose of calculating expenditure standards. They are treated as a source of revenue and subsequently deducted from a municipality's standardised deficit. Using the 'deduction' approach, funds are excluded from expenditure and revenue data prior to the determination of expenditure standards. The deduction approach is employed where:

- a council is effectively acting as an agent of the State or Commonwealth Governments and the SPP is a reimbursement of costs incurred; or
- grants for a particular service are received by only a relatively small number of councils to provide a service that is beyond the scope of ordinary local government activity, and the service is generally provided only where grants are received.

Equalisation therefore occurs on the basis of "net" expenditures where this particular approach to the treatment of SPPs is adopted. Further information on the Commission's treatment of particular SPPs is given in Section 5.

A full explanation of the operation of the model is provided below, and a mathematical representation of the Commission's distribution model is set out in Appendix 1.

It should be noted that no matter how sophisticated the Commission's methodology might become, there is always the need for the Commission to exercise broad judgement as it considers the various issues which confront it each year as it goes about its task of grant assessments.

### ***Calculation of standardised revenue***

A council's revenue capacity, or standardised revenue, is determined by multiplying the rateable assessed annual value (AAV) of properties in the municipality by the average rate in the dollar charged across the State. The Commission uses AAV data, adjustment factors and exempt AAV information supplied by the Office of the Valuer-General, and rate revenue information obtained from the Local Government Division's Consolidated Data Collection. An adjustment is made to account for the value of properties which are partially exempt from rates, that is, liable for service charges only.

The rateable AAV for each council is determined and then adjusted using the Valuer-General's adjustment factors so that all figures are expressed in terms of a common valuation year. Total adjusted rateable AAV for the State is divided by the total rate revenue raised by all councils to yield a State average rate in the dollar. Standardised revenue for each council is then the product of its adjusted rateable AAV and the State average rate levied per dollar of AAV. The final standardised revenue for each council used in the base grant assessments is the relevant three-year averaged standardised revenue. The standardised revenue of each council is shown in Appendix 9, while adjusted rateable AAV and rate revenues are shown in Appendices 7 and 8, respectively.

### ***Calculation of standardised expenditure***

#### ***Roads***

The Commission uses a modified version of the Mulholland asset preservation model to assess standardised road expenditure, based on each council's road assets. In contrast to the significant adjustments that were applied following the review of the Mulholland model last year, only minor adjustments were made for the purpose of the current year's assessments.

The fundamental basis of the Mulholland asset preservation model is that, in statistical terms, a kilometre of road has an 'expected life', assuming it is appropriately constructed and maintained. At the end of this period, it will require re-construction followed by a new cycle of maintenance and rehabilitation in order to preserve it at an acceptable standard. The "expected life", or durability, of a kilometre of road maintenance work will clearly differ depending upon both the type of maintenance activity (sealing, re-grading) and the type of road (urban sealed, urban unsealed, rural sealed, rural unsealed) involved. Similar arguments hold with respect to both road rehabilitation and road re-construction work.

*Performance standards* specify, for each road type, the length of road requiring re-construction, re-grading or re-sealing each year in order to preserve the existing road asset. For example, if the seal on a 9 km stretch of road has an expected life of 30 years, then, on average, 300 m will need to be sealed each year to maintain the road at the current standard. In this case, the performance standard is approximately 0.03, or 3 per cent. Average costs per kilometre for each road type and activity combination have been derived from published unit price estimates for the same undertakings. For any given council, specific disabilities may increase or decrease the average cost of undertaking a given activity.

The model recognises *climate, drainage, material, soil, terrain, and traffic* disabilities in road rehabilitation and re-construction, and *climate, material, terrain and traffic* disabilities in road maintenance. The need for different sub-base depths (re-construction only) is incorporated within the workings of the model.

The model adopted by the Commission now also recognises a *remoteness* disability factor (the application of which was extended for the 2001-02 assessments), and an *urbanisation* disability adjustment for all activities. This latter allowance recognises the additional costs incurred by councils required to undertake roadworks in heavily urbanised environments and is incorporated in the model by augmenting the length of urban sealed roads used in the calculations.

The model also makes an allowance for additional bridge-related maintenance, by converting bridge areas to equivalent road lengths (which involves multiplication by ten to recognise the greater cost per equivalent area) and adding these lengths to the road lengths used in the model.

In assessing “road” expenditure needs for a given council, performance standards are applied to each category of road (urban sealed, urban unsealed, rural sealed, rural unsealed) to determine the length of road to be maintained, rehabilitated and reconstructed in that year in order to preserve the existing road structure. The relevant disability factors and costs per kilometre are then applied to each of these figures and the whole is summed to yield standardised “road” expenditure for that council.

The method by which standardised expenditure for roads is calculated is illustrated in Appendix 3 by a simple example.

#### *All other functions*

In general, the cost of providing council services varies depending upon the number of residents. Therefore, to determine the standard expenditure that is “required” to provide a service, the Commission multiplies the State average expenditure per person by the number of residents in each municipality.

Many councils face a range of unavoidable cost and demand pressures in providing services. This means that they cannot provide a service at the standard level of expenditure. This is recognised by the Commission through the application of council-specific disability factors, which represent these unavoidable cost pressures, to standard expenditure to determine the standardised expenditure for each council. This method of estimating standardised expenditure is applied to all expenditure categories except the road category.

An explanation of the types of expenditure that comprise each expenditure function is set out in the following table.

**Table 2: Description of expenditure functions**

<b>Expenditure function</b>	<b>Explanation of expenditure function</b>
General administration	Legislative, executive, financial and fiscal affairs relating to general purposes only ie not solely related to any one of the purposes listed below.
Health, housing and welfare	Services for the aged, community health services, health inspections; family and child welfare; housing services.
Sanitation and the environment	Household and other garbage services, urban storm water drainage, street cleaning, flood mitigation and other protection of the environment.
Planning and community amenities	Planning and building services, street lighting, public conveniences, shopping malls, cemeteries and crematoria.
Recreation and culture	Public halls and civic centres, swimming pools, parks and playing grounds, sports assistance and promotion; libraries and other cultural services.
Water	Provision of water services.
Sewerage	Provision of sewerage services.
Roads	Re-construction and maintenance of roads and bridges.
Law, Order and Public safety	Fire protection, support of the State Emergency Service, animal control and other public order and control.
Other	Expenditure on items not elsewhere classified. Includes: saleyards and markets; tourism and area promotion; aerodrome operations; communications; and natural disaster relief.

***Application of council-specific disability factors***

Disability factors are used to reflect unavoidable relative cost disadvantages councils face in providing services. A range of factors has been developed to account for differences between councils in the demand for a service as well as variations in the per unit cost of supplying that service.

A factor is calculated for each municipality by comparing its demand or supply disadvantage with the State average. The councils which demonstrate the least relative disadvantage for the class of disability concerned are assigned a minimum factor of 1.00. All other councils are compared to those councils on the minimum to determine their relative disability factors.

The following disability factors have been recognised by the Commission and a method adopted to quantify them:

- Scale\*
- Isolation
- Population Growth
- Worker Influx
- Unemployment
- Tourism
- Climate
- Dispersion
- Regional Responsibility
- Population Decline
- Absentee Population
- Age Profile
- Day-trippers
- Equivalent Tenements.

\* Three *Scale* disability factors have been developed – see page 11.

Table 3 below indicates the disability factors that are applied to each expenditure category.

**Table 3 Application of disability factors to expenditure standards**

<b>Expenditure Category</b>	<b>Disability Factors</b>	
<b>General Administration</b>	Scale (high) Dispersion Isolation Regional Responsibility Worker Influx	Absentee Population Population Decline Population Growth Tourism
<b>Health, Welfare and Housing</b>	Scale (medium) Dispersion Isolation Unemployment	Absentee Population Population Decline Population Growth Age Profile
<b>Sanitation and the Environment</b>	Scale (medium) Dispersion Tourism Worker Influx	Absentee Population Climate Day-tripper Population Growth
<b>Planning and Community Amenities</b>	Scale (medium) Dispersion Isolation Regional Responsibility Population Growth Tourism	Absentee Population Age Profile Climate Day-tripper Population Decline
<b>Recreation and Culture</b>	Scale (medium) Dispersion Isolation Regional Responsibility Population Growth Tourism	Absentee Population Age Profile Climate Day-tripper Population Decline Unemployment
<b>Water</b>	Dispersion Population Growth Tourism Climate	Absentee Population Population Decline Worker Influx Equivalent tenements
<b>Sewerage</b>	Dispersion Population Growth Tourism Climate	Absentee Population Population Decline Worker Influx Equivalent tenements
<b>Law, Order and Public Safety</b>	Scale (medium) Dispersion Isolation Unemployment	Age Profile Population Decline Population Growth
<b>Other</b>	Scale (low)*	

\* Both Flinders and King Island councils receive the Scale (high) factor for expenditure classified to *Other*.

An outline of the approach developed by the Commission to quantify each of the above-mentioned factors is provided below. The *climate* disability factor is not specifically dealt with as the Commission continues to use broad judgement in its determination of this factor.

(i) *Scale*

The scale disability accounts for the diseconomies of small scale that councils face in providing some services. Diseconomies occur where the cost per person of a certain activity is greater for councils with a small population than those with larger ones. For example, each council requires a general manager whether the municipal population is 1,000 or 100,000. The cost per person of the general manager is therefore much greater for smaller councils than for larger ones.

Different expenditure categories show varying degrees of diseconomy, so three scale categories have been developed - high, medium and low. The application of these to the different expenditure categories is detailed in Table 3.

(ii) *Population Dispersion*

The dispersion disability relates to the additional costs incurred in servicing a widely scattered population within a municipality. The Commission recognises that associated costs arise from the need to both duplicate services and incur greater travelling and communication costs than would otherwise be the case.

The factor is determined according to:

- i) the number of population centres in each municipality; and
- ii) the population weighted distance between those centres and the municipality's administrative centre.

(iii) *Isolation*

This factor recognises the increased costs which arise from geographical isolation. Such costs are associated with attracting staff to remote areas, communicating with relevant bodies, travelling and the supply of necessary construction and maintenance materials.

This disability factor is calculated according to the distance between a municipality's main centre and the closest major regional population centre, and the distance from Hobart, the main administrative and political focus within the State. In light of submissions received from a number of councils, the Commission concluded that, from the 2003-04 assessments, Burnie and Devonport should no longer be used as major regional population centres in the calculation of isolation disability factors. Launceston remains the only major regional centre other than Hobart for the purposes of the calculation.

(iv) *Regional Responsibility*

A disability is recognised by the Commission for those municipalities which provide particular services for the residents of surrounding municipalities, without there being a counter-balancing use of services in surrounding municipalities by residents of the regional centre, or any offsetting cash contribution for the use of those facilities.

The Commission recognises the fact that certain towns and cities throughout the State act as regional focal points for the provision of some services. The expenditure categories to which this disability is applied are General Administration, Planning and Community Amenities and Recreation and Culture.

The sparsity of local government level data related to the consumption of council services by non-residents requires the Commission to exercise broad judgement in its assessment of regional responsibility.



(v) *Population Growth / Population Decline*

The Commission recognises that a local governing body faces certain expenditure disabilities as a result of fluctuations in population levels. Such changes typically require planning and implementation horizons of several years or more. As a consequence, councils are often faced with excess or inadequate capacity in certain service areas depending on whether they are faced with rapid population decline or growth. Both circumstances are believed to confront councils with added expenditure burdens.

The disability factors are determined by comparing the average annual rate of population growth/decline for a particular municipality over a five year period, against the average rate of population growth/decline for either growing or declining councils in the State as a whole.

The Commission has determined that it should provide additional assistance to those councils experiencing sustained population decline. Accordingly, commencing with the 2001-02 assessments, the threshold at which the population decline factor is applied to councils was reduced from an average of 2 per cent per annum over five years, to an average of 1 per cent per annum over the same period.

The threshold for the application of the population growth disability factor remains unchanged at an average rate of growth of 2 per cent per annum over five years.

(vi) *Worker Influx*

This disability factor reflects the additional costs imposed on those municipalities which have significant daily net influxes of non-resident workers. It is felt that this effect is likely to have an impact which is in excess of the more general effect of regional responsibility.

Consideration is given for potential worker influx for the major population centres in the State. Municipalities outside these main centres are unlikely to have sufficient commercial or industrial development relative to their surrounding regions to cause any net influx of non-resident workers which impose a significant cost on the municipality.

Determination of this factor involves estimating, from 2001 Census data provided by the ABS, both the number of residents working outside the municipality and the number of non-residents working within the municipality. The difference, or the net worker inflow, is then used to derive a disability factor in relation to actual total population. Factors have been established for Hobart, Launceston, Devonport, George Town and Burnie.

Given concerns regarding the formula which it previously adopted for the calculation of the worker influx disability factors, the Commission adopted a revised formula for the calculation of the 2003-04 grants. This formula is based on net worker influx (influx minus outflow), data provided by the ABS, divided by 2001 census population for each municipality.

(vii) *Absentee Population*

Allowance is made by the Commission for the additional population which is not captured in the Census statistics but which nevertheless must be serviced. Specific reference is made here to those municipalities which have a significant number of holiday residences.

The calculation of this disability factor is based on the proportion of unoccupied dwellings in each municipality at the time of the 2001 Census.

The Commission has continued to make an adjustment to the absentee population factor, in the 2003-04 assessments, in order to recognise the situation faced by the West Coast Council where mine workers reside outside the municipality between shifts. It was accepted that the existing unoccupied dwelling statistics do not adequately reflect this phenomenon.

*(viii) Age Profile*

A disability factor based on the proportions of residents aged 0-5 years, 15-25 and over 65 has been calculated by the Commission. This disability factor reflects the additional costs associated with having a higher than average proportion of the population in these groups. For example, additional costs may be incurred in the provision of health and welfare services for infants and retirees, or in the provision of sporting facilities for people under 25.

*(ix) Unemployment*

A disability factor reflecting the level of unemployment within a municipality has been calculated by the Commission using data on income support payments from Centrelink. This disability factor has been calculated to capture the costs to councils of having a higher than average proportion of unemployed working-age residents. For example, additional expenditure might be incurred in the provision of recreation/leisure facilities or welfare programs as a result of the need to cater for unemployed residents.

*(x) Tourism*

The Commission recognises that councils generally incur additional costs as a result of tourist influx through increased use of council resources and infrastructure. A disability factor that seeks to recognise these costs has been determined on the basis of the equivalent number of tourist beds in all establishments ranging from hotels to registered camping grounds in each municipality.

*(xi) Day-tripper*

Significant numbers of day-trippers who make use of council facilities are recognised as increasing council costs. Details of the number of tourist attractions and an index of visitor frequency have been combined with a factor representing the distance from major population centres and the population of those centres, to determine a relative disability. Municipalities close to large population centres receive higher factors.

*(xii) Equivalent tenements*

The use of population to estimate standard water and sewerage expenditure does not recognise expenditures incurred in providing water and sewerage services to non-residential establishments. Therefore, a factor has been developed to recognise the cost of providing these services to commercial properties. This has been done by dividing the total value of serviced commercial properties by the modal residential assessed annual value in each water and sewerage district to determine the number of residential "equivalent tenements". Since the 2000-01 assessments, a factor is calculated for all councils, whereas previously it had only been applied to those councils with greater than one thousand equivalent tenements.

## IDENTIFIED LOCAL ROAD FUND DISTRIBUTION

The national principle governing the distribution of road grants (Section 12 payments under the Commonwealth Act) is shown in the box below:

### **National principle for the distribution of road grants**

#### *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.

To accord with this principle, while ensuring that the grant distribution reflects the particular needs of Tasmanian councils, the road grants are distributed in the following manner:

#### *Road preservation component - 66.5% of funds*

- based on the relative road expenditure needs of each council as determined using the Mulholland asset preservation model (as explained on page 6);

#### *Bridge expenditure component - 28.5% of funds*

- based on relative bridge deck areas (including all concrete and wooden bridges, and box culverts over 3 metres total span);

#### *Special needs component - 5% of funds*

- allocated to councils with an above average proportion of rural unsealed roads, based on rural unsealed road lengths.

## 6 - ISSUES REVIEWED FOR THE ASSESSMENTS

---

The Commission received written submissions from councils concerning council-specific issues related to the Commission's methodology. The quality of these submissions was high and provided a basis for discussions at the Commission's hearings and visits in 2003. The Commission considered all the submissions presented by individual councils as part of its grant assessment procedure.

The major issues considered at this year's hearings arose from the findings of the CGC Review. Specifically, the Commission distributed discussion papers seeking comment from councils concerning:

- disability factors centred on one
- the budget result term; and
- factoring back.

A summary of issues canvassed in each of these Discussion Papers follows, along with a summary of other issues reviewed for methodological purposes:

### *(i) Discussion Paper 1 - Disability Factors Centred on One*

The purpose of this discussion paper was to present the case for re-weighting the Commission's disability factors so that, instead of commencing at one, they centre around one. The CGC Review proposed that the current method of calculating disability factors had two principal disadvantages, namely that it:

- fails to recognise advantage as well as disadvantage, and
- artificially inflates expenditure needs in the equalisation model.

The Horizontal Fiscal Equalisation principle underpinning the *Local Government (Financial Assistance) Act* requires that each council be resourced sufficiently to function at a standard not lower than the average standard of other councils in the State. The fundamental flaw in the current method of disability factor calculation is that it compares an indicator of each council's circumstance to that of the least disadvantaged council and not to the population weighted average circumstance.

As a result of all disability factors being greater than one, the calculated statewide standardised expenditure is greater than the actual statewide standard expenditure (or per capita actual expenditure multiplied by population). This results in some individual council's standardised deficits - upon which final grant outcomes are based - being overstated relative to the statewide standardised deficit. For this reason, the CGC has described this approach as "measuring disabilities that don't exist".

The CGC preferred alternative is to centre all disability factors on one, so that statewide standardised expenditure equates to statewide standard expenditure. When incorporated into the Equalisation Model, this form of disability factor ensures that the "relative need" of each council is accurately reflected in its share of the statewide standardised deficit.

Councils were generally supportive of the proposed new approach. The Commission expects to revise its Equalisation Model to incorporate disability factors centred on one for the 2004-05 assessments.

The Commission has determined that it should cease to use the term “Disability Factors” and substitute the term “Cost Adjustors” as they measure both disability and advantage.

**(ii) Discussion Paper 2 - The Budget Result Term (BRT)**

The purpose of this discussion paper was to present the case for incorporation of a ‘Budget Result Term’ in the SGC’s Equalisation Model.

The SGC’s current balanced budget model is designed so that each council’s standardised deficit is the amount required to bring its revenues and expenditures into exact balance. The model determines the recommended grant for each council by calculating its standardised deficit through the following formula:

$$\begin{aligned} \text{Grant} &= \text{Standardised deficit} \\ &= \text{Standardised expenditure} - \text{standardised revenue} \\ &\quad - \text{Specific Purpose Payments} \end{aligned}$$

The CGC has suggested that this formula would be improved by including a further term reflecting the average fiscal position of all councils in the State, as follows:

$$\text{Grant} = \text{Standardised expenditure} - \text{standardised revenue} - \text{SPPs} - \text{BRT}$$

This would have the effect of diminishing the divergence in grant payments between councils, by equalising them to a standardised fiscal position.

In the absence of a BRT, grant shares are affected more by the relative size of the aggregates within the model, than the individual council’s variation from the average experience. The inclusion of the BRT would mean that the SGC could introduce any new item of revenue or expenditure into the assessment, knowing that the only grant impacts would be the product of each council’s variation from the average experience.

This would substantially reduce the inter-year volatility of the model that currently arises when changes to the SGC’s method alter the relative magnitude of the model’s aggregates.

The inclusion of a BRT would also allow the Commission to measure and publish the precise impact of each component of its assessments upon councils’ individual grant outcomes. In particular, the inclusion of a BRT would facilitate the measurement of the contribution of each disability factor and each category of revenue, expenditure or SPPs to a council’s final grant outcome.

Again, the Commission’s preliminary views in relation to both the need for a BRT to be included and the method through which it should be incorporated into the Equalisation model were generally accepted by councils. The Commission expects to amend its Equalisation Model to incorporate a Budget Result Term in the 2004-05 assessments.

**(iii) Discussion Paper 3 - Means of Factoring Back**

The purpose of this discussion paper was to canvas council views on the alternative means of “factoring back” suggested by the CGC in the *Working Papers* that accompanied the Final Report of its Review of the *Local Government (Financial Assistance) Act 1995*.

In the model used to develop the SGC's recommendations there is a substantial gap between the funding made available by the Commonwealth and the quantum of councils' collective grant needs calculated by the Commission. The existence of this gap requires that the Commission "factor back" the difference to ensure the total grant amount equals the funds available.

Currently, the SGC factors back using a 'proportional' approach, which shares the available grant funds between councils with a positive grant requirement on the basis of their share in the total of all positive requirements.

The CGC suggests that the present approach conflicts with the HFE principle in that by sharing the grant pool only amongst the positive grant councils in proportion, the end result does not produce outcomes where all (non-minimum grant) councils are able to meet the same average share of their expenditure needs.

The CGC presented an empirical concept named "the equalisation ratio" (ER) which measures the percentage of a councils funding requirement which is met following the receipt of grants. This quotient is described as follows:

$$\text{ER} = [\text{Revenue Capacity} + \text{grant}] \text{ divided by } [\text{Expenditure Requirement}]$$

The ER is presented as a means of ensuring that all positive grant councils are able to meet the same percentage of their expenditure requirements after the allocation of the base grant.

While some acknowledged that the ER method of factoring back delivered outcomes which more closely met HFE principles, the majority of councils did not support the approach.

In view of the fact that there was a general lack of support from councils and the Commission's concerns regarding the ER approach and its impact, the Commission has resolved to defer further consideration of the ER approach to factoring back for the present.

#### *(iv) Ongoing Review - Modified Mulholland Model Disability Factors*

In 2001 a review of the Modified Mulholland Model (MMM) Disability Factors was conducted by Mr Chee Liew of CSL Engineers. The decision to initiate the Review reflected the Commission's long standing concerns regarding the accuracy and appropriateness of many of the factors applied in the MMM.

Mr Liew's report confirmed that variations in climate, drainage, material, soil, terrain, and traffic characteristics of local roads (which the current factors aim to measure) are the major drivers of cost variation among councils in the performance of the road asset preservation activities measured in the model. The Report concluded that the accuracy of the model's disability factors would be substantially enhanced were they to be derived from Geographic Information Systems (GIS) data as opposed to council surveys, as is currently the case.

The Commission sought assistance from the Information and Land Services Division of the Department of Primary Industries, Water and Environment (DPIWE) to initiate a pilot study to investigate whether appropriate factors might be derived from the Department's GIS information in relation to climate and terrain.

Sample data relating to three (3) councils was received in February 2003. On the basis of the sample data the SGC commissioned DPIWE to proceed to a full scale study. It

is hoped that the results from this study will facilitate preparation of revised disability factors to be adopted for the calculation of ILRF grants for 2004-05.

**(v) *Revised Isolation Factors***

The Isolation disability factors recognise the increased costs which arise from geographic isolation. Such costs are associated with attracting staff to remote areas, communicating with relevant bodies, travelling and the supply of necessary construction and maintenance materials.

The disability factor is calculated according to the distance between a municipality's main centre and the closest major regional population centre, and the distance from Hobart, being the main administrative and political focus in the State.

The Commission resolved during the year to remove Burnie and Devonport as regional centres for the purposes of calculating isolation factors, in response to a submission from the Burnie and Circular Head Councils. The effect of this was to increase the assessed disability due to isolation for a number of councils on the North-west coast. The Commission also resolved to examine the issue of weighting awarded to elements of the Isolation Factor.

**(vi) *Review – Assessment of Water and Sewerage Expenditure***

The Commission's assessment of water and sewerage expenditure has been identified as an issue in need of review for a number of years. The Commission commenced preliminary work earlier this year in anticipation that data obtained from the Local Government Division's Key Performance Indicator (KPI) project could be used to formulate new disability factors to more accurately reflect councils' relative costs of water and sewerage services.

Funding has been approved, and terms of reference finalised to enable the appointment of a consultant to undertake work on improving the methodology and cost adjustors which are used in the calculation of standardised expenditure.

The Commission also considered many council specific issues raised at the hearings, in addition to the issues of more general relevance which were considered by the Commission during the 2003-04 grant assessments.

## 7 - THE DISTRIBUTION OF HEAVY VEHICLE MOTOR TAX REVENUES TO COUNCILS

The *State Grants Commission Act 1976* requires the Commission to recommend the distribution amongst councils of State motor taxes collected on the registration of heavy vehicles (known as “NRTC funds”)<sup>1</sup>. Since 1996-97, the State Government has distributed \$1.5 million per annum of heavy vehicle motor taxes to councils. The distribution regime that existed prior to 2000-01 was regarded as an interim measure and was based primarily on past road toll collections. The State Government requested that the Commission investigate an alternative method of distributing the local government share of these funds.

The Commission has recommended a course of action involving both short and long term elements. A transitional arrangement under which the available funds are allocated according to the estimated volumes of heavy vehicle traffic utilising local roads commenced with the 2000-01 distribution.

Specifically, the approach determines councils’ shares of *vehicle kilometres* (VK) relating to heavy freight vehicles of AUSTRROADS Class 4 and above. Councils were asked to nominate a maximum of ten roads that are most important in terms of heavy vehicle traffic. For each of these, the length (or relevant portion thereof) was multiplied by the estimated average daily number of vehicles using that road, with the data being supplied by the individual councils. Statistics on traffic volumes were not available and so a data collection exercise was undertaken specifically for this task.

The distribution of NRTC funds arising from the VK method differed substantially from that derived from the previous toll-based method. To avoid excessive inter-year volatility in payments to councils, the Commission concluded that the new system should be phased-in over five years. The phase-in commenced in 2000-01, with the Commission intending that the proportion of councils’ grants determined by the new VK approach should increase by 20 per cent each year until it would account for 100 per cent of the payments in 2004-05.

The Commission has been particularly conscious of the budgetary impact of the VK approach on those smaller rural councils which previously were able to offset the impact of heavy vehicle usage of roads by the imposition of tolls. Councils in this category include Break O’Day, Central Highlands, Kentish and Northern Midlands. These councils have relatively limited financial flexibility and have lost significant amounts in the first two years of the phasing in of the new VK-based methodology. It was with such councils in mind that the Commission recommended the five-year phase-in of the VK approach to minimise the disruption caused to council finances by reduced payments.

In its 2002-03 Annual Report, the Commission indicated it had concluded that the next scheduled step in the phase-in of the VK-based approach should be deferred. Following its most recent review, the Commission again concluded that it would not proceed any further with the phase-in of the VK-based approach.

---

<sup>1</sup> After the National Road Transport Commission, which determines the nationally uniform taxation rates.



### *The Major Freight Demanders Survey*

The VK system was envisaged to be an interim solution for the distribution of the NRTC funds. The Commission has for some time anticipated that a more comprehensive and robust long-term solution for the distribution of the funds will be provided by the *Major Freight Demanders Survey* (MFDS) which is being conducted by the Department of Infrastructure, Energy and Resources (DIER). Specifically, the MFDS will update and expand upon a similar study conducted in 1997, and will include local government roads and a wider range of industries and vehicle types than was the case in the original study.

It is anticipated that the statistics gathered from this survey will enable a more accurate measurement of each council's share of the State's heavy vehicle freight burden, including recognition of relative tonnages, than has been possible under the interim VK approach. When the MFDS is completed, the Commission will evaluate the results and, after consultation with councils, consider the nature and timing of the application of the information to the distribution of heavy vehicle motor tax revenues.

In July 2003 the Commission received advice that the MFDS would be completed by the end of 2003 and would therefore be available to assist the Commission in its development of recommendations for the distribution of the NRTC funds in 2004-05.

In line with the Commission's conclusion that the next step of the phase in of the VK-based approach should be deferred, the payment of grants for 2003-04 reflect a distribution in which 40 per cent of the recommended payments are based on the VK approach, whilst the distribution of the remaining 60 per cent is based on the previous toll-based approach.

### *Drivers of Significant Inter-Year Variation*

The amount distributed to councils under the interim methodology is the balance of the pool after councils have been reimbursed the amount that they have paid to the State by way of motor tax. Some councils (particularly Derwent Valley, Dorset, George Town, Latrobe and West Coast) have experienced substantial inter-year variation in their recommended payments despite the Commission's decision to discontinue the phase-in of the VK methodology. This is caused solely by substantial inter-year variation in the magnitude of the motor tax paid to the State by these councils. Some smaller variations are caused by the sale of council-owned vehicles and increased reliance on leased equipment, or vice versa.

### *Treatment of Flinders And King Island Councils*

The Commission has completely excluded Flinders and King Island Councils when calculating the VK and motor tax reimbursement elements of the new distribution. The basis for this approach lies in the *Roads and Jetties Act 1935*, under which these councils alone receive full reimbursement from the State Government of all motor tax paid in respect of vehicles registered to addresses within their boundaries. In light of this long-standing arrangement, the Commission considers that it would be inequitable for Flinders and King Island to also receive a share of the local government 'NRTC funds'.

It should be noted that, as with the Financial Assistance Grants, the Commission has no role in determining the quantum of funds available for distribution, but only the distribution of a given amount. In 2003-04, this amount will again be \$1.5 million.

## 8 - OUTCOMES OF THE 2003-04 ASSESSMENTS

### ***Grant Recommendations – Total Entitlements (Base + ILRF)***

All councils were allocated increases in Total Entitlements for 2003-04. Increases in Total Entitlements averaged 3.7 per cent across all councils for the year. The largest increase was 7.3 per cent (Kingborough) and the smallest was 1.0 per cent (Flinders).

### ***Grant Recommendations - Base grants***

The movements in base grants in 2003-04 for individual councils are generally less volatile than those observed in 2002-03, evidenced by the absence of a requirement to apply caps or collars to grant outcomes in 2003-04. The practice of capping and collaring has been adopted by the Commission in previous years, most recently in 2002-03, and – prior to that – in 2000-01. The application of caps and collars is aimed at reducing volatility in grant outcomes, by constraining increases to ten per cent and reductions to five per cent

For 2003-04, the overall increase in base grant entitlements was 3.4 per cent across all councils. The largest increase in base grant entitlements was for Brighton (8.9 per cent). Flinders, Southern Midlands and Northern Midlands experienced small declines in their base grant allocations. For Flinders, this was due to an above average rate of population decline. For Southern Midlands and Northern Midlands, the decline was caused by the ongoing factoring in (on a three year rolling average basis) of substantial Roads to Recovery grants. These funds are treated on an ‘inclusion’ basis, effectively reducing the standardised deficit for these councils. In all three cases, the extent of the decline over 2002-03 entitlements is less than one per cent, and is more than made up for by increases in ILRF entitlements.

### ***Grant Recommendations - ILRF (Road) Grant***

For 2003-04, the overall increase in ILRF entitlements is 4.1 per cent across all councils. The largest increase was for Kingborough (7.4 percent). The 2003-04 ILRF entitlements for the councils of Brighton and Devonport have declined. The extent of these declines is less than 1 per cent in both cases, and is more than made up for by increases in their base grant entitlements

## 9 - ISSUES FOR FUTURE ASSESSMENTS

### ***Review of the Local Government (Financial Assistance) Act 1995***

The Commonwealth announced in May 2002 that it has deferred its response to the CGC Review of the *Local Government (Financial Assistance) Act 1995*. Specifically, the Commonwealth will not finalise its response until it has considered the Final Report from the House of Representatives Standing Committee on Economics, Finance and Public Administration concerning the Committee’s Inquiry into local government responsibilities and funding, which is expected to be released by the end of 2003.

The (Tasmanian) Commission has decided to continue to progress its own consideration of the CGC Review on the basis that the Report contains many matters which the Commission has been keen to address for some time. These issues have been addressed in six discussion papers circulated to councils over the past two years. The Commission’s in-principle decisions in relation to the issues raised in those discussion papers have been communicated to councils.

Other issues will be canvassed in a further series of discussion papers, which will provide the basis for discussion during the Commission's hearings and visits in 2004. These discussion papers will cover the following issues:

- Specific inclusions in 'Other Revenue' and 'Other Expenditure'
- Consideration of the weighting to be given to cost adjustors
- Possible amendments to Water and Sewerage expenditure assessments

The Commission currently intends to introduce any changes to its equalisation method that may arise from its response to the issues raised in these discussion papers in its revised model and recommendations for 2004-05. Once the Commission has considered councils' submissions provided at the 2004 hearings and visits, a final discussion paper will be distributed to councils in which the aggregate grant impact arising from the adoption of any changes will be set out.

## 10 - GENERAL OBSERVATIONS

---

### **Application of Grants**

As in the past, the grants for 2003-04 are of a general nature and may be used for recurrent or capital expenditure purposes or to support revenue requirements. They may be applied in whatever manner a council sees fit, subject only to the provisions of the Tasmanian *Local Government Act 1993*.

### **National Conference of Local Government Grants Commissions**

The State Grants Commission hosted the Annual Conference of Local Government Grants Commissions (LGGC) in Hobart, from 22 to 23 October 2002. As is the normal practice, the Conference included reports by each Commission on its activities during the year. The agenda for the conference included speakers and discussions on a diverse range of topics including:

- Dr Natalie Jackson - University of Tasmania “Demographic Drivers of Population Change”.
- Mr David Peloquin - Canadian Office of the Privy Council “Canadian Federal/Municipal Financial Relations”
- Ms Marguerite Scott – Tasmanian Local Government Division “Partnerships Agreements”

The Conference was opened by the Hon Dr David Crean, MLC - Treasurer of Tasmania.

## 11 - RECOMMENDATIONS

---

In accordance with Section 3(2) of the *State Grants Commission Act 1976*, the Commission has proposed the payment of grants as indicated in Table 4.

The Commission’s recommendations of financial assistance for councils for 2003-04 were conveyed to the Treasurer on 11 August 2003, and his acceptance thereof was advised to the Chairman by letter dated 12 August 2003.

## 12 - CONCLUSION

---

Attached to this Report are appendices that contain information used for the grant assessments. Also appended are details of the hearings conducted by the Commission during 2003 and statistical tables relating to local government activities in Tasmania, which are presented for the benefit of interested persons reading this Report.

The Commission wishes to express its appreciation to all local governing bodies throughout the State for their co-operation and assistance in 2002-03.

In April 2003, Mr Nick Wright resigned as Secretary to the Commission to take up a position in DIER. The Commission wishes to acknowledge the excellent work accomplished by Mr Wright during his term as Secretary. His unfailing enthusiasm and dedication were much appreciated.

The Commission also acknowledges the support given by the Secretary of the Department of Treasury and Finance, Mr D W Challen, and the staff of the Economic and Financial Policy Division.

R C Close  
CHAIRMAN

G H K Denny  
MEMBER

B A Southorn  
MEMBER

G P Appleyard  
MEMBER

Jeremy Threlfall  
SECRETARY  
21 November 2003

**TABLE 4**  
**RECOMMENDED GRANTS FOR 2003-04**

<i>Council</i>	<i>Base Component</i>	<i>Total Per Capita Base Grant</i>	<i>Identified Local Road Component</i>	<i>Total Grant</i>
	\$	\$	\$	\$
Break O'Day	761 912	131	1 060 202	1 822 114
Brighton	869 013	67	330 506	1 199 519
Burnie	960 748	51	741 178	1 701 925
Central Coast	1 533 672	73	1 159 346	2 693 019
Central Highlands	554 696	240	894 019	1 448 715
Circular Head	875 773	109	1 086 927	1 962 699
Clarence	1 386 854	28	869 199	2 256 053
Derwent Valley	664 515	71	546 762	1 211 277
Devonport	813 455	34	644 155	1 457 610
Dorset	849 185	116	1 242 295	2 091 480
Flinders	443 583	511	414 659	858 242
George Town	628 250	97	449 527	1 077 776
Glamorgan/Spring Bay	509 075	128	519 065	1 028 140
Glenorchy	699 341	16	857 555	1 556 896
Hobart	754 258	16	1 227 068	1 981 327
Huon Valley	993 184	71	1 172 721	2 165 905
Kentish	738 778	134	772 221	1 510 999
King Island	399 974	237	469 053	869 026
Kingborough	1 086 443	36	840 242	1 926 684
Latrobe	554 134	66	422 598	976 732
Launceston	1 603 958	26	1 730 690	3 334 647
Meander	1 258 001	69	1 358 567	2 616 568
Northern Midlands	1 238 236	103	1 544 924	2 783 159
Sorell	692 920	63	602 610	1 295 531
Southern Midlands	777 419	136	1 347 611	2 125 030
Tasman	286 231	127	257 523	543 754
Waratah/Wynyard	1 056 559	78	909 825	1 966 384
West Coast	815 297	152	435 782	1 251 079
West Tamar	1 248 239	61	662 173	1 910 411
<b>TOTAL</b>	<b>25 053 704</b>	<b>* 53</b>	<b>24 569 000</b>	<b>49 622 704</b>

\*State average per capita base grant

## APPENDIX 1

### MATHEMATICAL FORM OF THE EQUALISATION MODEL

The balanced budget distribution model is of the following general form:

$$G_i = \frac{E_i - R_i - SPP_i}{\sum_{i=1}^{29} (E_i - R_i - SPP_i)} \times G$$

- $G_i$  is the equalisation grant for council  $i$ ;  
 $E_i$  is the 'expenditure need' of council  $i$  (or standardised expenditure);  
 $R_i$  is the standardised revenue for council  $i$ ;  
 $SPP_i$  is specific purpose payments treated by the 'inclusion' approach for council  $i$ ; and  
 $G$  is the total amount made available by the Commonwealth for distribution amongst all councils in Tasmania in any year.

For each council,  $E_i$ ,  $R_i$  and  $SPP_i$  are calculated for the three most recent years for which data is available. The average of these three values is taken to determine the final values for use in the grant allocations.

The **standardised expenditure** component for council  $i$ ,  $E_i$ , is the sum of the 'expenditure needs' of a common range of ' $n$ ' municipal functions. That is:

$$E_i = e_i(1) + \dots + e_i(n)$$

$e_i(n)$  is the standardised expenditure of council  $i$  on function  $n$  and is given by:

$$e_i(n) = es_i(n) \times da_i(n)$$

$es_i(n)$  is the standard expenditure on function  $n$  for council  $i$ , and is given by:

$$es_i(n) = EX(n) / P \times p_i$$

- $P$  is the total population of the State  
 $EX(n)$  is the total State expenditure on function  $n$ , net of specific purpose payments treated by the 'deduction' approach  
 $p_i$  is the total population of council  $i$

$da_i(n)$  is the cumulative disability allowance for function  $n$  for council  $i$  and is given by:

$$\left[ \sum_{k=1}^j df(k_n) - (j-1) \right]$$

- $df(k_n)$  are disability factors applying to function  $n$   
 $j$  is the total number of disability factors applying to function  $n$

The **standardised revenue** for council *i* is the product of the total adjusted value of rateable property and a standard rate in the dollar. That is:

$$R_i = AAV_i \times r_s$$

- AAV<sub>i</sub>* is the total adjusted value of the rate base in council *i*, net of fully unrateable properties and with allowance made for partially rateable properties (see Appendix 7);
- r<sub>s</sub>* is the standard rate in the dollar calculated as the average rate in the dollar collected across all councils. This is found by dividing total rate revenue (Appendix 8) by total adjusted rateable AAV (Appendix 7); and
- R<sub>i</sub>* is the standardised revenue.
- 

## APPENDIX 2

### EXAMPLE OF THE APPLICATION OF DISABILITY FACTORS

To demonstrate the application of disability factors, consider a local government authority with a standard expenditure of \$100,000 in a particular expenditure category and disability factor values of:

Isolation	1.03
Scale	1.05
Population Growth	1.02
Tourism	1.08

The cumulative disability factor is calculated as:

$$(1.03 + 1.05 + 1.02 + 1.08) - 3 = 1.18$$

Standardised expenditure is then calculated simply by multiplying the standard by the cumulative disability factor as follows:

$$\$100,000 \times 1.18 = \$118,000$$

The general method of calculating standardised expenditures and an explanation of how disability factors are determined is detailed in Section 5 of this Report.



## APPENDIX 3

### EXAMPLE OF THE APPLICATION OF THE MULHOLLAND MODEL FOR ASSESSMENT OF ROAD EXPENDITURE NEEDS

Consider a municipality which has a local road network of 100km of sealed urban, 200km of sealed rural and 300km of unsealed rural roads; its disability factors combine to give 1.15 for reconstruction and rehabilitation, and 1.06 for maintenance.

The **indicative average costs** per km of the activities are:

<u>Activity</u>	<u>Road type</u>			
	<i>Sealed urban (\$)</i>	<i>Sealed rural (\$)</i>	<i>Unsealed urban (\$)</i>	<i>Unsealed rural (\$)</i>
Reconstruction	338,000	125,300	n/a	n/a
Rehabilitation	315,000	72,000	n/a	n/a
Maintenance*	21,000	15,000	480	480

The **estimated useful lives** of the activities are:

<u>Activity</u>	<u>Road type</u>			
	<i>Sealed urban (years)</i>	<i>Sealed rural (years)</i>	<i>Unsealed urban (years)</i>	<i>Unsealed rural (years)</i>
Reconstruction	55	50	n/a	n/a
Rehabilitation	30	25	n/a	n/a
Maintenance*	15	20	0.57	0.40

The **performance standards** (proportion requiring work each year, annualised over entire useful life ) applied for the activities are:

<u>Activity</u>	<u>Road type</u>			
	<i>Sealed urban (%)</i>	<i>Sealed rural (%)</i>	<i>Unsealed urban (%)</i>	<i>Unsealed rural (%)</i>
Reconstruction	1.82	2	n/a	n/a
Rehabilitation	3.33	4	n/a	n/a
Maintenance*	6.67	5	176	250

\* In this illustration, the specific activity for sealed roads is re-sealing, and the activity used for unsealed roads is routine grading. Additional maintenance activities are recognised in the actual model used by the Commission.

#### **Annual reconstruction<sup>1</sup> costs are:**

- length of sealed road requiring reconstruction in any year is  $(100 \times 0.0182) + (200 \times 0.02) = 1.82 \text{ km} + 4 \text{ km} = 5.82 \text{ km}$ ;
- standard expenditure for reconstruction of sealed roads is  $(1.82 \times 338000) + (4 \times 125,300) = \$1,116,360$ ; and
- standardised expenditure is found by applying combined disability factor -  $\$1,116,360 \times 1.15 = \$1,283,814$ .
- ***total annual reconstruction cost = \$1,283,814***

(Note: reconstruction is not applied to unsealed roads)

<sup>1</sup>Reconstruction is defined as the complete replacement of a road, including the base layers, in order to reinstate it to the approximate original specifications.

**Annual rehabilitation<sup>1</sup> costs are:**

- length of sealed road requiring rehabilitation in any year is  $(100 \times 0.033) + (200 \times 0.04) = 3.33\text{km} + 8\text{km} = 11.33\text{km}$ ;
- standard expenditure for rehabilitation of sealed roads is  $(3.33 \times 315,000) + (8 \times 72,000) = \$1,624,950$ ; and
- standardised expenditure is found by applying combined disability factor -  $1.15 \times \$1,624,950 = \$1,868,692$ .
- ***total annual rehabilitation cost = \$1,868,692***

(Note: rehabilitation not applied to unsealed roads)

**Annual maintenance<sup>2</sup> costs are:**

- length of sealed roads requiring maintenance (re-sealing) in any year is  $(100 \times 0.067) + (200 \times 0.05) = 6.7\text{km} + 10\text{km} = 16.7\text{km}$
- standard expenditure for sealed road maintenance is  $(6.7 \times 21,000) + (10 \times 15,000) = \$290,700$ ;
- standardised expenditure is found by applying combined disability factor -  $\$290,700 \times 1.06 = \$308,142$ ;
- length of unsealed road requiring maintenance (routine grading) is  $300 \times 2.5 = 750\text{km}$ ;
- standard expenditure for unsealed road maintenance is  $750 \times 480 = \$360,000$ ; and
- standardised expenditure is found by applying combined disability factor -  $\$360,000 \times 1.06 = \$381,600$ .
- ***total annual maintenance cost =  $(308,142 + 381,600) = \$689,742$***

**Total standardised road expenditure for council:**

= \$1,283,814 (reconstruction)  
+ \$1,868,692 (rehabilitation)  
+ \$689,742 (maintenance)  
**= \$3,842,248**

---

<sup>1</sup> *Rehabilitation* is defined as the complete replacement of the pavement of a road, where the foundations are strengthened and a new surface is overlaid.

<sup>2</sup> *Maintenance* encompasses (for sealed roads) resealing and thin asphalt overlaying, and (for unsealed roads) routine grading and re-sheeting. For both types of surface, recognition is given to auxiliary minor repairs to the surface and maintenance of associated roadside structures.

## APPENDIX 4

### TOTAL GRANTS PROVIDED IN 2002-03 \*

<i>Council</i>	1 <i>Recommended base grant 2002-03 \$</i>	2 <i>Recommended road grant 2002-03 \$</i>	3 <i>Base grant adjustment 2002-03 \$</i>	4 <i>Road grant adjustment 2002-03 \$</i>	5 <i>Total grant provided 2002-03 \$</i>
Break O'Day	747 651	1 018 190	4 054	4 213	1 774 108
Brighton	797 735	332 633	4 325	1 376	1 136 070
Burnie	889 980	720 951	4 826	2 983	1 618 740
Central Coast	1 471 899	1 120 882	7 981	4 638	2 605 400
Central Highlands	552 110	873 241	2 994	3 613	1 431 958
Circular Head	852 498	1 028 046	4 622	4 254	1 889 420
Clarence	1 309 274	834 171	7 099	3 452	2 153 996
Derwent Valley	656 975	510 651	3 562	2 113	1 173 301
Devonport	757 160	645 614	4 105	2 671	1 409 551
Dorset	846 614	1 208 764	4 590	5 002	2 064 970
Flinders	446 764	402 690	2 422	1 666	853 543
George Town	619 061	426 609	3 357	1 765	1 050 792
Glamorgan/Spring Bay	477 190	503 295	2 587	2 083	985 155
Glenorchy	676 319	824 008	3 667	3 410	1 507 404
Hobart	710 422	1 189 370	3 852	4 921	1 908 565
Huon Valley	980 428	1 093 876	5 316	4 526	2 084 146
Kentish	727 203	749 754	3 943	3 102	1 484 002
King Island	394 071	443 090	2 137	1 833	841 131
Kingborough	1 013 546	782 040	5 496	3 236	1 804 318
Latrobe	519 998	398 028	2 820	1 647	922 492
Launceston	1 575 463	1 693 744	8 542	7 008	3 284 758
Meander	1 250 314	1 299 507	6 779	5 377	2 561 978
Northern Midlands	1 240 083	1 446 422	6 724	5 985	2 699 214
Sorell	680 989	571 002	3 692	2 363	1 258 046
Southern Midlands	781 304	1 312 611	4 236	5 431	2 103 583
Tasman	277 721	244 019	1 506	1 010	524 256
Waratah/Wynyard	1 035 371	871 307	5 614	3 605	1 915 897
West Coast	763 753	419 885	4 141	1 737	1 189 517
West Tamar	1 181 883	637 180	6 408	2 637	1 828 108
<b>TOTAL</b>	<b>24 233 779</b>	<b>23 601 580</b>	<b>131 400</b>	<b>97 659</b>	<b>48 064 418</b>

\* The final grant entitlement for 2002-03 was \$48,064,418 based on actual inflation for the year, whereas the recommended entitlement was \$47,835,359. Consequently, the 2002-03 recommended grants have been scaled up by the amounts shown in Columns 3 and 4 to reflect 'actual' final grant entitlements. The underpayment of \$229,059 is to be paid in equal quarterly instalments in the 2003-04 financial year as specified in the Commonwealth Local Government (Financial Assistance) Act 1995.

## APPENDIX 5

### POPULATION OF LOCAL GOVERNMENT AREAS

---

<i>Council</i>	<i>Estimated Resident Population as at 30 June 2003</i>
Break O'Day	5 820
Brighton	13 019
Burnie	18 831
Central Coast	20 918
Central Highlands	2 307
Circular Head	8 001
Clarence	49 659
Derwent Valley	9 320
Devonport	24 207
Dorset	7 324
Flinders	868
George Town	6 483
Glamorgan/Spring Bay	3 988
Glenorchy	43 985
Hobart	47 439
Huon Valley	13 982
Kentish	5 501
King Island	1 689
Kingborough	29 950
Latrobe	8 349
Launceston	62 417
Meander	18 218
Northern Midlands	11 990
Sorell	11 077
Southern Midlands	5 737
Tasman	2 250
Waratah/Wynyard	13 568
West Coast	5 353
West Tamar	20 475
<b>TOTAL</b>	<b>472 725</b>

---

*Source:*

*Australian Bureau of Statistics (ABS) Regional Population Growth,  
Cat. No. 3218.0.*

## APPENDIX 6

### LENGTH OF LOCAL GOVERNMENT ROADS AS AT 1 JANUARY 2003

<i>Council</i>	<i>Urban Sealed</i> km	<i>Urban Unsealed</i> km	<i>Rural Sealed</i> km	<i>Rural Unsealed</i> km	<i>Total Roads</i> km	<i>Bridge Deck Areas</i> m <sup>2</sup>
Break O'Day	81.58	0.00	119.57	352.99	554.14	8 000.00
Brighton	60.00	0.00	58.00	35.00	153.00	1 530.00
Burnie	119.58	0.10	160.77	71.65	352.10	2 037.00
Central Coast	127.00	1.00	395.00	140.00	663.00	5 725.00
Central Highlands	16.00	2.00	79.00	655.00	752.00	4 244.00
Circular Head	50.50	1.10	215.40	499.90	766.90	5 381.00
Clarence	242.50	3.60	124.00	59.50	429.60	1 159.00
Derwent Valley	32.00	4.40	65.41	228.54	330.35	4 414.00
Devonport	157.00	0.20	68.10	13.90	239.20	905.00
Dorset	45.60	9.00	206.00	477.90	738.50	8 660.00
Flinders	6.00	3.00	67.00	309.00	385.00	1 230.00
George Town	37.72	2.82	111.09	133.64	285.27	2 184.00
Glamorgan/Spring Bay	71.00	16.00	76.00	182.00	345.00	2 064.70
Glenorchy	240.00	0.20	38.00	15.00	293.20	1 953.00
Hobart	288.00	9.00	0.00	0.00	297.00	8 088.00
Huon Valley	24.00	10.00	134.00	589.00	757.00	9 418.00
Kentish	18.00	2.00	220.00	245.00	485.00	5 020.00
King Island	10.00	4.00	37.00	381.00	432.00	990.00
Kingborough	111.00	0.00	130.00	272.00	513.00	3 376.00
Latrobe	48.19	2.17	158.53	77.30	286.18	2 017.00
Launceston	350.00	0.00	123.00	234.00	707.00	5 134.00
Meander	111.32	12.77	433.70	234.00	791.79	9 073.00
Northern Midlands	99.22	13.10	462.81	403.69	978.82	9 699.00
Sorell	30.70	41.00	86.00	177.00	334.70	4 690.00
Southern Midlands	29.85	12.87	132.38	627.65	802.75	10 693.38
Tasman	6.00	2.00	50.00	145.00	203.00	1 165.00
Waratah/Wynyard	64.00	4.00	189.00	265.00	522.00	5 503.00
West Coast	66.65	17.00	15.00	76.00	174.65	2 771.00
West Tamar	77.00	5.00	197.00	170.00	449.00	2 836.00
<b>TOTAL</b>	<b>2 620.40</b>	<b>178.33</b>	<b>4 151.76</b>	<b>7 070.66</b>	<b>14 021.15</b>	<b>129 960.08</b>

Source:

*State Grants Commission Local Road Lengths, updated in 2003 to reflect additions, deletions and changes in road status. These figures also reflect the new road and bridge definitions introduced for the 2000-01 assessments.*

## APPENDIX 7

### MUNICIPAL PROPERTY VALUATIONS AS AT 1 JULY 2001

<i>Council</i>	<i>Adjusted Rateable AAV</i>	<i>Year of last Revaluation</i>	<i>AAV Adjustment Factor*</i>
	\$		
Break O'Day	22 252 217	2001	1.00
Brighton	32 355 610	2000	1.00
Burnie	77 675 326	1996	1.00
Central Coast	61 153 294	2000	1.00
Central Highlands	12 705 287	1996	1.00
Circular Head	33 132 803	2000	1.00
Clarence	175 477 625	2001	1.00
Derwent Valley	28 810 775	1998	1.00
Devonport	95 492 409	1997	1.00
Dorset	27 365 380	1998	1.03
Flinders	3 543 266	1999	1.00
George Town	22 154 941	2000	1.00
Glamorgan/Spring Bay	22 393 000	1999	1.00
Glenorchy	174 279 994	1999	1.00
Hobart	327 519 816	1996	1.00
Huon Valley	42 431 887	1994	1.05
Kentish	16 278 762	1995	1.00
King Island	9 887 672	1998	1.00
Kingborough	94 672 863	1997	1.00
Latrobe	30 795 033	1997	1.00
Launceston	263 995 329	1997	1.02
Meander	63 096 054	1999	1.02
Northern Midlands	42 882 060	2000	1.02
Sorell	36 276 314	1998	1.00
Southern Midlands	19 457 657	1995	1.00
Tasman	10 471 119	1999	1.00
Waratah/Wynyard	41 109 022	1998	1.00
West Coast	17 924 942	1997	1.00
West Tamar	60 308 343	2001	1.00
<b>TOTAL</b>	<b>1 865 898 800</b>		

*Source: Office of the Valuer-General, Tasmania*

## APPENDIX 8

### RATE REVENUE RECEIVED BY LOCAL GOVERNMENT 2001-02

<i>Council</i>	<i>Ordinary Services</i>	<i>Water and Sewerage*</i>	<i>Total Rate Revenue</i>
	\$	\$	\$
Break O'Day	1 849 690	1 437 032	3 286 722
Brighton	2 847 101	2 905 277	5 752 378
Burnie	9 581 038	5 385 462	14 966 500
Central Coast	6 570 399	4 315 529	10 885 928
Central Highlands	1 052 500	270 421	1 322 921
Circular Head	3 543 875	1 491 381	5 035 256
Clarence	14 349 078	11 104 955	25 454 033
Derwent Valley	2 684 163	2 112 293	4 796 456
Devonport	10 232 000	8 148 574	18 380 574
Dorset	2 163 411	1 320 805	3 484 216
Flinders	460 486	90 945	551 431
George Town	2 822 587	1 248 424	4 071 011
Glamorgan/Spring Bay	1 923 000	1 382 000	3 305 000
Glenorchy	11 437 506	16 973 522	28 411 028
Hobart	27 510 069	14 529 689	42 039 758
Huon Valley	4 339 669	2 337 030	6 676 699
Kentish	1 378 098	602 545	1 980 643
King Island	884 046	371 673	1 255 719
Kingborough	8 140 240	7 139 946	15 280 186
Latrobe	2 469 781	2 435 576	4 905 357
Launceston	24 093 219	19 098 494	43 191 713
Meander Valley	4 756 251	2 596 182	7 352 434
Northern Midlands	3 607 913	1 845 061	5 452 974
Sorell	3 906 189	1 339 942	5 246 131
Southern Midlands	1 755 075	653 658	2 408 733
Tasman	1 064 000	0	1 064 000
Waratah/Wynyard	4 265 819	3 044 406	7 310 225
West Coast	2 169 269	1 609 409	3 778 678
West Tamar	4 641 549	4 083 584	8 725 133
<b>TOTAL</b>	<b>166 498 021</b>	<b>119 873 816</b>	<b>286 371 837</b>

*Source: Tasmanian Local Government Division  
Consolidated Data Collection 2001-02*

\* Includes all revenue from water sales.

## APPENDIX 9

### STANDARDISED REVENUE AND SPECIFIC PURPOSE PAYMENTS 2003-04 ASSESSMENTS\*

<i>Council</i>	<i>Standardised Revenue</i>	<i>Specific Purpose Payments Treated by Inclusion</i>
	\$	\$
Break O'Day	3 415 195	1 450 299
Brighton	4 965 830	473 063
Burnie	11 921 346	1 107 967
Central Coast	9 385 601	1 637 293
Central Highlands	1 949 964	1 384 265
Circular Head	5 085 111	1 489 697
Clarence	26 931 712	1 203 229
Derwent Valley	4 421 780	736 913
Devonport	14 655 852	935 609
Dorset	4 199 946	1 751 736
Flinders	543 809	560 291
George Town	3 400 265	617 072
Glamorgan/Spring Bay	3 436 802	695 105
Glenorchy	26 747 904	1 213 216
Hobart	50 266 634	1 546 052
Huon Valley	6 512 303	1 605 489
Kentish	2 498 409	1 082 360
King Island	1 517 527	614 428
Kingborough	14 530 071	1 136 128
Latrobe	4 726 317	538 082
Launceston	40 517 110	2 600 041
Meander Valley	9 683 769	1 876 029
Northern Midlands	6 581 393	2 128 932
Sorell	5 567 566	816 962
Southern Midlands	2 986 295	1 947 655
Tasman	1 607 072	339 422
Waratah/Wynyard	6 309 274	1 237 803
West Coast	2 751 059	580 480
West Tamar	9 255 921	905 681
<b>TOTAL</b>	<b>286 371 837</b>	<b>34 211 297</b>

\* These are the values for the latest year only. The grant calculations use an average of the latest three years' values.

† This amount now includes \$10 million funds allocated pursuant to the Roads to Recovery Program and reflects the Commission's decision to assume that councils will receive these funds in four annual instalments over the life of the program.



## APPENDIX 10

### STANDARD EXPENDITURE IN THE 2003-04 ASSESSMENTS

<i>Council</i>	<i>General Administration</i>	<i>Health Housing &amp; Welfare</i>	<i>Protection of the Environment</i>	<i>Recreation &amp; Culture</i>
	\$	\$	\$	\$
Break O'Day	607 990	208 440	365 430	523 584
Brighton	1 360 038	466 268	817 444	1 171 228
Burnie	1 967 192	674 421	1 182 372	1 694 092
Central Coast	2 185 212	749 165	1 313 411	1 881 845
Central Highlands	241 002	82 624	144 853	207 545
Circular Head	835 829	286 551	502 371	719 794
Clarence	5 187 658	1 778 507	3 118 018	4 467 471
Derwent Valley	973 619	333 790	585 190	838 455
Devonport	2 528 799	866 959	1 519 923	2 177 733
Dorset	765 106	262 305	459 864	658 889
Flinders	90 676	31 087	54 500	78 088
George Town	677 251	232 185	407 058	583 230
Glamorgan/Spring Bay	416 609	142 828	250 401	358 772
Glenorchy	4 594 920	1 575 296	2 761 756	3 957 021
Hobart	4 955 744	1 698 999	2 978 627	4 267 753
Huon Valley	1 460 638	500 757	877 910	1 257 862
Kentish	574 665	197 015	345 400	494 886
King Island	176 442	60 491	106 050	151 947
Kingborough	3 128 745	1 072 641	1 880 518	2 694 391
Latrobe	872 183	299 014	524 222	751 101
Launceston	6 520 430	2 235 427	3 919 075	5 615 218
Meander Valley	1 903 154	652 467	1 143 882	1 638 945
Northern Midlands	1 252 543	429 415	752 835	1 078 656
Sorell	1 157 166	396 716	695 509	996 520
Southern Midlands	599 319	205 467	360 218	516 117
Tasman	235 048	80 582	141 274	202 417
Waratah/Wynyard	1 417 389	485 930	851 915	1 220 617
West Coast	559 204	191 714	336 107	481 572
West Tamar	2 138 933	733 300	1 285 596	1 841 992
<b>TOTAL</b>	<b>49 383 504</b>	<b>16 930 358</b>	<b>29 681 730</b>	<b>42 527 740</b>

**STANDARD EXPENDITURE IN THE 2003-04 ASSESSMENTS continued**

<i>Council</i>	<i>Planning &amp; Community Amenities</i>	<i>Law, Order and Public Safety</i>	<i>Sewerage</i>	<i>Water</i>	<i>Other</i>
	\$	\$	\$	\$	\$
Break O'Day	325 330	43 943	374 076	620 783	206 901
Brighton	727 744	98 299	836 786	1 388 655	462 825
Burnie	1 052 627	142 182	1 210 347	2 008 584	669 441
Central Coast	1 169 288	157 940	1 344 487	2 231 192	743 634
Central Highlands	128 958	17 419	148 281	246 073	82 014
Circular Head	447 245	60 411	514 258	853 416	284 435
Clarence	2 775 871	374 946	3 191 791	5 296 813	1 765 375
Derwent Valley	520 975	70 370	599 035	994 106	331 326
Devonport	1 353 139	182 773	1 555 885	2 582 009	860 558
Dorset	409 402	55 299	470 744	781 205	260 368
Flinders	48 520	6 554	55 790	92 584	30 857
George Town	362 391	48 949	416 689	691 501	230 470
Glamorgan/Spring Bay	222 924	30 111	256 325	425 375	141 773
Glenorchy	2 458 702	332 105	2 827 100	4 691 604	1 563 665
Hobart	2 651 776	358 184	3 049 103	5 060 020	1 686 454
Huon Valley	781 575	105 570	898 682	1 491 372	497 059
Kentish	307 498	41 535	353 572	586 757	195 560
King Island	94 413	12 753	108 559	180 155	60 044
Kingborough	1 674 165	226 135	1 925 012	3 194 578	1 064 721
Latrobe	466 698	63 038	536 625	890 535	296 807
Launceston	3 489 026	471 275	4 011 801	6 657 629	2 218 921
Meander Valley	1 018 362	137 554	1 170 947	1 943 200	647 649
Northern Midlands	670 225	90 530	770 647	1 278 898	426 244
Sorell	619 189	83 636	711 965	1 181 514	393 787
Southern Midlands	320 691	43 317	368 741	611 930	203 950
Tasman	125 772	16 988	144 617	239 993	79 987
Waratah/Wynyard	758 433	102 444	872 072	1 447 213	482 342
West Coast	299 225	40 417	344 060	570 971	190 299
West Tamar	1 144 525	154 595	1 316 014	2 183 940	727 885
<b>TOTAL</b>	<b>26 424 688</b>	<b>3 569 273</b>	<b>30 384 011</b>	<b>50 422 605</b>	<b>16 805 351</b>

## APPENDIX 11

### STANDARDISED EXPENDITURE - 2003-04 ASSESSMENTS

<i>Council</i>	<i>General Administration</i>	<i>Health Housing &amp; Welfare</i>	<i>Protection of the Environment</i>	<i>Recreation &amp; Culture</i>	<i>Planning &amp; Community Amenities</i>
	\$	\$	\$	\$	\$
Break O'Day	1 308 964	366 052	601 691	968 580	581 372
Brighton	1 875 670	602 480	972 519	1 513 382	876 678
Burnie	3 242 615	949 116	1 464 766	2 787 052	1 458 580
Central Coast	2 872 898	967 407	1 513 873	2 503 390	1 494 830
Central Highlands	735 181	189 120	315 545	504 316	305 001
Circular Head	1 669 669	488 133	733 646	1 280 571	784 216
Clarence	5 518 479	1 922 980	3 280 430	5 654 033	3 137 789
Derwent Valley	1 623 354	491 208	777 472	1 293 448	769 547
Devonport	3 480 456	1 059 927	1 707 101	3 007 206	1 677 061
Dorset	1 418 971	413 939	681 551	1 076 109	648 116
Flinders	499 222	108 778	172 634	277 903	169 984
George Town	1 300 429	376 060	590 812	964 402	575 635
Glamorgan/Spring Bay	1 089 461	275 631	510 452	782 159	475 798
Glenorchy	4 777 978	1 718 697	2 850 730	4 797 186	2 586 694
Hobart	7 618 872	1 840 988	4 068 510	5 241 979	3 232 897
Huon Valley	2 146 071	682 976	1 134 258	1 789 025	1 064 856
Kentish	1 175 303	321 548	533 433	860 895	513 425
King Island	567 079	139 334	212 195	358 890	222 997
Kingborough	3 368 372	1 168 149	2 025 731	3 095 597	1 896 889
Latrobe	1 520 724	440 794	721 391	1 156 277	702 023
Launceston	8 025 445	2 530 156	4 461 589	7 511 640	4 126 586
Meander	2 576 186	820 584	1 402 239	2 130 523	1 305 910
Northern Midlands	1 916 263	581 205	987 941	1 539 738	938 643
Sorell	1 786 719	549 529	918 974	1 412 449	845 810
Southern Midlands	1 196 735	338 583	553 435	868 584	521 630
Tasman	673 307	165 350	288 120	468 787	282 420
Waratah/Wynyard	2 186 311	677 700	1 061 184	1 748 285	1 068 478
West Coast	1 437 775	394 615	617 418	1 094 301	665 312
West Tamar	2 823 679	913 510	1 564 662	2 337 769	1 448 643
<b>TOTAL</b>	<b>70 432 187</b>	<b>21 494 549</b>	<b>36 724 303</b>	<b>59 024 475</b>	<b>34 377 820</b>

\* These are the values for the latest year only. The grant calculations use an average of the most recent three years' values.

## STANDARDISED EXPENDITURE 2003-04 ASSESSMENTS continued

<i>Council</i>	<i>Law, Order and Public Safety</i>	<i>Sewerage</i>	<i>Water</i>	<i>Other</i>	<i>Roads</i>
	\$	\$	\$	\$	\$
Break O'Day	74 067	467 711	776 145	206 901	4 090 328
Brighton	127 015	853 397	1 417 574	462 825	1 820 577
Burnie	198 724	1 511 066	2 506 313	669 441	4 614 920
Central Coast	203 122	1 435 531	2 395 670	743 634	6 255 526
Central Highlands	37 936	228 661	379 466	82 014	3 808 997
Circular Head	101 207	628 240	1 043 704	284 435	5 041 681
Clarence	404 081	3 412 269	5 718 068	1 765 375	5 870 048
Derwent Valley	102 926	676 044	1 121 995	331 326	1 916 029
Devonport	222 700	1 722 323	2 864 640	860 558	4 334 728
Dorset	85 445	535 527	889 697	260 368	4 972 073
Flinders	22 467	72 728	120 831	154 287	2 036 563
George Town	77 635	478 426	794 532	230 470	2 442 305
Glamorgan/Spring Bay	55 617	386 630	643 172	141 773	2 685 459
Glenorchy	361 757	3 094 480	5 096 197	1 563 665	5 487 192
Hobart	385 473	4 809 781	7 962 967	1 686 454	5 858 221
Huon Valley	141 191	1 020 015	1 700 043	497 059	3 972 517
Kentish	67 215	400 976	664 860	195 560	3 309 348
King Island	28 893	132 495	219 898	180 132	2 473 639
Kingborough	243 460	2 068 789	3 440 034	1 064 721	4 373 740
Latrobe	91 678	579 232	962 416	296 807	2 303 628
Launceston	530 677	5 082 931	8 430 294	2 218 921	10 629 866
Meander	172 017	1 323 753	2 201 160	647 649	6 436 884
Northern Midlands	121 010	860 852	1 430 828	426 244	7 559 572
Sorell	112 926	785 071	1 303 220	393 787	2 318 704
Southern Midlands	70 856	418 592	694 647	203 950	4 737 832
Tasman	33 193	186 404	309 342	79 987	1 191 627
Waratah/Wynyard	141 201	934 646	1 551 597	482 342	4 095 995
West Coast	81 260	546 162	906 210	190 299	2 119 858
West Tamar	190 072	1 482 670	2 463 617	727 885	3 733 939
<b>TOTAL</b>	<b>4 485 822</b>	<b>36 135 403</b>	<b>60 009 137</b>	<b>17 048 868</b>	<b>120 491 797</b>

## APPENDIX 12

### DISABILITY FACTORS, 2003-04 ASSESSMENTS

<i>Council</i>	<i>Absentee Population</i>	<i>Unemp- loyment</i>	<i>Age Profile</i>	<i>Worker Influx</i>	<i>Climate</i>	<i>Day- tripper</i>	<i>Dispersion</i>	<i>Isolation</i>	<i>Popu- lation Decline</i>
Break O'Day	1.07	1.06	1.00	1.00	1.00	1.03	1.11	1.11	1.00
Brighton	1.00	1.09	1.00	1.00	1.00	1.00	1.01	1.01	1.00
Burnie	1.01	1.08	1.02	1.09	1.00	1.04	1.01	1.13	1.06
Central Coast	1.01	1.05	1.02	1.00	1.00	1.02	1.03	1.11	1.00
Central Highlands	1.11	1.06	1.00	1.00	1.02	1.03	1.23	1.05	1.10
Circular Head	1.03	1.03	1.01	1.00	1.02	1.02	1.07	1.20	1.07
Clarence	1.00	1.04	1.02	1.00	1.00	1.08	1.02	1.00	1.00
Derwent Valley	1.01	1.07	1.01	1.00	1.00	1.06	1.04	1.02	1.06
Devonport	1.00	1.06	1.02	1.03	1.00	1.03	1.00	1.09	1.00
Dorset	1.03	1.05	1.02	1.00	1.00	1.03	1.08	1.07	1.00
Flinders	1.07	1.06	1.00	1.00	1.00	1.00	1.04	1.20	1.14
George Town	1.03	1.07	1.01	1.05	1.00	1.02	1.03	1.05	1.07
Glamorgan/Spring Bay	1.08	1.05	1.01	1.00	1.00	1.03	1.20	1.07	1.00
Glenorchy	1.00	1.06	1.03	1.00	1.00	1.02	1.00	1.00	1.00
Hobart	1.01	1.05	1.03	1.30	1.00	1.03	1.00	1.00	1.00
Huon Valley	1.03	1.06	1.01	1.00	1.00	1.05	1.09	1.02	1.00
Kentish	1.01	1.07	1.00	1.00	1.00	1.04	1.05	1.09	1.00
King Island	1.04	1.00	1.01	1.00	1.02	1.00	1.02	1.26	1.11
Kingborough	1.01	1.02	1.01	1.00	1.00	1.05	1.04	1.00	1.00
Latrobe	1.02	1.04	1.01	1.00	1.00	1.04	1.03	1.09	1.00
Launceston	1.01	1.07	1.03	1.08	1.00	1.03	1.01	1.01	1.00
Meander Valley	1.01	1.02	1.01	1.00	1.00	1.02	1.09	1.04	1.00
Northern Midlands	1.02	1.03	1.01	1.00	1.00	1.06	1.08	1.03	1.00
Sorell	1.03	1.05	1.01	1.00	1.00	1.03	1.06	1.01	1.00
Southern Midlands	1.01	1.06	1.00	1.00	1.00	1.03	1.11	1.06	1.00
Tasman	1.10	1.07	1.00	1.00	1.00	1.13	1.06	1.08	1.00
Waratah/Wynyard	1.02	1.02	1.02	1.00	1.00	1.02	1.03	1.15	1.00
West Coast	1.05	1.05	1.00	1.00	1.05	1.02	1.18	1.20	1.16
West Tamar	1.02	1.00	1.01	1.00	1.00	1.01	1.09	1.04	1.00

## DISABILITY FACTORS 2003-04 ASSESSMENTS continued

<i>Council</i>	<i>Popu- lation Growth</i>	<i>Tourism</i>	<i>Regional Responsibility</i>			<i>Scale</i>			<i>Equivalent Tenements</i>	
			<i>General Admin &amp; Region.</i>	<i>Comm. &amp; Culture</i>	<i>Recreat. Devel.</i>	<i>High</i>	<i>Medium</i>	<i>Low</i>	<i>Sewerage</i>	<i>Water</i>
Break O'Day	1.00	1.07	1.00	1.00	1.00	1.79	1.39	1.00	1.00	1.00
Brighton	1.00	1.00	1.00	1.00	1.00	1.35	1.18	1.00	1.01	1.01
Burnie	1.00	1.01	1.14	1.01	1.19	1.19	1.09	1.00	1.06	1.06
Central Coast	1.00	1.02	1.00	1.00	1.00	1.14	1.07	1.00	1.01	1.01
Central Highlands	1.00	1.09	1.00	1.00	1.00	2.47	1.74	1.00	1.00	1.00
Circular Head	1.00	1.03	1.00	1.00	1.00	1.60	1.30	1.00	1.01	1.01
Clarence	1.00	1.01	1.03	1.00	1.10	1.00	1.00	1.00	1.04	1.05
Derwent Valley	1.00	1.01	1.00	1.00	1.00	1.52	1.26	1.00	1.00	1.00
Devonport	1.00	1.02	1.14	1.02	1.10	1.09	1.04	1.00	1.05	1.05
Dorset	1.00	1.02	1.00	1.00	1.00	1.65	1.33	1.00	1.00	1.00
Flinders	1.00	1.06	1.00	1.00	1.00	5.00	3.00	1.00	1.00	1.00
George Town	1.00	1.02	1.00	1.00	1.00	1.72	1.36	1.00	1.00	1.00
Glamorgan/Spring Bay	1.00	1.22	1.00	1.00	1.00	2.04	1.52	1.00	1.00	1.01
Glenorchy	1.00	1.00	1.03	1.00	1.10	1.00	1.00	1.00	1.09	1.08
Hobart	1.00	1.03	1.20	1.12	1.08	1.00	1.00	1.00	1.24	1.24
Huon Valley	1.00	1.01	1.00	1.00	1.00	1.32	1.16	1.00	1.01	1.01
Kentish	1.00	1.07	1.00	1.00	1.00	1.83	1.41	1.00	1.00	1.00
King Island	1.00	1.04	1.00	1.00	1.00	2.76	1.88	1.00	1.00	1.00
Kingborough	1.00	1.01	1.00	1.00	1.00	1.01	1.00	1.00	1.01	1.01
Latrobe	1.00	1.03	1.00	1.00	1.00	1.58	1.29	1.00	1.00	1.01
Launceston	1.00	1.02	1.11	1.08	1.16	1.00	1.00	1.00	1.16	1.16
Meander Valley	1.00	1.02	1.00	1.00	1.00	1.20	1.10	1.00	1.01	1.02
Northern Midlands	1.00	1.02	1.00	1.00	1.00	1.39	1.20	1.00	1.01	1.01
Sorell	1.00	1.00	1.00	1.00	1.00	1.43	1.21	1.00	1.00	1.00
Southern Midlands	1.00	1.01	1.00	1.00	1.00	1.80	1.40	1.00	1.00	1.00
Tasman	1.00	1.14	1.00	1.00	1.00	2.50	1.75	1.00	1.00	1.00
Waratah/Wynyard	1.00	1.02	1.00	1.00	1.00	1.33	1.17	1.00	1.01	1.01
West Coast	1.00	1.14	1.00	1.00	1.00	1.84	1.42	1.00	1.01	1.01
West Tamar	1.00	1.02	1.00	1.00	1.00	1.15	1.08	1.00	1.00	1.00

## APPENDIX 13

### MULHOLLAND MODEL DISABILITY FACTORS

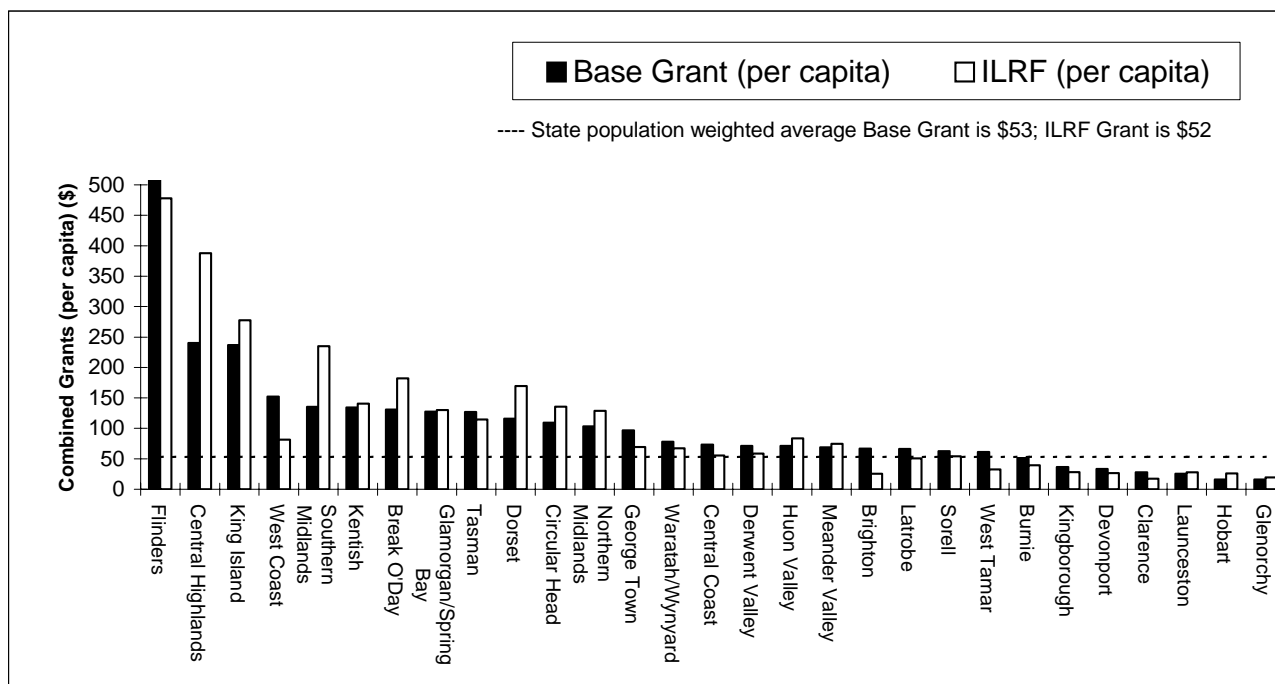
<i>Municipality</i>	<i>Urban Sealed Roads</i>						<i>Urban Unsealed</i>	
	<i>Climate</i>	<i>Drainage</i>	<i>Material</i>	<i>Soil</i>	<i>Terrain</i>	<i>Traffic</i>	<i>Climate</i>	<i>Traffic</i>
Break O'Day	<b>0.98</b>	<b>0.99</b>	<b>1.01</b>	<b>0.93</b>	<b>1.05</b>	<b>0.99</b>	<b>0.98</b>	<b>0.99</b>
Brighton	<b>0.94</b>	<b>1.01</b>	<b>1.05</b>	<b>1.01</b>	<b>1.06</b>	<b>0.98</b>	<b>0.94</b>	<b>0.96</b>
Burnie	<b>1.00</b>	<b>0.99</b>	<b>1.00</b>	<b>0.97</b>	<b>1.09</b>	<b>1.02</b>	<b>1.00</b>	<b>0.96</b>
Central Coast	<b>1.00</b>	<b>0.99</b>	<b>1.00</b>	<b>0.94</b>	<b>1.05</b>	<b>1.01</b>	<b>1.00</b>	<b>0.97</b>
Central Highlands	<b>0.95</b>	<b>1.00</b>	<b>1.06</b>	<b>1.05</b>	<b>1.02</b>	<b>0.964</b>	<b>0.95</b>	<b>0.96</b>
Circular Head	<b>1.00</b>	<b>0.99</b>	<b>1.00</b>	<b>0.76</b>	<b>1.04</b>	<b>0.99</b>	<b>1.00</b>	<b>0.96</b>
Clarence	<b>0.94</b>	<b>1.00</b>	<b>0.96</b>	<b>1.01</b>	<b>1.09</b>	<b>0.98</b>	<b>0.94</b>	<b>0.96</b>
Derwent Valley	<b>0.95</b>	<b>1.00</b>	<b>1.02</b>	<b>0.94</b>	<b>1.01</b>	<b>0.97</b>	<b>0.95</b>	<b>0.96</b>
Devonport	<b>1.00</b>	<b>0.98</b>	<b>1.00</b>	<b>1.05</b>	<b>1.05</b>	<b>1.02</b>	<b>1.00</b>	<b>0.96</b>
Dorset	<b>0.99</b>	<b>0.99</b>	<b>1.04</b>	<b>0.97</b>	<b>1.07</b>	<b>0.99</b>	<b>0.99</b>	<b>0.96</b>
Flinders	<b>0.96</b>	<b>1.01</b>	<b>0.99</b>	<b>0.73</b>	<b>1.02</b>	<b>0.99</b>	<b>0.96</b>	<b>1.00</b>
George Town	<b>1.00</b>	<b>0.99</b>	<b>1.10</b>	<b>1.15</b>	<b>1.03</b>	<b>0.98</b>	<b>1.00</b>	<b>0.96</b>
Glamorgan/Spring Bay	<b>0.96</b>	<b>0.99</b>	<b>1.03</b>	<b>0.95</b>	<b>1.07</b>	<b>0.97</b>	<b>0.96</b>	<b>0.96</b>
Glenorchy	<b>0.94</b>	<b>1.00</b>	<b>0.92</b>	<b>1.00</b>	<b>1.11</b>	<b>1.03</b>	<b>0.94</b>	<b>0.99</b>
Hobart	<b>0.94</b>	<b>0.99</b>	<b>0.91</b>	<b>1.01</b>	<b>1.11</b>	<b>0.98</b>	<b>1.01</b>	<b>0.96</b>
Huon Valley	<b>0.98</b>	<b>1.03</b>	<b>0.97</b>	<b>0.99</b>	<b>1.01</b>	<b>0.96</b>	<b>0.99</b>	<b>0.96</b>
Kentish	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.03</b>	<b>1.00</b>	<b>1.00</b>	<b>0.96</b>
King Island	<b>1.04</b>	<b>0.98</b>	<b>1.00</b>	<b>0.94</b>	<b>1.07</b>	<b>0.99</b>	<b>1.04</b>	<b>0.97</b>
Kingborough	<b>1.00</b>	<b>1.00</b>	<b>0.90</b>	<b>1.08</b>	<b>1.07</b>	<b>0.98</b>	<b>1.00</b>	<b>1.00</b>
Latrobe	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.85</b>	<b>1.01</b>	<b>1.01</b>	<b>1.00</b>	<b>0.97</b>
Launceston	<b>0.97</b>	<b>1.00</b>	<b>1.00</b>	<b>1.12</b>	<b>1.10</b>	<b>0.99</b>	<b>0.97</b>	<b>0.99</b>
Meander Valley	<b>1.00</b>	<b>0.99</b>	<b>0.98</b>	<b>0.84</b>	<b>1.05</b>	<b>0.98</b>	<b>1.00</b>	<b>0.96</b>
Northern Midlands	<b>0.95</b>	<b>1.02</b>	<b>1.02</b>	<b>1.04</b>	<b>1.01</b>	<b>0.99</b>	<b>0.95</b>	<b>0.96</b>
Sorell	<b>0.95</b>	<b>0.99</b>	<b>1.02</b>	<b>1.07</b>	<b>1.06</b>	<b>1.00</b>	<b>0.95</b>	<b>0.97</b>
Southern Midlands	<b>0.95</b>	<b>1.01</b>	<b>1.03</b>	<b>1.06</b>	<b>1.07</b>	<b>0.98</b>	<b>0.95</b>	<b>0.97</b>
Tasman	<b>0.95</b>	<b>0.99</b>	<b>1.07</b>	<b>1.02</b>	<b>1.10</b>	<b>0.96</b>	<b>0.95</b>	<b>0.96</b>
Waratah/Wynyard	<b>1.01</b>	<b>1.02</b>	<b>1.00</b>	<b>0.93</b>	<b>1.03</b>	<b>1.01</b>	<b>1.00</b>	<b>0.96</b>
West Coast	<b>1.07</b>	<b>0.99</b>	<b>1.00</b>	<b>1.06</b>	<b>1.04</b>	<b>0.98</b>	<b>1.07</b>	<b>0.97</b>
West Tamar	<b>1.00</b>	<b>0.98</b>	<b>1.01</b>	<b>0.98</b>	<b>1.08</b>	<b>0.98</b>	<b>1.00</b>	<b>0.98</b>

## MULHOLLAND MODEL DISABILITY FACTORS continued

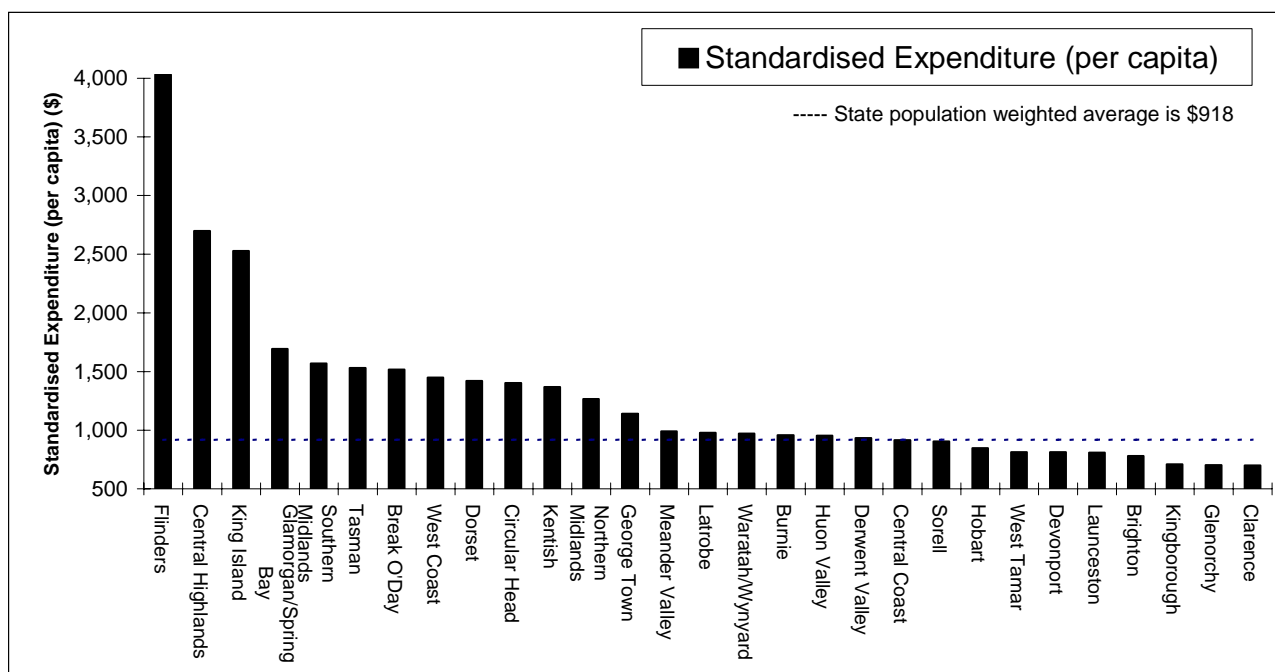
<i>Municipality</i>	<i>Rural Sealed roads</i>					<i>Rural Unsealed</i>			
	<i>Climate</i>	<i>Drainage</i>	<i>Material</i>	<i>Soil</i>	<i>Terrain</i>	<i>Traffic</i>	<i>Climate</i>	<i>Traffic</i>	<i>Remoteness</i>
Break O'Day	<b>0.98</b>	<b>0.99</b>	<b>1.01</b>	<b>1.03</b>	<b>1.04</b>	<b>0.98</b>	<b>0.98</b>	<b>0.98</b>	<b>1.07</b>
Brighton	<b>0.94</b>	<b>1.00</b>	<b>1.05</b>	<b>1.07</b>	<b>1.05</b>	<b>0.98</b>	<b>0.94</b>	<b>0.98</b>	<b>1.00</b>
Burnie	<b>1.02</b>	<b>0.99</b>	<b>1.00</b>	<b>1.06</b>	<b>1.08</b>	<b>1.04</b>	<b>1.01</b>	<b>1.00</b>	<b>1.00</b>
Central Coast	<b>1.01</b>	<b>0.99</b>	<b>1.00</b>	<b>0.99</b>	<b>1.12</b>	<b>1.00</b>	<b>1.01</b>	<b>0.98</b>	<b>1.00</b>
Central Highlands	<b>0.98</b>	<b>1.00</b>	<b>1.06</b>	<b>1.02</b>	<b>1.12</b>	<b>0.97</b>	<b>1.00</b>	<b>0.97</b>	<b>1.03</b>
Circular Head	<b>1.04</b>	<b>0.99</b>	<b>1.00</b>	<b>0.99</b>	<b>1.12</b>	<b>1.01</b>	<b>1.04</b>	<b>0.99</b>	<b>1.04</b>
Clarence	<b>0.94</b>	<b>1.00</b>	<b>0.95</b>	<b>0.96</b>	<b>1.09</b>	<b>0.98</b>	<b>0.94</b>	<b>0.96</b>	<b>1.00</b>
Derwent Valley	<b>0.95</b>	<b>1.00</b>	<b>1.01</b>	<b>1.00</b>	<b>1.05</b>	<b>0.96</b>	<b>0.95</b>	<b>0.96</b>	<b>1.00</b>
Devonport	<b>1.00</b>	<b>0.99</b>	<b>1.00</b>	<b>1.04</b>	<b>1.07</b>	<b>1.01</b>	<b>1.00</b>	<b>0.99</b>	<b>1.00</b>
Dorset	<b>1.00</b>	<b>0.99</b>	<b>1.02</b>	<b>1.02</b>	<b>1.10</b>	<b>1.01</b>	<b>1.00</b>	<b>0.99</b>	<b>1.03</b>
Flinders	<b>0.96</b>	<b>0.99</b>	<b>0.99</b>	<b>1.00</b>	<b>1.05</b>	<b>1.00</b>	<b>0.96</b>	<b>0.99</b>	<b>1.11</b>
George Town	<b>1.00</b>	<b>0.97</b>	<b>1.10</b>	<b>1.12</b>	<b>1.08</b>	<b>0.98</b>	<b>1.00</b>	<b>0.97</b>	<b>1.00</b>
Glamorgan/Spring Bay	<b>0.96</b>	<b>0.99</b>	<b>1.03</b>	<b>1.02</b>	<b>1.06</b>	<b>0.96</b>	<b>0.96</b>	<b>0.96</b>	<b>1.04</b>
Glenorchy	<b>0.95</b>	<b>0.99</b>	<b>0.95</b>	<b>1.00</b>	<b>1.16</b>	<b>1.01</b>	<b>0.95</b>	<b>0.99</b>	<b>1.00</b>
Hobart	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.09</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
Huon Valley	<b>1.01</b>	<b>1.00</b>	<b>0.97</b>	<b>1.01</b>	<b>1.06</b>	<b>0.97</b>	<b>1.01</b>	<b>0.97</b>	<b>1.00</b>
Kentish	<b>1.03</b>	<b>0.99</b>	<b>1.00</b>	<b>0.95</b>	<b>1.15</b>	<b>1.01</b>	<b>1.01</b>	<b>0.98</b>	<b>1.00</b>
King Island	<b>1.03</b>	<b>1.02</b>	<b>1.00</b>	<b>1.04</b>	<b>1.00</b>	<b>0.99</b>	<b>1.03</b>	<b>0.97</b>	<b>1.14</b>
Kingborough	<b>1.01</b>	<b>0.99</b>	<b>0.90</b>	<b>1.03</b>	<b>1.14</b>	<b>0.98</b>	<b>1.00</b>	<b>0.96</b>	<b>1.00</b>
Latrobe	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.92</b>	<b>1.05</b>	<b>1.01</b>	<b>1.00</b>	<b>0.98</b>	<b>1.00</b>
Launceston	<b>0.99</b>	<b>1.00</b>	<b>1.04</b>	<b>1.04</b>	<b>1.10</b>	<b>1.00</b>	<b>0.99</b>	<b>0.99</b>	<b>1.00</b>
Meander Valley	<b>1.01</b>	<b>1.00</b>	<b>0.99</b>	<b>1.02</b>	<b>1.09</b>	<b>0.99</b>	<b>1.01</b>	<b>0.97</b>	<b>1.00</b>
Northern Midlands	<b>0.95</b>	<b>1.02</b>	<b>1.03</b>	<b>1.07</b>	<b>1.05</b>	<b>1.01</b>	<b>0.95</b>	<b>0.98</b>	<b>1.00</b>
Sorell	<b>0.95</b>	<b>1.00</b>	<b>1.04</b>	<b>1.12</b>	<b>1.07</b>	<b>1.00</b>	<b>0.95</b>	<b>0.98</b>	<b>1.00</b>
Southern Midlands	<b>0.95</b>	<b>1.00</b>	<b>1.07</b>	<b>1.04</b>	<b>1.13</b>	<b>1.03</b>	<b>0.95</b>	<b>1.00</b>	<b>1.04</b>
Tasman	<b>1.00</b>	<b>1.00</b>	<b>1.07</b>	<b>1.04</b>	<b>1.10</b>	<b>0.97</b>	<b>0.98</b>	<b>0.97</b>	<b>1.05</b>
Waratah/Wynyard	<b>1.03</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.12</b>	<b>1.01</b>	<b>1.03</b>	<b>1.00</b>	<b>1.00</b>
West Coast	<b>1.07</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.09</b>	<b>0.97</b>	<b>1.07</b>	<b>0.99</b>	<b>1.07</b>
West Tamar	<b>1.00</b>	<b>0.99</b>	<b>1.01</b>	<b>1.02</b>	<b>1.05</b>	<b>0.98</b>	<b>1.00</b>	<b>0.97</b>	<b>1.00</b>



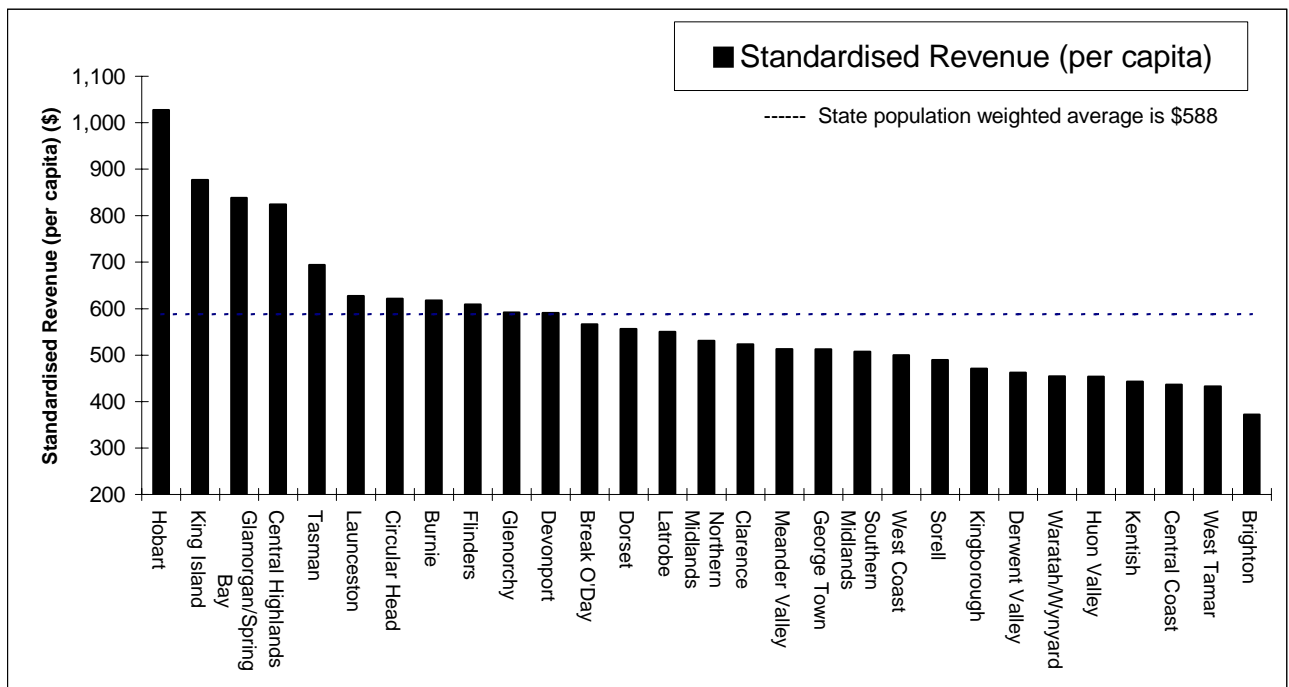
## APPENDIX 14 – BASE AND ILRF GRANTS (PER CAPITA) 2003-04



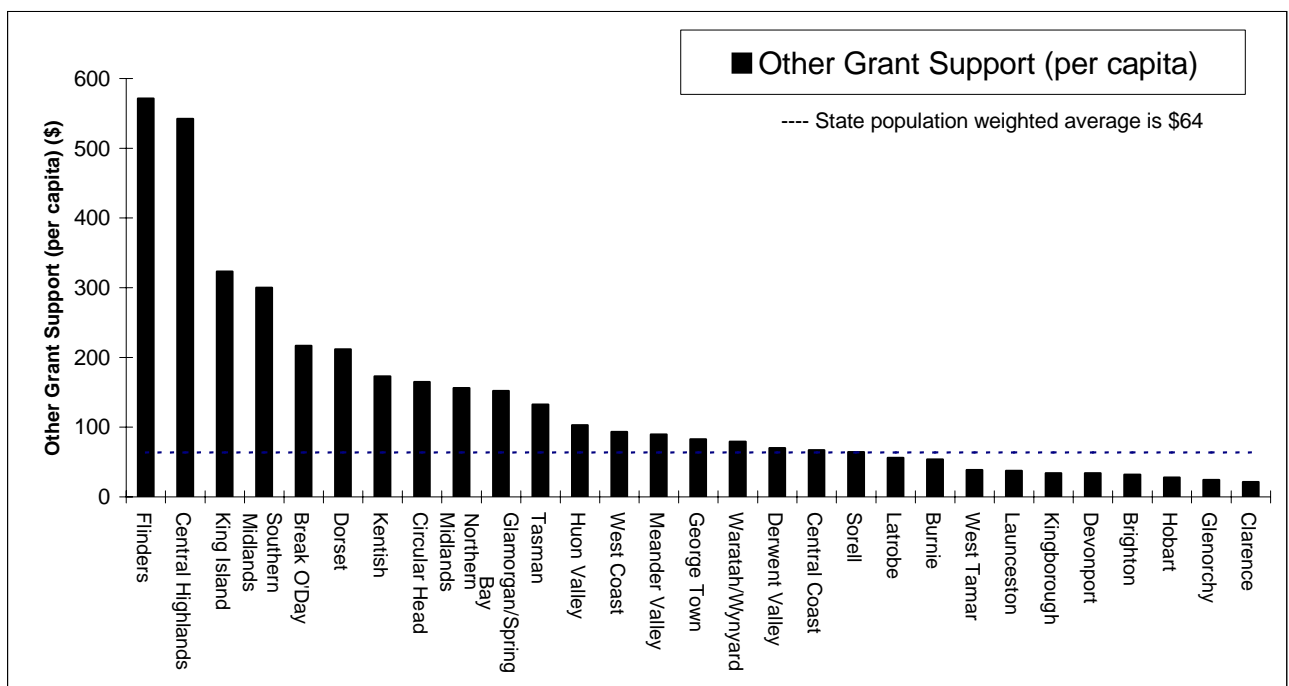
## APPENDIX 15 – STANDARDISED EXPENDITURE (PER CAPITA) IN THE 2003-04 ASSESSMENTS



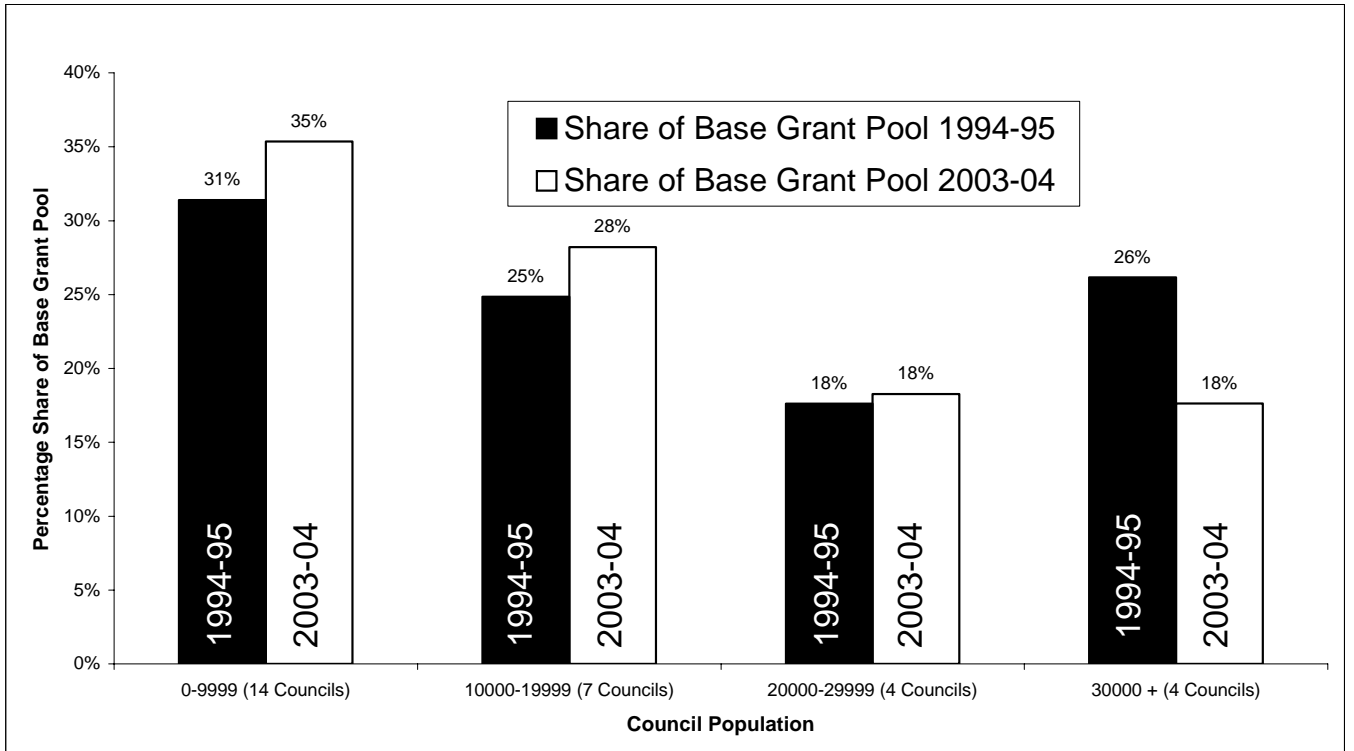
**APPENDIX 16 – STANDARDISED REVENUE (PER CAPITA)  
IN THE 2003-04 ASSESSMENTS**



**APPENDIX 17 – SPECIFIC PURPOSE PAYMENTS (PER CAPITA)  
IN THE 2003-04 ASSESSMENTS**



**APPENDIX 18 – SHARE OF BASE GRANT POOL BY POPULATION  
1994-95 COMPARED TO 2003-04**



## APPENDIX 19 – SCHEDULE OF HEARINGS AND VISITS -2003

### *Round 1 – Southern and South-Eastern Councils*

28 January	Visit	Glenorchy	10.00am
	Visit	Clarence	2.00pm
29 January	Visit	Hobart	2.00pm
30 January	<i>Hearings - Hobart Function and Convention Centre</i>		
		Sorell	9.45am
		Huon Valley	11.15am
		Southern Midlands	2.00pm
		Glamorgan-Spring Bay	3.30pm
31 January	<i>Hearing - Hobart Function and Convention Centre</i>		
		Central Highlands	11.15am
	Visit	Derwent Valley	2.00pm

NB – Kingborough and Brighton advised that they did not wish to participate in a hearing in 2003.

### *Round 2 – North-Western Councils*

3 February	Visit	Latrobe	11.00am
4 February	Visit	King Island	9.00am
	<i>Hearings - Devonport Council Chambers</i>		
		Waratah/Wynyard	2.00pm
		Central Coast	3.30pm
5 February	<i>Hearing - Devonport Council Chambers</i>		
		Burnie	9.15am
		Circular Head	10.45am

### *Round 3 – North and North-Eastern Councils*

1 April	Visit	George Town	11.00am
	Visit	West Tamar	2.30pm
2 April	Visit	Devonport	9.30am
	Hearing	<i>Devonport Council Chambers</i>	
		West Coast	12.00noon
	Visit	Kentish	2.45pm
3 April	<i>Hearings - Tamar Valley Centre</i>		
		Launceston	9.00am
		Northern Midlands	10.30am
		Flinders	12.00pm
		Meander Valley	2.30pm
4 April	<i>Hearings - Tamar Valley Centre</i>		
		Dorset	9.15am
		Break O'Day	10.45am

## NOTES

## NOTES

## NOTES