



Tasmania

## State Grants Commission

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ANNUAL REPORT FOR 2002-03

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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 seventh Annual Report of the Commission, and relates to grants for payment in the 2002-03 financial year.

Yours sincerely

R Close  
CHAIRMAN

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# 1 - INTRODUCTION

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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.

There have been several changes to the composition of the Commission over the past twelve months. The term of appointment of Mr Grahame Inglis as the Chairman of the Commission expired on 25 October 2001, after twelve years of outstanding service. Mr Robert Close, previously the representative of the Department of Treasury and Finance, was appointed as Chairman for a three-year term, commencing on 26 October 2001. Mr Glenn Appleyard filled the vacancy arising from the appointment of Mr Close to the position of Chairman.

Mrs Lyndall Scott, previously one of the two representatives of local government on the Commission resigned in February 2002. Mrs Lindy Mackey was appointed to fill the vacancy arising from Mrs Scott's resignation.

The Commission would like to formally record its appreciation to both Mr Inglis for his long and distinguished service as Chairman and also to Mrs Scott 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
Mrs L Mackey	representative of local government

# 2 - LEGISLATION GOVERNING THE GRANTS

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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 Commission's preliminary response to the findings of this important Review.

### 3 - LEVEL OF ASSISTANCE FOR 2002-03

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 – 2002-03**

	National pool of funds	Tasmanian grant entitlement	Proportion of national pool	Change from 2001-02 final grants
	\$	\$	%	%
Base grant	1,003,702,209	24,233,779	2.4	2.8
Road grant	445,372,208	23,601,580	5.3	3.9
Total grant	1,449,074,417	47,835,359	3.3	4.8

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 2.44 per cent at 31 December 2000 to 2.41 per cent at 31 December 2001.

The Commonwealth has determined that there will be a positive adjustment of \$652,541 to the 2001-02 estimated grant entitlement of \$45,622,971 as the estimate of inflation and population growth of 3.53 per cent used to determine last year’s pool was lower than the actual level of 5.00 per cent. Therefore, the “final” 2001-02 grant entitlement for Tasmania has been calculated by the Commonwealth as \$46,275,512 (which is \$45,622,971 plus \$652,541). Details are provided in Appendix 4.

This adjustment will be added to the 2002-03 quarterly payments, based on the distribution of the 2001-02 grants. This will mean that the cash actually paid to councils in 2002-03 will be the estimated 2002-03 entitlement of \$47,835,359 plus the positive adjustment to the 2001-02 grants of \$652,541, which is a total of \$48,487,900.

## 4 - INVESTIGATIONS AND INQUIRIES

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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:

- Launceston 12 February 2002 - for northern and north-eastern councils;
- Burnie 12 March 2002 - for north-western councils; and
- Hobart 8 and 10 April 2002 - for southern and eastern councils.

In addition to these hearings, the Commission visited ten municipalities throughout the State and considered written submissions from a majority of councils. At the conclusion of the 2002 program of hearings and visits, the Commission wrote to those councils that prepared written submissions for the Commission’s consideration, acknowledging the quality of those submissions.



The Commission's hearings were preceded by two information seminars, organised with the assistance of the Local Government Managers' Association and the Local Government Association of Tasmania. The purpose of the seminars, conducted in Devonport and Hobart in November and December 2001, was to provide council officers with the background information required for them to make more informed comment on the Commission's equalisation method. Similarly, the sessions provided a preliminary explanation of the issues raised in a series of four discussion papers distributed to councils concerning the findings of the CGC Review. The Commission received very positive feedback from these sessions and it is hoped that such sessions will become a more regular feature of the Commission's work program.

The Commission made relatively few changes to its base grant equalisation method during 2001-02. 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 commenced work in 2001-02 on discrete reviews of several important aspects of its equalisation method, including:

- the assessment of councils' water and sewerage expenditure needs;
- the cost impact of regional responsibility upon council operations;
- the cost impact upon councils of day-trippers to municipalities; and
- 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 these issues will be undertaken in the 2002-03 financial year. The Commission also conducted a review of the influence of the age profile of municipal populations upon councils' expenditure requirements. As a consequence, the Commission has extended the application of the *Age Profile* disability factor to its assessment of councils' expenditure needs within the 'Health, Welfare and Housing' category.

Details of the Commission's conclusions in relation to these and other matters 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 local governing body's grant entitlement is derived from the difference between:

- the expenditure 'required' to provide a common range of services, given the unique cost conditions (standardised expenditure); and
- revenue that could be raised by applying a standard or average rate per dollar of assessed annual values to all rateable property in that local governing body (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. These are intended to capture elements of expenditure disabilities not otherwise accounted for in the model, and apply to a minority of councils only.

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.

This 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.

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 have 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 Commission completed a thorough review of the method of calculating this factor during 2001. The factor is now 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.

(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. Further details in relation to this issue are provided in Section 6 of this Report.



(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 1996 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 are now allocated to Hobart, Launceston and Burnie.

(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 1996 Census.

The Commission has continued to make an adjustment to the absentee population factor, in the 2002-03 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. A review of this factor was conducted in 2002 which is discussed in further detail in Section 6 of this Report.

*(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

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The Commission received written submissions from the majority of councils concerning council-specific issues related to the Commission's methodology. The quality of these submissions was exceptionally high and provided a basis for fruitful discussions at the Commission's hearings and visits in 2002. 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:

- the incorporation of non-rate revenue;
- the incorporation of depreciation expenditure; and
- the scope of the other grant support principle.

**(i) *The Incorporation of Non-Rate Revenue***

The CGC Review identified the omission of non-rate revenue from the State Grants Commission's (SGC) equalisation model as a factor that reduced the accuracy and transparency of the model's simulation of the fiscal situation of Tasmanian local government. Within the model, the current assessment of standardised revenue accounts for approximately 72 per cent of councils' total revenue (as reported by the Australian Bureau of Statistics (ABS) in 1999-2000). In contrast, the assessment of standardised expenditure is currently the equivalent of 91 per cent of councils' actual total expenditure. The limitation of the SGC's assessment of revenue capacity to general, water and sewerage rates, and the exclusion of any assessment of user charges (with the exception of water), accounts for the difference between standardised revenue within the SGC's model and councils' actual total revenue.

The CGC's Report demonstrated that the proportion of councils' revenue derived from municipal rates has been steadily declining for many years, and that there has been a corresponding increase in councils' reliance upon user charges. The discussion paper sought councils' view of the proposition that the accuracy and transparency of the SGC's equalisation model would be improved were it to include a more comprehensive assessment of councils' revenue sources. Specifically, the paper proposed that the method currently applied to the assessment of councils' revenue capacity from rates could be extended to the assessment of non-rate revenue. This would be achieved by adding the State total of non-rate revenue to the existing total rate revenue in order to produce a statewide "revenue in the dollar of AAV" figure.

The proposed approach would therefore retain AAV as the indicator of councils' relative capacity to raise revenue. Inherent in this approach is the assumption that gross property rental values (AAV) represent the best available measure of Councils' capacity to raise revenue from both rates and other sources. This approach is broadly in accordance with the findings of a study commissioned by the Local Government Minister's Conference in 1996.

Councils generally accepted this approach. The Commission expects to finalise its view on this matter in the course of the 2003-04 assessments.

**(ii) *The Incorporation of Depreciation Expense***

Whilst depreciation was not the subject of explicit comment in the CGC Report, councils' depreciation expense is currently a significant omission from the SGC's equalisation model. Specifically, the ABS reported that in 1999-2000 the collective depreciation expense borne by Tasmanian councils (as a consequence of the consumption of fixed non-road assets) was \$53 million.<sup>1</sup> The SGC's equalisation model does not currently recognise councils' need to reflect this expenditure. It must be remembered that it is only in recent years that depreciation has become a mandatory element of local government accounting systems.

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<sup>1</sup> Total reported depreciation was \$115 million. Of this amount, approximately \$62 million related to road assets. It is assumed for the purpose of this paper that councils' consumption of fixed road assets is already adequately recognised in the Commission's road grant model.

The accumulation of infrastructure, in its various forms, is fundamental to the service provision and financial operations of local government. In any given year, past capital outlays are likely to have a substantial impact on councils' recurrent finances in the form of depreciation expenses. Depreciation charges incurred by councils in 1999-2000 account for 26 per cent of councils' operating expenditure. Although a proxy for part of this expense is included in the MMM road calculations, the exclusion of a significant proportion of this expenditure detracts from the transparency and accuracy of the SGC's equalisation model.

The paper also considered the method through which depreciation expenditure could be assessed. The Commission's preliminary view was that the statewide total depreciation expense for each function should be added to the existing statewide expenditure for each function to recalculate the expenditure standard in each category. This revised expenditure (including depreciation) would then be standardised as normal through the application of disability factors. The Commission believes this approach is valid because, in general, the disability factors applying to other recurrent expenditure are equally applicable to depreciation.

Again, the Commission's preliminary views in relation to both the need for depreciation expense to be included and the method through which it should be assessed were accepted by councils. The Commission expects to finalise its view on this matter in the course of the 2003-04 assessments

### **(iii) *The Scope of the Other Grant Support Principle***

The development of the SGC's recommendations is guided by six national principles formulated pursuant to the provisions of subsection 6(1) of the Local Government (Financial Assistance) Act 1995 (the Act). The fourth of these principles is known as the "Other Grant Support Principle" (OGSP). This principle requires that:

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

The Explanatory Statement that accompanies the Act provides the following additional guidance in relation to the principle's interpretation:

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

In the 2001-02 assessments, only 30 per cent of the revenue received by Tasmanian councils from current grants and subsidies was treated by the inclusion approach. Given that the OGSP suggests that inclusion should be the default approach, as opposed to the exception, the SGC sought councils' comment in relation to how such grants should be treated within its equalisation method.

Councils' comments in relation to this paper were particularly illuminating. The Commission learned that councils in receipt of grants are often acting as a banker to community groups. In such situations, grant payments are paid to councils but spent by unincorporated community associations within the municipality. The Commission accepts that it would be inappropriate to treat such grants in the same manner as it does other sources of revenue available to meet councils' expenditure needs.

Analysis of the OGSP has also raised issues of the test that ought be applied to the determination of whether a particular activity is within the scope of ordinary local government activity.

The Commission expects to finalise its view on this matter in the course of the 2003-04 assessments.

**(iv) *Review of the Modified Mulholland Model Disability Factors***

The Commission has considered the findings of a review of the Modified Mulholland Model (MMM) Disability Factors conducted by Mr Chee Liew of CSL Engineers. Mr Liew was selected to perform the Review on the basis of his experience in this highly specialised area. 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 has recently sought assistance from the Information and Land Services Division of the Department of Primary Industries, Water and Environment to initiate a pilot study to investigate whether appropriate factors can be derived from the Department's GIS information. It is anticipated that the Commission will distribute a discussion paper to councils in relation to this matter later in 2002.

**(v) *Regional Responsibility Disability Factor***

The Commission has conducted a preliminary review of the *Regional Responsibility* disability factor. There are in fact three distinct disability factors applied to the General Administration, Planning and Community Amenities and Recreation and Culture expenditure functions. These disabilities are currently only attributed to Tasmania's 6 city councils (Hobart, Launceston, Clarence, Glenorchy, Burnie and Devonport). The purpose of these factors is to provide recognition for the fact some municipalities act as regional focal points for the provision of various services to persons residing in other municipalities.

The current method of calculating the factor was introduced in 1993. It was derived from a regression equation that analysed the statistical relationship between municipal populations and councils' levels of actual spending in selected expenditure categories. Research conducted earlier this year concluded that this statistical relationship does not hold when more recent expenditure data is applied in its calculation. The Commission is concerned that even if the statistical relationship was still correct, this method may be inconsistent with the Effort Neutrality Principle in that a council's disability factor would be driven by its spending effort on a particular expenditure function. Similarly, the factor is potentially affected by variations in the attribution of council expenditure to the various expenditure functions.

Given these methodological difficulties, the distribution of the current factor is reliant on the exercise of the Commission's judgement. The Commission is however keen to pursue further research into the extent of non-resident use of facilities and infrastructure and would welcome any comment councils may wish to offer in relation to this issue.

**(vi) *Day-Tripper Disability Factor***

At the Commission's hearings and visits earlier this year, several councils referred to additional costs faced as a consequence of day visitors to various attractions and events within their municipality. The Commission's equalisation model has recognised day-tripper costs through the application of the *Day Tripper* disability factor since the 1992-93 assessments. The factor is distinct from the *Tourism* factor in that it does not take account of visitors staying over-night. The factor is currently attributed to all but three councils (the two Bass Strait island councils and Brighton each receive a factor of 1.00) and is applied to the following expenditure categories in the Commission's equalisation model:

- Sanitation and the Environment;
- Planning and Community Amenities; and
- Recreation and Culture.

The Commission surveyed councils earlier this year to obtain actual and or estimated visitor numbers to both attractions and events. The survey provided the Commission with a great deal of useful information about the prevalence of visitors to attractions and events around the State. Unfortunately, there was insufficient time to undertake the additional work required to ensure that attractions and events included in the calculation of a new factor would be consistently defined. It is anticipated that the data obtained through the survey will be used in the construction of a more definitive survey which will provide the basis for a new disability factor designed to capture the influence of both tourists and day-trippers.

**(vii) *Assessment of Water & 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. It is likely that the Commission will provide a scoping paper to councils in the near future to seek their views concerning the drivers of expenditure need in these areas.

The Commission also considered many council specific issues raised at the hearings. A number of issues of more general relevance were considered by the Commission during the 2002-03 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.

The Commission has now concluded that the next scheduled step in the phase-in of the VK-based approach should be deferred for the present.

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<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 in 2002-03 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 May 2001, the Commission received advice that MFDS would be completed by mid 2002 and would therefore be available to assist the Commission in its development of recommendations for the distribution of the NRTC funds in 2002-03. Unfortunately, DIER has recently advised that the completion of the survey has been substantially delayed and its results are now unlikely to be available until June 2003.

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 2003-03 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, George Town and Latrobe) 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.

### *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 2002-03, this amount will again be \$1.5 million.

## 8 - OUTCOMES OF THE 2002-03 ASSESSMENTS

### *Grant Recommendations*

The Commission's recommendations reflect the "capping" and "collaring" of the inter-year movements in the base grant to allow a maximum increase of 10 per cent (for Brighton, Central Coast, Glamorgan/Spring Bay, West Tamar and West Coast Councils) and a maximum decline of 5 per cent (for Launceston City Council). This approach maintains a degree of stability in grant outcomes for these councils, whereas application of equalisation principles without adjustment would produce significant grant variations. The practice of capping and collaring has been adopted by the Commission on a number of previous occasions, most recently for the 2000-01 grant recommendations. The Commission has not recommended capping of the inter-year movements in the ILRF grants, for the reasons set out below.

### *Base grants*

The movements in base grants in 2002-03 for individual councils are generally more volatile than those observed in 2001-02 when only one council received a grant increase of greater than 10 per cent and the largest decline in the base grant was 4.5 per cent. Burnie, Central Highlands, Devonport and Launceston experienced a decline in their grant in 2002-03. For Launceston, this was largely due to the application by the Valuer General of an adjustment factor of 1.02, which increased the total Assessed Annual Values of Launceston's rateable properties as at 1 July 2001 by 2 per cent, compared to the equivalent figure for the previous year. The declines experienced by Burnie, Central Highlands and Devonport are due primarily to an above average rate of population decline.

Similarly, the treatment by inclusion of funds provided to the Commonwealth's Roads to Recovery program had a minor impact upon grant distribution. This is consistent with past outcomes whereby inter-year variations in base grant outcomes are usually the product of:

- changes in relative needs due to differential growth rates of net AAV, which are particularly affected by the timing of council revaluations and the application by the Valuer General of AAV adjustment factors;
- population growth differentials; and
- changing council disability factors, reflecting changes in the underlying data used to calculate the factors.

### *ILRF (Road) Grant*

The Commission completed a major review of its road funding model in 2000 which resulted in a significant redistribution of grant funds among some councils. The grant changes arising from that review continued to impact upon the ILRF distribution for 2001-02. However, the inter-year variation in the ILRF grants for 2002-03 occurred solely as a consequence of changes in the input data, such as the lengths and types of roads and bridge deck areas for individual councils, that are used in the ILRF model.

It is notable that Hobart City Council received an increase in its ILRF grant of 16 per cent. This large increase is due entirely to the fact that council's reported bridge deck area is 40 per cent greater this year than had previously been reported, following an independent audit of council's road assets. The Commission's decision not to cap this large increase reflects the fact that it has arisen from a correction of input data, as opposed to any methodological change introduced by the Commission.

### *Total grants*

When the two grants are combined, the net effect is that only one council will receive a grant reduction (compared to three in 2001-02), with the decrease being 0.2 per cent, compared to the largest grant decline of 2.4 per cent in the previous year. Of the remaining councils, fifteen will receive a grant increase of more than 5 per cent, with the maximum gain being 11.5 per cent (compared to 8.7 per cent in 2001-02).

## 9 - ISSUES FOR FUTURE ASSESSMENTS

### ***Progressing Disability Factor Reviews***

As noted in Section 6 above, the Commission has initiated reviews concerning several areas of its assessments, specifically:

- the disability factors used in the Modified Mulholland Model;
- the assessment of water and sewerage expenditure;
- the *Regional Responsibility* disability factor; and
- the *Day-Tripper* disability factor.

Similarly, the Commission is interested in investigating the influence of the relative number of properties within each municipality upon the cost of property-based service provision.

The Commission intends to undertake further research in relation to these matters.

### ***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 in mid 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. Having sought councils' views concerning issues pertaining to the scope of the standard equalisation budget during the 2002 hearings and visits, the Commission has recently considered the remaining key issues raised in the CGC Review. They are:

- the method through which the Commission calculates the disability factors that are applied in its expenditure assessments;
- the inclusion of a "budget result term" in the Commission's standard equalisation budget; and
- the method through which the Commission "factors back" the difference between the sum of councils' total grant requirements and the quantum of available grant funds.

A series of discussion papers concerning these issues will be distributed to councils for comment in November 2002. These discussion papers will provide the basis for discussion during the Commission's hearings and visits in 2003. It is anticipated that information seminars will again be conducted to assist council officers in their consideration of these issues in early December 2002.

The Commission currently intends to introduce any changes to its equalisation method that may arise from its response to the issues raised in the CGC Review in its recommendations for 2003-04. Once the Commission has considered councils' submissions provided at the 2003 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 with a view to providing councils' with a final opportunity for comment prior to the implementation of any changes arising from the CGC Review.

## 10 - GENERAL OBSERVATIONS

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### **Application of Grants**

As in the past, the grants for 2002-03 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 Queensland Local Government Grants Commission hosted the Annual Conference of Local Government Grants Commissions (LGGC) in Caloundra, from 17 to 19 October 2001. As is the normal practice, the Conference included reports by each Commission on its activities during the year. The major topic discussed at the conference was the CGC findings of the Review of the Local Government (Financial Assistance) Act.

The (Tasmanian) Commission will be hosting the 2002 National Conference in Hobart from 22 to 23 October 2002.

## 11 - RECOMMENDATIONS

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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 2002-03 were conveyed to the Treasurer on 24 July 2002, and his acceptance thereof was advised to the Chairman by letter dated 30 July 2002.

## 12 - CONCLUSION

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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 2002 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.

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

R C Close  
CHAIRMAN

L Mackey  
MEMBER

B A Southorn  
MEMBER

G P Appleyard  
MEMBER

Nick J A Wright  
SECRETARY

October 2002

**TABLE 4**  
**RECOMMENDED GRANTS FOR 2002-03**

<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	747,651	130	1,018,190	1,765,841
Brighton	797,735	61	332,632	1,130,368
Burnie	889,980	46	720,951	1,610,931
Central Coast	1,471,900	70	1,120,882	2,592,781
Central Highlands	552,110	222	873,241	1,425,351
Circular Head	852,498	101	1,028,046	1,880,544
Clarence	1,309,274	27	834,171	2,143,445
Derwent Valley	656,975	67	510,651	1,167,626
Devonport	757,160	31	645,614	1,402,774
Dorset	846,614	114	1,208,764	2,055,378
Flinders	446,764	475	402,690	849,454
George Town	619,061	92	426,609	1,045,670
Glamorgan/Spring Bay	477,190	112	503,295	980,485
Glenorchy	676,319	15	824,008	1,500,327
Hobart	710,422	15	1,189,370	1,899,792
Huon Valley	980,428	72	1,093,876	2,074,303
Kentish	727,203	132	749,754	1,476,957
King Island	394,071	225	443,090	837,161
Kingborough	1,013,546	35	782,040	1,795,587
Latrobe	519,998	64	398,028	918,026
Launceston	1,575,464	25	1,693,744	3,269,208
Meander	1,250,314	71	1,299,507	2,549,822
Northern Midlands	1,240,083	105	1,446,422	2,686,505
Sorell	680,989	62	571,002	1,251,991
Southern Midlands	781,304	139	1,312,611	2,093,916
Tasman	277,721	125	244,019	521,740
Waratah/Wynyard	1,035,371	75	871,307	1,906,679
West Coast	763,753	136	419,884	1,183,637
West Tamar	1,181,883	59	637,180	1,819,063
<b>TOTAL</b>	<b>24,233,779</b>	<b>52*</b>	<b>23,601,580</b>	<b>47,835,359</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:

<i>Activity</i>	<i>Road type</i>			
	<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:

<i>Activity</i>	<i>Road type</i>			
	<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:

<i>Activity</i>	<i>Road type</i>			
	<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: reconstruction 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**

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<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 2001-02 \*

<i>Council</i>	1 <i>Recommended base grant 2001-02</i>	2 <i>Recommended road grant 2001-02</i>	3 <i>Base grant adjustment 2001-02</i>	4 <i>Road grant adjustment 2001-02</i>	5 <i>Total grant provided 2001-02</i>
	\$	\$	\$	\$	\$
Break O'Day	715,963	961,581	10,312	13,653	1,701,510
Brighton	725,214	318,443	10,445	4,522	1,058,624
Burnie	915,169	689,286	13,181	9,787	1,627,423
Central Coast	1,338,090	1,074,768	19,273	15,260	2,447,392
Central Highlands	565,176	834,767	8,140	11,853	1,419,935
Circular Head	840,792	965,873	12,110	13,714	1,832,490
Clarence	1,214,846	796,554	17,498	11,310	2,040,208
Derwent Valley	610,664	489,557	8,796	6,951	1,115,967
Devonport	757,519	616,628	10,911	8,755	1,393,813
Dorset	822,016	1,155,091	11,840	16,401	2,005,347
Flinders	414,306	384,274	5,967	5,456	810,004
George Town	577,491	407,615	8,318	5,788	999,211
Glamorgan/Spring Bay	433,809	470,759	6,248	6,684	917,500
Glenorchy	650,078	787,333	9,363	11,179	1,457,953
Hobart	680,376	1,023,939	9,800	14,539	1,728,653
Huon Valley	947,139	1,048,208	13,642	14,883	2,023,873
Kentish	690,349	718,346	9,943	10,200	1,428,839
King Island	368,353	422,577	5,305	6,000	802,235
Kingborough	968,812	766,670	13,954	10,886	1,760,322
Latrobe	481,484	362,686	6,935	5,150	856,255
Launceston	1,658,084	1,617,960	23,882	22,973	3,322,899
Meander	1,221,192	1,245,250	17,589	17,681	2,501,713
Northern Midlands	1,201,930	1,376,818	17,312	19,549	2,615,609
Sorell	654,352	537,753	9,425	7,635	1,209,166
Southern Midlands	767,573	1,258,766	11,056	17,873	2,055,267
Tasman	275,342	229,805	3,966	3,263	512,376
Waratah/Wynyard	964,752	832,653	13,896	11,823	1,823,123
West Coast	694,321	395,518	10,000	5,616	1,105,455
West Tamar	1,074,439	603,861	15,475	8,574	1,702,350
<b>Total</b>	<b>23,229,632</b>	<b>22,393,339</b>	<b>334,583</b>	<b>317,958</b>	<b>46,275,512</b>

\* The final grant entitlement for 2001-02 was \$46,275,512 based on actual inflation for the year, whereas the recommended entitlement was \$45,622,971. Consequently, the 2001-02 recommended grants have been scaled up by the amounts shown in Columns 3 and 4 to reflect 'actual' final grant entitlements. The underpayment of \$652,541 is to be paid in equal quarterly instalments in the 2002-03 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 2001</i>
Break O'Day	5,752
Brighton	13,050
Burnie	19,261
Central Coast	20,971
Central Highlands	2,488
Circular Head	8,480
Clarence	48,965
Derwent Valley	9,743
Devonport	24,334
Dorset	7,409
Flinders	940
George Town	6,728
Glamorgan/Spring Bay	4,248
Glenorchy	43,748
Hobart	45,954
Huon Valley	13,675
Kentish	5,505
King Island	1,755
Kingborough	28,582
Latrobe	8,165
Launceston	62,682
Meander	17,713
Northern Midlands	11,839
Sorell	10,941
Southern Midlands	5,640
Tasman	2,222
Waratah/Wynyard	13,819
West Coast	5,620
West Tamar	20,043
<b>TOTAL</b>	<b>470,272</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 2002

<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	75.64	37.88	111.01	330.56	555.09	8,135.39
Brighton	70.79	4.60	37.78	38.19	151.36	1,529.00
Burnie	119.58	0.10	160.77	71.65	352.10	2,115.20
Central Coast	127.14	0.77	395.91	139.25	663.07	5,639.50
Central Highlands	16.60	2.12	78.88	643.46	741.06	4,504.80
Circular Head	39.30	2.12	209.77	517.27	768.46	5,167.83
Clarence	241.38	3.60	122.02	59.37	426.36	1,159.00
Derwent Valley	32.00	4.40	65.41	228.54	330.35	4,000.40
Devonport	162.07	0.34	68.12	14.56	245.09	1,065.00
Dorset	45.78	9.04	205.85	477.90	738.57	8,660.00
Flinders	6.95	3.11	66.76	308.93	385.75	1,230.00
George Town	34.72	2.82	111.09	133.64	282.27	2,175.00
Glamorgan/Spring Bay	71.27	15.37	76.08	182.07	344.79	2,064.70
Glenorchy	239.72	0.19	34.59	15.64	290.14	1,937.70
Hobart	286.54	8.80	0.00	0.00	295.34	8,087.90
Huon Valley	24.26	8.34	127.98	595.10	755.68	8,531.96
Kentish	18.26	1.99	215.69	249.35	485.29	5,018.00
King Island	7.74	12.81	35.83	365.03	421.41	1,106.82
Kingborough	109.15	0.00	129.78	272.39	511.32	2,868.00
Latrobe	48.19	2.17	158.53	77.30	286.19	1,795.00
Launceston	348.19	0.00	142.57	240.10	730.86	5,123.00
Meander	111.32	12.77	433.70	252.81	810.60	8,473.20
Northern Midlands	79.87	14.02	465.52	416.94	976.35	9,371.23
Sorell	33.74	37.85	88.95	173.78	334.32	4,243.50
Southern Midlands	29.85	12.87	132.38	627.65	802.74	10,693.38
Tasman	2.71	3.37	47.69	153.27	207.04	1,146.00
Waratah/Wynyard	66.94	5.46	197.10	270.86	540.36	4,851.35
West Coast	67.76	17.01	14.91	76.31	175.99	2,637.01
West Tamar	72.50	4.73	192.34	179.67	449.24	2,957.99
<b>TOTAL</b>	<b>2,589.96</b>	<b>228.64</b>	<b>4,126.99</b>	<b>7,111.58</b>	<b>14,057.18</b>	<b>126,287.86</b>

*Source:*

*State Grants Commission Local Road Lengths, updated in 2002 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>Land Value</i>	<i>Capital Value</i>	<i>Adjusted Rateable AAV</i>	<i>Year of last Revaluation</i>	<i>AAV Adjustment Factor*</i>
	\$	\$	\$		
Break O'Day	179,707,200	424,112,500	22,262,235	2001	1.00
Brighton	124,137,500	450,210,000	32,375,964	2000	1.00
Burnie	338,996,897	1,109,264,100	77,670,723	1996	1.00
Central Coast	383,018,210	1,050,592,610	61,176,867	2000	1.00
Central Highlands	162,325,900	307,027,300	12,703,228	1996	1.00
Circular Head	321,734,750	651,264,250	33,248,408	2000	1.00
Clarence	1,042,870,725	2,808,647,290	175,363,964	2001	1.00
Derwent Valley	136,823,100	451,630,050	28,820,292	1998	1.00
Devonport	409,154,520	1,296,781,620	95,542,244	1997	1.00
Dorset	257,923,200	539,470,200	27,379,201	1998	1.03
Flinders	43,646,500	90,737,000	3,541,648	1999	1.00
George Town	103,654,900	375,064,850	22,220,753	2000	1.00
Glamorgan/Spring Bay	203,973,412	441,663,267	22,392,272	1999	1.00
Glenorchy	621,864,070	2,144,459,400	170,069,567	1999	1.00
Hobart	1,768,669,713	5,094,981,780	324,625,173	1996	1.00
Huon Valley	269,878,525	717,070,990	42,430,368	1994	1.05
Kentish	141,936,750	328,670,400	16,284,839	1995	1.00
King Island	660,486,400	1,732,162,790	9,881,926	1998	1.00
Kingborough	110,636,950	201,926,200	94,654,922	1997	1.00
Latrobe	216,648,790	557,452,490	30,800,531	1997	1.00
Launceston	1,009,410,150	3,648,737,625	264,308,188	1997	1.02
Meander	374,439,200	1,053,771,250	63,145,339	1999	1.02
Northern Midlands	311,124,100	781,644,450	42,902,811	2000	1.02
Sorell	225,529,600	577,695,600	36,282,665	1998	1.00
Southern Midlands	213,225,060	430,364,000	19,467,711	1995	1.00
Tasman	103,425,850	211,513,495	10,471,119	1999	1.00
Waratah/Wynyard	289,788,500	726,992,950	41,127,763	1998	1.00
West Coast	27,230,875	178,069,475	17,917,469	1997	1.00
West Tamar	327,633,350	1,043,408,750	60,311,360	2001	1.00
<b>TOTAL</b>	<b>\$10,379,894,697</b>	<b>\$29,425,386,682</b>	<b>\$1,859,379,552</b>		

Source:

*Office of the Valuer-General, Tasmania*

\* These factors, provided by the Valuer-General, are used by the Commission to bring all AAV estimates to a common base year.

## APPENDIX 8

### RATE REVENUE RECEIVED BY LOCAL GOVERNMENT 2000-01

<i>Council</i>	<i>Ordinary Services</i>	<i>Water and Sewerage*</i>	<i>Total Rate Revenue</i>
	\$	\$	\$
Break O'Day	1,716,199	1,415,111	3,131,310
Brighton	2,670,757	2,945,753	5,616,510
Burnie	8,865,056	5,085,380	13,950,436
Central Coast	6,215,656	4,274,624	10,490,280
Central Highlands	1,019,000	248,000	1,267,000
Circular Head	3,399,037	2,270,254	5,669,291
Clarence	13,775,167	10,204,214	23,979,381
Derwent Valley	2,683,789	2,181,215	4,865,004
Devonport	10,232,000	8,476,000	18,708,000
Dorset	2,046,488	1,391,820	3,438,308
Flinders	429,616	78,084	507,700
George Town	2,659,679	1,586,041	4,245,720
Glamorgan/Spring Bay	1,849,000	1,318,000	3,167,000
Glenorchy	10,945,910	16,975,975	27,921,885
Hobart	29,969,003	11,611,887	41,580,890
Huon Valley	4,162,539	2,220,333	6,382,872
Kentish	1,159,335	599,904	1,759,239
King Island	840,129	338,324	1,178,453
Kingborough	8,040,177	6,906,994	14,947,171
Latrobe	2,381,927	2,492,274	4,874,201
Launceston	23,500,267	19,675,663	43,175,930
Meander Valley	4,511,479	2,763,073	7,274,552
Northern Midlands	3,468,278	1,931,150	5,399,428
Sorell	3,685,000	1,359,758	5,044,758
Southern Midlands	1,692,402	728,359	2,420,761
Tasman	1,033,000	0	1,033,000
Waratah/Wynyard	4,172,626	3,171,745	7,344,371
West Coast	1,968,542	1,389,092	3,357,634
West Tamar	4,398,457	3,901,857	8,300,314
<b>TOTAL</b>	<b>163,490,515</b>	<b>117,540,884</b>	<b>281,031,399</b>

*Source: Tasmanian Local Government Division  
Consolidated Data Collection 2000-01*

\* Includes all revenue from water sales.

## APPENDIX 9

### STANDARDISED REVENUE AND SPECIFIC PURPOSE PAYMENTS 2002-03 ASSESSMENTS\*

<i>Council</i>	<i>Standardised Revenue</i>	<i>Specific Purpose Payments Treated by Inclusion</i>
	\$	\$
Break O'Day	3,364,771	1,436,645
Brighton	4,893,386	468,542
Burnie	11,739,353	1,098,181
Central Coast	9,246,429	1,622,032
Central Highlands	1,919,998	1,372,412
Circular Head	5,025,250	1,475,983
Clarence	26,504,960	1,191,918
Derwent Valley	4,355,973	729,962
Devonport	14,440,500	926,854
Dorset	4,138,163	1,735,335
Flinders	535,294	554,835
George Town	3,358,502	611,284
Glamorgan/Spring Bay	3,384,426	688,420
Glenorchy	25,704,751	1,202,037
Hobart	49,064,682	1,531,513
Huon Valley	6,413,035	1,590,606
Kentish	2,461,332	1,072,161
King Island	1,493,580	608,428
Kingborough	14,306,388	1,125,242
Latrobe	4,655,271	532,932
Launceston	39,948,218	2,577,068
Meander Valley	9,543,949	1,858,349
Northern Midlands	6,484,441	2,109,383
Sorell	5,483,855	809,327
Southern Midlands	2,942,400	1,929,782
Tasman	1,582,632	336,159
Waratah/Wynyard	6,216,156	1,225,980
West Coast	2,708,092	574,864
West Tamar	9,115,614	897,107
<b>TOTAL</b>	<b>281,031,399</b>	<b>33,893,339†</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 2002-03 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	653,531	161,115	306,366	468,845
Brighton	1,482,716	365,533	695,076	1,063,704
Burnie	2,188,397	539,505	1,025,890	1,569,962
Central Coast	2,382,684	587,402	1,116,969	1,709,344
Central Highlands	282,682	69,689	132,517	202,797
Circular Head	963,481	237,527	451,666	691,204
Clarence	5,563,308	1,371,521	2,608,001	3,991,133
Derwent Valley	1,106,981	272,904	518,937	794,151
Devonport	2,764,782	681,601	1,296,091	1,983,462
Dorset	841,796	207,528	394,622	603,907
Flinders	106,801	26,330	50,067	76,619
George Town	764,422	188,453	358,350	548,399
Glamorgan/Spring Bay	482,649	118,987	226,259	346,254
Glenorchy	4,970,562	1,225,391	2,330,130	3,565,896
Hobart	5,221,204	1,287,182	2,447,627	3,745,707
Huon Valley	1,553,727	383,040	728,365	1,114,648
Kentish	625,467	154,196	293,210	448,712
King Island	199,400	49,158	93,476	143,050
Kingborough	3,247,431	800,588	1,522,350	2,329,716
Latrobe	927,691	228,703	434,889	665,528
Launceston	7,121,807	1,755,737	3,338,603	5,109,204
Meander Valley	2,012,517	496,145	943,439	1,443,785
Northern Midlands	1,345,124	331,613	630,575	964,996
Sorell	1,243,095	306,460	582,746	891,800
Southern Midlands	640,806	157,978	300,401	459,716
Tasman	252,459	62,239	118,349	181,115
Waratah/Wynyard	1,570,088	387,073	736,035	1,126,386
West Coast	638,533	157,417	299,336	458,086
West Tamar	2,277,247	561,409	1,067,541	1,633,703
<b>TOTAL</b>	<b>53,431,388</b>	<b>13,172,424</b>	<b>25,047,884</b>	<b>38,331,830</b>

## STANDARD EXPENDITURE - 2002-03 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	321,906	37,505	338,919	619,260	343,600
Brighton	730,332	85,091	768,932	1,404,963	779,551
Burnie	1,077,925	125,590	1,134,897	2,073,639	1,150,570
Central Coast	1,173,624	136,740	1,235,654	2,257,737	1,252,718
Central Highlands	139,239	16,223	146,598	267,858	148,623
Circular Head	474,576	55,293	499,659	912,956	506,559
Clarence	2,740,284	319,272	2,885,117	5,271,570	2,924,961
Derwent Valley	545,259	63,528	574,077	1,048,931	582,005
Devonport	1,361,831	158,668	1,433,808	2,619,798	1,453,610
Dorset	414,638	48,310	436,553	797,653	442,582
Flinders	52,606	6,129	55,387	101,200	56,152
George Town	376,527	43,869	396,427	724,336	401,902
Glamorgan/Spring Bay	237,736	27,699	250,301	457,340	253,757
Glenorchy	2,448,319	285,255	2,577,720	4,709,908	2,613,319
Hobart	2,571,776	299,639	2,707,702	4,947,406	2,745,096
Huon Valley	765,310	89,167	805,759	1,472,250	816,886
Kentish	308,083	35,895	324,366	592,668	328,845
King Island	98,217	11,443	103,408	188,943	104,836
Kingborough	1,599,567	186,367	1,684,109	3,077,137	1,707,367
Latrobe	456,947	53,239	481,098	879,044	487,742
Launceston	3,507,944	408,713	3,693,350	6,748,342	3,744,356
Meander Valley	991,293	115,496	1,043,686	1,906,981	1,058,099
Northern Midlands	662,559	77,195	697,578	1,274,586	707,211
Sorell	612,304	71,340	644,666	1,177,908	653,569
Southern Midlands	315,638	36,775	332,320	607,202	336,910
Tasman	124,352	14,488	130,925	239,220	132,733
Waratah/Wynyard	773,368	90,106	814,243	1,487,753	825,488
West Coast	314,518	36,645	331,142	605,049	335,715
West Tamar	1,121,689	130,689	1,180,974	2,157,829	1,197,284
<b>TOTAL</b>	<b>26,318,367</b>	<b>3,066,370</b>	<b>27,709,376</b>	<b>50,629,466</b>	<b>28,092,048</b>

## APPENDIX 11

### STANDARDISED EXPENDITURE - 2002-03 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	1,442,111	296,635	509,215	908,035	594,333
Brighton	2,051,632	486,153	831,967	1,414,707	889,236
Burnie	3,159,520	675,390	1,240,900	2,339,354	1,317,052
Central Coast	2,987,675	732,133	1,286,879	2,196,351	1,431,041
Central Highlands	822,207	153,496	285,406	473,946	315,271
Circular Head	1,756,030	370,306	652,767	1,128,610	759,824
Clarence	5,932,002	1,498,379	2,758,072	5,096,699	3,112,509
Derwent Valley	1,762,851	387,760	687,886	1,188,484	773,522
Devonport	3,532,095	802,658	1,422,756	2,648,288	1,600,475
Dorset	1,577,653	333,635	585,273	1,004,128	667,329
Flinders	579,351	91,396	158,430	270,176	181,036
George Town	1,415,687	298,290	519,420	886,411	579,507
Glamorgan/Spring Bay	1,263,949	233,787	462,965	774,761	515,164
Glenorchy	5,179,369	1,363,083	2,423,263	4,399,288	2,598,927
Hobart	8,050,271	1,398,094	3,377,419	4,614,254	3,168,880
Huon Valley	2,316,993	537,704	953,492	1,629,465	1,062,789
Kentish	1,253,584	249,625	452,266	771,000	504,057
King Island	650,486	116,459	185,256	347,117	238,328
Kingborough	3,556,532	883,476	1,659,851	2,712,079	1,835,348
Latrobe	1,570,109	330,465	601,965	1,000,826	664,430
Launceston	8,301,832	2,012,961	3,609,340	6,908,694	4,202,822
Meander	2,780,113	641,129	1,169,039	1,928,124	1,297,667
Northern Midlands	2,079,512	459,519	833,452	1,409,643	941,597
Sorell	1,944,575	433,801	777,768	1,290,939	848,071
Southern Midlands	1,304,515	267,426	464,856	794,657	524,488
Tasman	734,583	132,097	244,474	432,777	286,233
Waratah/Wynyard	2,249,402	503,400	917,181	1,507,458	1,009,580
West Coast	1,602,058	320,827	541,229	1,029,658	684,660
West Tamar	3,056,842	713,017	1,299,365	2,109,631	1,437,424
<b>TOTAL</b>	<b>74,913,541</b>	<b>16,723,102</b>	<b>30,912,152</b>	<b>53,215,558</b>	<b>34,041,599</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 2002-03 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	66,374	424,652	775,880	343,600	3,470,857
Brighton	113,170	784,197	1,434,222	779,551	1,672,335
Burnie	155,991	1,311,701	2,395,327	1,150,570	4,036,225
Central Coast	169,818	1,317,832	2,421,439	1,252,718	5,473,921
Central Highlands	33,845	211,653	386,723	148,623	3,300,540
Circular Head	84,853	574,661	1,051,210	506,559	4,282,255
Clarence	346,924	3,091,628	5,704,005	2,924,961	5,101,325
Derwent Valley	89,735	613,064	1,120,263	582,005	1,671,233
Devonport	186,095	1,545,468	2,830,337	1,453,610	3,892,981
Dorset	76,027	497,024	909,148	442,582	4,349,573
Flinders	20,947	63,487	116,152	280,758	1,791,451
George Town	67,884	429,176	784,779	401,902	2,076,521
Glamorgan/Spring Bay	52,107	383,385	702,177	253,757	2,351,165
Glenorchy	316,442	2,823,847	5,120,342	2,613,319	4,771,604
Hobart	322,493	4,283,318	7,807,811	2,745,096	5,097,834
Huon Valley	122,557	916,596	1,681,991	816,886	3,446,331
Kentish	57,640	364,982	666,312	328,845	2,881,818
King Island	26,650	124,937	228,301	314,509	2,080,225
Kingborough	203,352	1,811,063	3,315,706	1,707,367	3,785,876
Latrobe	75,806	516,796	945,429	487,742	2,011,874
Launceston	466,129	4,425,036	8,080,296	3,744,356	9,426,726
Meander	148,251	1,182,465	2,164,849	1,058,099	5,689,355
Northern Midlands	105,861	778,300	1,424,306	707,211	6,358,082
Sorell	97,879	716,261	1,309,108	653,569	2,078,389
Southern Midlands	61,682	378,621	691,790	336,910	4,142,495
Tasman	29,313	169,301	309,343	132,733	999,385
Waratah/Wynyard	115,501	874,708	1,598,789	825,488	3,710,328
West Coast	73,261	522,514	954,555	335,715	1,874,560
West Tamar	163,852	1,328,046	2,429,625	1,197,284	3,193,240
<b>TOTAL</b>	<b>3,850,438</b>	<b>32,464,720</b>	<b>59,360,214</b>	<b>28,526,327</b>	<b>105,018,504</b>

## APPENDIX 12

### DISABILITY FACTORS, 2002-03 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	1.09	1.01	1.00	1.00	1.03	1.11	1.16	1.00
Brighton	1.00	1.11	1.01	1.00	1.00	1.00	1.01	1.02	1.00
Burnie	1.01	1.09	1.02	1.06	1.00	1.04	1.01	1.03	1.00
Central Coast	1.00	1.07	1.02	1.00	1.00	1.02	1.03	1.05	1.00
Central Highlands	1.12	1.07	1.01	1.00	1.02	1.03	1.23	1.08	1.00
Circular Head	1.02	1.03	1.02	1.00	1.02	1.02	1.07	1.13	1.00
Clarence	1.01	1.04	1.02	1.00	1.00	1.08	1.02	1.00	1.00
Derwent Valley	1.01	1.08	1.01	1.00	1.00	1.06	1.04	1.03	1.00
Devonport	1.00	1.08	1.03	1.00	1.00	1.03	1.00	1.02	1.00
Dorset	1.03	1.05	1.02	1.00	1.00	1.03	1.08	1.09	1.00
Flinders	1.05	1.08	1.02	1.00	1.00	1.00	1.04	1.28	1.00
George Town	1.04	1.08	1.02	1.00	1.00	1.02	1.03	1.07	1.00
Glamorgan/Spring Bay	1.08	1.07	1.02	1.00	1.00	1.03	1.20	1.09	1.00
Glenorchy	1.00	1.07	1.03	1.00	1.00	1.02	1.00	1.00	1.00
Hobart	1.01	1.04	1.04	1.30	1.00	1.03	1.00	1.00	1.00
Huon Valley	1.03	1.07	1.01	1.00	1.00	1.05	1.09	1.03	1.00
Kentish	1.01	1.08	1.01	1.00	1.00	1.04	1.05	1.06	1.00
King Island	1.04	1.00	1.01	1.00	1.02	1.00	1.02	1.35	1.09
Kingborough	1.01	1.02	1.01	1.00	1.00	1.05	1.04	1.00	1.00
Latrobe	1.02	1.05	1.02	1.00	1.00	1.04	1.03	1.03	1.00
Launceston	1.01	1.07	1.04	1.01	1.00	1.03	1.01	1.01	1.00
Meander Valley	1.01	1.03	1.01	1.00	1.00	1.02	1.09	1.05	1.00
Northern Midlands	1.01	1.04	1.01	1.00	1.00	1.06	1.08	1.04	1.00
Sorell	1.04	1.06	1.01	1.00	1.00	1.03	1.06	1.02	1.00
Southern Midlands	1.02	1.07	1.00	1.00	1.00	1.03	1.11	1.09	1.00
Tasman	1.10	1.09	1.02	1.00	1.00	1.13	1.06	1.11	1.00
Waratah/Wynyard	1.02	1.03	1.02	1.00	1.00	1.02	1.03	1.04	1.00
West Coast	1.04	1.07	1.00	1.00	1.05	1.02	1.18	1.18	1.16
West Tamar	1.02	1.01	1.01	1.00	1.00	1.01	1.09	1.06	1.00

## DISABILITY FACTORS 2002-03 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. Devel.</i>	<i>Comm. &amp; Culture</i>	<i>Recreat.</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	1.80	1.40	1.00	1.00	1.00
Brighton	1.00	1.00	1.00	1.00	1.00	1.35	1.17	1.00	1.01	1.01
Burnie	1.00	1.01	1.14	1.01	1.19	1.18	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	1.08	1.00	1.00	1.00	2.41	1.70	1.00	1.00	1.00
Circular Head	1.00	1.03	1.00	1.00	1.00	1.57	1.28	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	1.02	1.00	1.00	1.00	1.49	1.25	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	1.32	1.00	1.00	1.00
Flinders	1.00	1.05	1.00	1.00	1.00	5.00	3.00	1.00	1.00	1.00
George Town	1.00	1.01	1.00	1.00	1.00	1.70	1.35	1.00	1.00	1.00
Glamorgan/Spring Bay	1.00	1.24	1.00	1.00	1.00	2.00	1.50	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	1.04	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	1.33	1.16	1.00	1.01	1.01
Kentish	1.00	1.06	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	2.72	1.86	1.00	1.00	1.00
Kingborough	1.00	1.01	1.00	1.00	1.00	1.03	1.01	1.00	1.01	1.01
Latrobe	1.00	1.02	1.00	1.00	1.00	1.59	1.30	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	1.21	1.11	1.00	1.01	1.02
Northern Midlands	1.00	1.02	1.00	1.00	1.00	1.40	1.20	1.00	1.01	1.01
Sorell	1.00	1.00	1.00	1.00	1.00	1.44	1.22	1.00	1.00	1.00
Southern Midlands	1.00	1.01	1.00	1.00	1.00	1.81	1.40	1.00	1.00	1.00
Tasman	1.00	1.14	1.00	1.00	1.00	2.51	1.75	1.00	1.00	1.00
Waratah/Wynyard	1.00	1.02	1.00	1.00	1.00	1.32	1.16	1.00	1.01	1.01
West Coast	1.00	1.14	1.00	1.00	1.00	1.81	1.41	1.00	1.01	1.01
West Tamar	1.00	1.01	1.00	1.00	1.00	1.16	1.08	1.00	1.00	1.00

## APPENDIX 13

### MULHOLLAND MODEL DISABILITY FACTORS

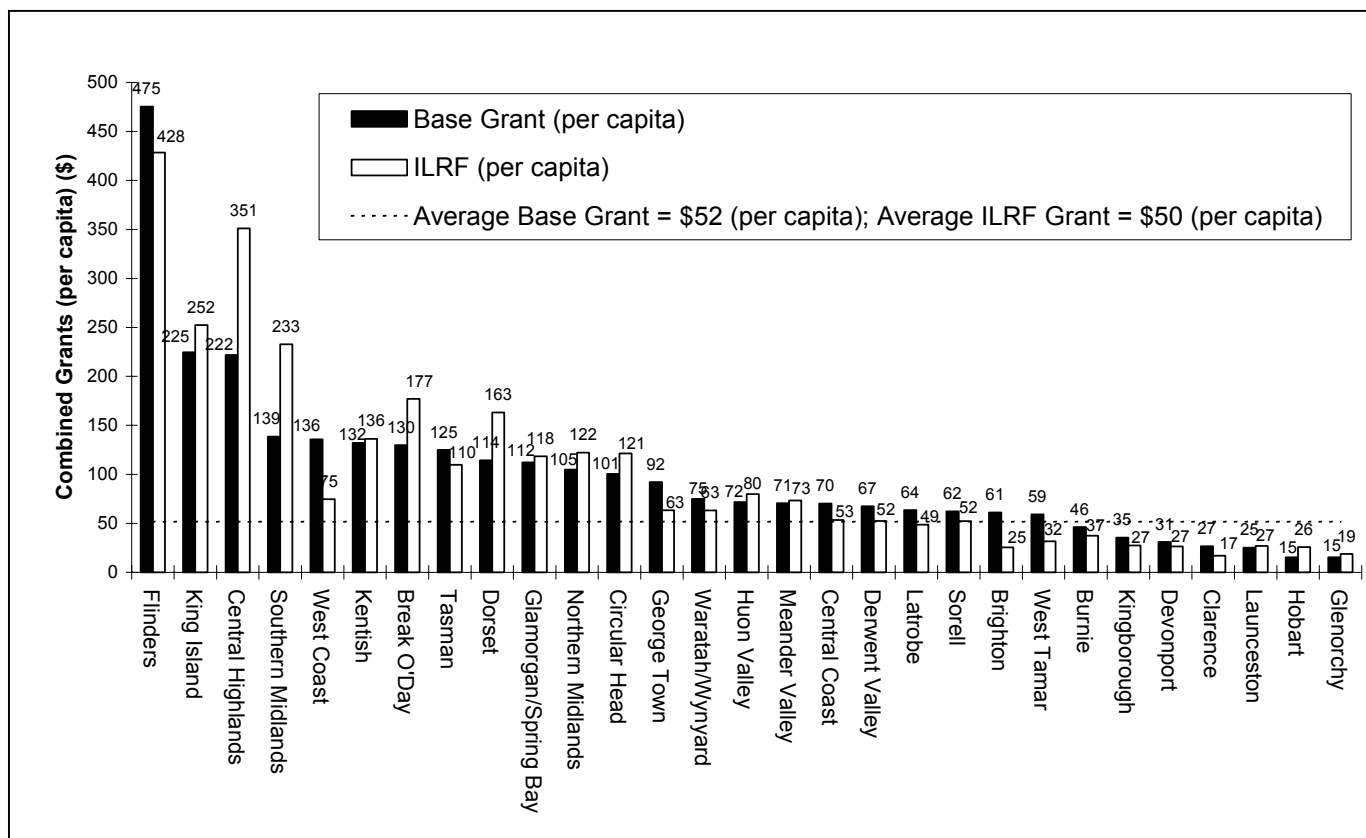
<i>Municipality</i>	<i>Urban Sealed Roads</i>						<i>Urban Unsealed</i>	
	<i>Climate</i>	<i>Drainage</i>	<i>Material</i>	<i>Soil</i>	<i>Terrain</i>	<i>Traffic</i>	<i>Climate</i>	<i>Traffic</i>
Break O'Day	0.98	0.99	1.01	0.93	1.05	0.99	0.98	0.99
Brighton	0.94	1.01	1.05	1.01	1.06	0.98	0.94	0.96
Burnie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

## MULHOLLAND MODEL DISABILITY FACTORS *continued*

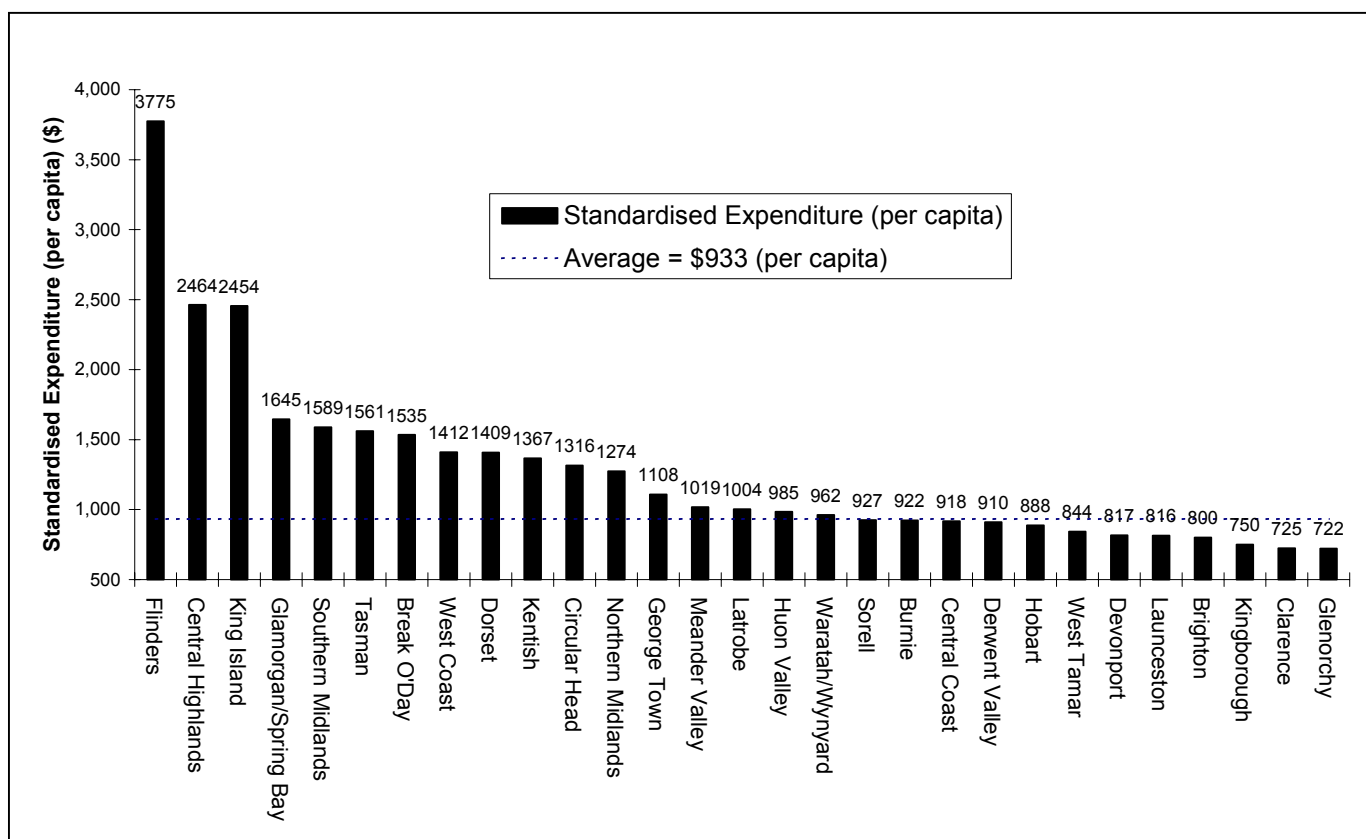
<i>Municipality</i>	<i>Rural Sealed roads</i>						<i>Rural Unsealed</i>		
	<i>Climate</i>	<i>Drainage</i>	<i>Material</i>	<i>Soil</i>	<i>Terrain</i>	<i>Traffic</i>	<i>Climate</i>	<i>Traffic</i>	<i>Remoteness</i>
Break O'Day	0.98	0.99	1.01	1.03	1.04	0.98	0.98	0.98	1.07
Brighton	0.94	1.00	1.05	1.07	1.05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



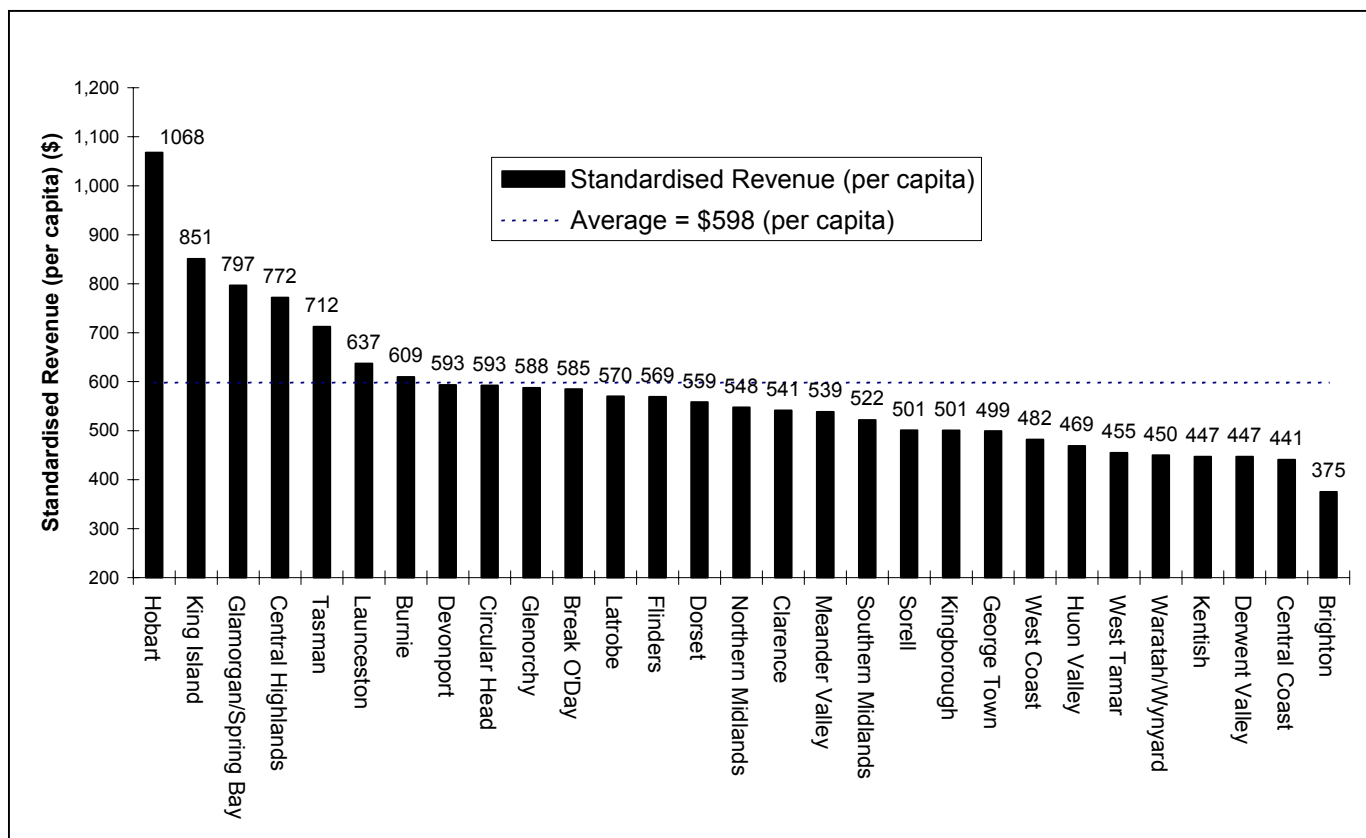
## APPENDIX 14 – BASE AND ILRF GRANTS (PER CAPITA) 2002-03



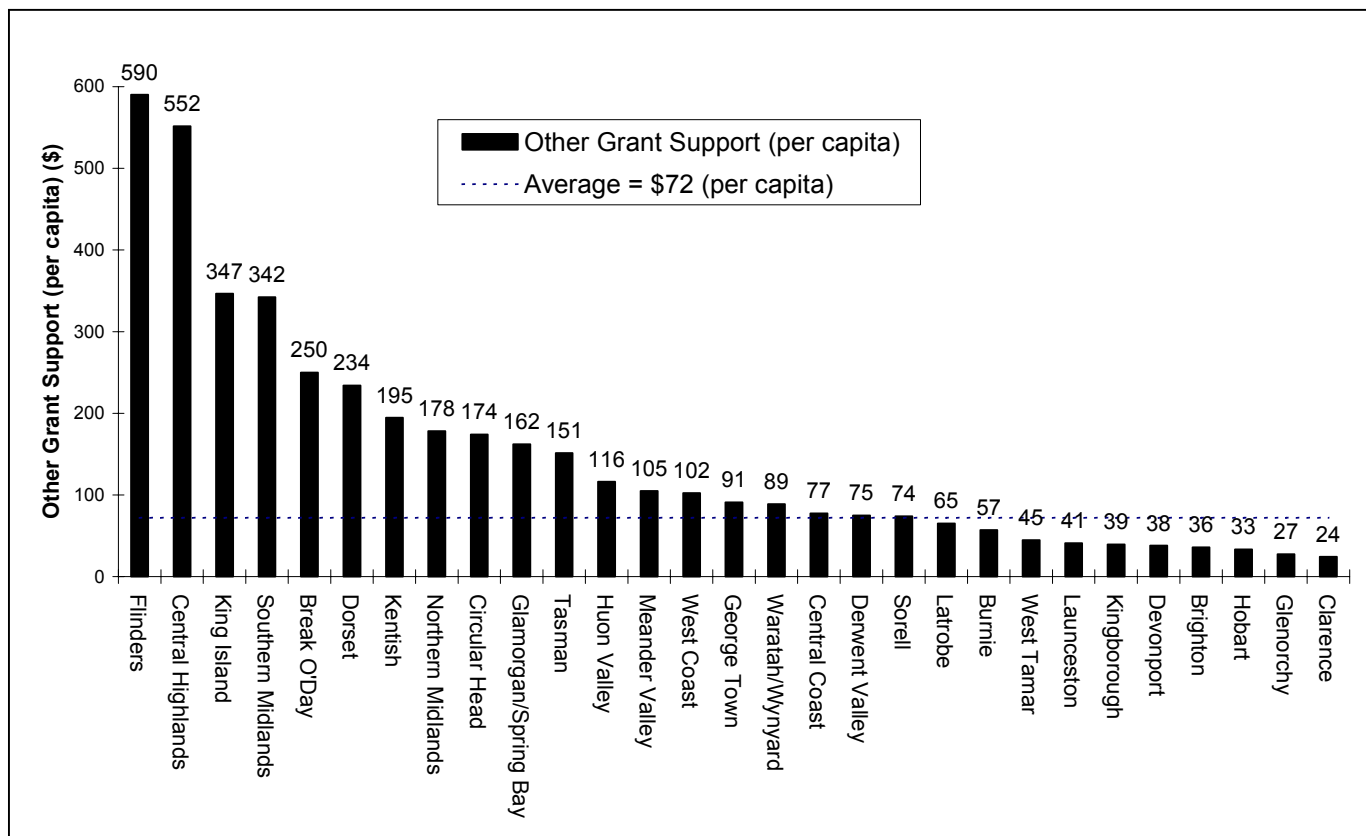
## APPENDIX 15 – STANDARDISED EXPENDITURE (PER CAPITA) 2002-03



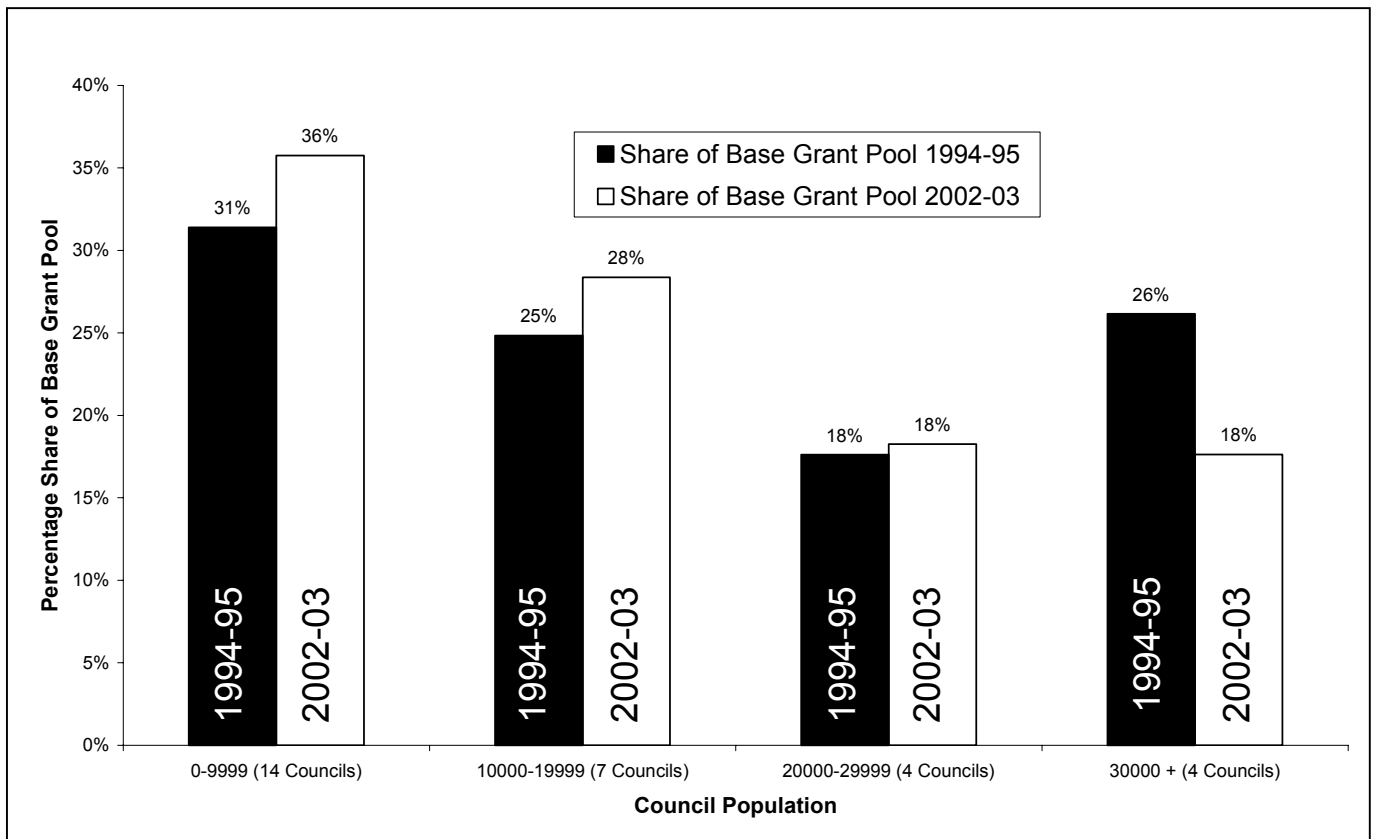
## APPENDIX 16 – STANDARDISED REVENUE (PER CAPITA) 2002-03



## APPENDIX 18 – SPECIFIC PURPOSE PAYMENTS (PER CAPITA) 2002-03



**APPENDIX 19 – SHARE OF BASE GRANT POOL BY POPULATION  
1994-95 COMPARED TO 2002-03**



## REPRESENTATION AT COMMISSION DISCUSSIONS IN 2002

*Tuesday 12 February 2002*

### **Flinders Island Council**

Clr Lynn Mason, Mayor  
Mr Lee Connors, General Manager  
Mr Tony Bickford, Finance and Administration Manager

### **George Town Council**

Ms Ngaire McCrindle, General Manager  
Mr Robert Crockford, Finance Manager

### **Launceston City Council**

Mr Bob Campbell, General Manager  
Mr Michael Tidey, Manager Corporate Services  
Mr Ian Abernethy, Manager Strategic Development  
Mr Geoff Brayford, Manager Infrastructure Assets

*Wednesday 13 February 2002*

### **Dorset Council**

Clr Yvonne Thorne, Mayor  
Clr Max Hall  
Clr Tania Rattray-Wagner  
Clr Robert Smith  
Clr Peter McLennan  
Mr Gregory Preece, General Manager  
Mr John Martin, Corporate Services Manager  
Mr Guy Jetson, Executive Officer Finance  
Mr Wayne Williams, Assistant Manager - Works

### **Break O'Day Council**

Clr Stephen Salter, Mayor  
Mr David Morcom, General Manager  
Mr Kane Salter, Manager Corporate Services

*Thursday 14 February 2002*

**Glamorgan/Spring Bay Council**

Clr Cheryl Arnold, Mayor  
Mr Tom Ransom, Acting General Manager  
Mr Chris Peterson, Finance Manager  
Mr Dale Ewington, Technical Services Manager

*Tuesday 12 March 2002*

**Waratah/Wynyard Council**

Clr Roger Chalk AM, Mayor  
Mr John Gibson, General Manager  
Mr Jack Riddiford, Director of Engineering  
Mrs Lisa Dixon, Accountant

**Central Coast Council**

Mr Alf Mott, General Manager  
Mr Bevin Eberhardt, Engineering Services Manager  
Ms Sandra Ayrton, Financial Services Manager

*Wednesday 13 March 2002*

**Burnie City Council**

Ald Alwyn Boyd, Mayor  
Ald Colin Winter, Deputy Mayor  
Mr Paul Arnold, General Manager  
Mr Paul West, Manager Corporate Services  
Ms Catherine Fernon, Strategic Planning Coordinator

**Circular Head Council**

Clr Ross Hine, Mayor  
Clr Daryl Quilliam, Deputy Mayor  
Clr Graham Wells  
Clr James Smith  
Clr John Oldaker  
Mr Greg Winton, General Manager  
Mr Brett Russell, Corporate Services Manager  
Mr Ray Strohfeltdt, Engineering Services Manager

*Thursday 14 March 2002*

**Devonport City Council**

Ald Mary Binks, Mayor  
Mr David Sales, General Manager  
Mr David Sheargold, Manager Engineering Services

**Latrobe Council**

Mr Grant Atkins, General Manager  
Ms Jan Febey, Director Corporate Services  
Ms Cathy Stubbs, Accountant

**West Coast Council**

Clr Darryl Gerrity, Mayor  
Clr Glenda Stubbings, Deputy Mayor  
Mr Andrew Wardlaw, General Manager  
Mr Harry Seccombe, Engineering Manager

**King Island Council**

Clr David Brewster, Mayor  
Clr Judith Payne, Deputy Mayor  
Clr Peter Youd  
Mr Jeff Sowiak, General Manager  
Mr Jimmy Walters, Director Corporate Services

**Kentish**

Mr Dirk Holwerda, General Manager  
Mr John Brown, Accountant

*Friday 15 March 2002*

**Meander Valley Council**

Clr Greg Hall, Mayor  
Mr Paul Ranson, General Manager  
Mr Ian Howard, Technical Services Manager  
Mr Malcolm Salter, Corporate Services Manager

### **Northern Midlands Council**

Clr Kim Polley, Mayor  
Clr Don McShane, Deputy Mayor  
Clr Marie Barnes  
Clr Maxwell Williams  
Mr Gerald Monson, General Manager  
Mr Harry Galea, Technical Services Manager  
Ms Maree Bricknell, Corporate Services Manager

*Monday 8 April 2002*

### **Brighton Council**

Mr Geoff Dodge, General Manager  
Mr Ron Sanderson, Deputy General Manager  
Mr Greg Davoren, Manager Corporate Services

### **Derwent Valley Council**

Clr Nick Cracknell, Mayor  
Mr Stephen Mackey, General Manager  
Mr Robert McCrossen, Deputy General Manager  
Mr John Bradley, Accountant  
Mr Ken Wall, Works Manager  
Mr Ian Brown, Economic Development Officer

### **Hobart City Council**

Mr David Spinks, Director Financial Services  
Mr Gary Randall, Manager Strategic and Executive Support

*Tuesday 9 April 2002*

### **Sorell Council**

Clr Carmel Torenus, Mayor  
Clr Tony McDermott  
Mr Brian Inches, General Manager  
Mrs Brooke Povah, Manager, Corporate and Community Services  
Mr Jim Skillen, Corporate Accountant  
Mr Tony Hocking, Consultant – Enterprise Marketing and Research

### **Tasman Council**

Clr Neil Noye, Mayor  
Clr Peter Wilson, Deputy Mayor  
Mr Steve Gray, General Manager  
Mr David Doyle, Finance Manager

*Wednesday 10 April 2002*

**Huon Valley Council**

Clr Michael Wilson  
Mr Geoff Cockerill, General Manager  
Mr Michael Norman, Manager Corporate Services

**Southern Midlands Council**

Clr Helen Scott, Deputy Mayor  
Mr Tim Kirkwood, General Manager

**Central Highlands Council**

Clr Deirdre Flint  
Mr Trevor Berriman, General Manager

**Clarence City Council**

Mr Frank Barta, Corporate Treasurer  
Mr John Stevens, Group Manager Asset Management



## NOTES

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