



Tasmania

State Grants Commission

ANNUAL REPORT FOR 2001-02

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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 sixth Annual Report of the Commission, and relates to grants for payment in the 2001-02 financial year.

Yours sincerely

I G Inglis
CHAIRMAN

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1 - INTRODUCTION

The 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, a grant is 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 for Local Government 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.

The current members of the Commission are:

| | |
|---------------------|--|
| Mr I G Inglis CB | Chairman |
| Mr B A Southorn PSM | representative of local government |
| Mrs L A Scott | representative of local government |
| Mr R C Close | nominee of the Secretary of the Department of Treasury and Finance |

2 - LEGISLATION GOVERNING THE GRANTS

The Commonwealth *Local Government (Financial Assistance) Act 1995* replaced the earlier 1986 Act in April 1995, which had in turn replaced the *Local Government (Personal Income Tax Sharing) Act 1976*. The Act provides 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 continues to be horizontal fiscal equalisation. 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 were 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 1995* has recently been reviewed by the Commonwealth Grants Commission (CGC). The final report arising from the review was presented to the Hon Mr John Fahey, the Minister for Finance and Administration, on 22 June 2001, and was publicly released on 4 July 2001. Section 8 of this report provides a preliminary analysis of the issues arising from the review.

3 - LEVEL OF ASSISTANCE FOR 2001-02

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 – 2001-02

| | National pool of funds | Tasmanian grant entitlement | Proportion of national pool | Change from 2000-01 final grants |
|-------------|---------------------------|-----------------------------------|--------------------------------|--|
| | \$ | \$ | % | % |
| Base grant | 952,319,455 | 23,229,632 | 2.4 | 2.2 |
| Road grant | 422,572,166 | 22,393,339 | 5.3 | 3.5 |
| Total grant | 1,374,891,621 | 45,622,971 | 3.3 | 2.8 |

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 2.47 per cent at 31 December 1999 to 2.44 per cent at 31 December 2000.

The Commonwealth has determined that there will be a positive adjustment of \$318,299 to the 2000-01 estimated grant entitlement of \$44,043,472, as the estimated inflation figure of 3.89 per cent used to determine last year's pool was lower than the actual level of inflation of 4.46 per cent. Therefore, the "final" 2000-01 grant entitlement for Tasmania has been calculated by the Commonwealth as \$44,361,771 (which is \$44,043,472 plus \$318,299). Details are provided in Appendix 4.

The adjustment will be added to the 2001-02 quarterly payments, based on the distribution of the 2000-01 grants. This will mean that the cash actually paid to councils in 2001-02 will be the estimated 2001-02 entitlement of \$45,622,971 plus the positive adjustment to the 2000-01 grants of \$318,299, which is a total of \$45,941,270.

4 - INVESTIGATIONS AND INQUIRIES

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

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

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

| | |
|------------|---|
| Burnie | 28 February 2001 - for north-western councils. |
| Launceston | 15 and 16 March 2001 - for northern and north-eastern councils; and |
| Hobart | 11 and 19 April 2001 - for southern and eastern councils. |

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

The most notable issues considered by the Commission for the 2001-02 assessments included:

- a review of the *population dispersion* disability factor;
- an investigation into the impact of residents' socio-economic status upon councils' expenditure;
- the revised "vehicle-kilometres" based method of distribution of heavy vehicle motor tax revenue; and
- the Review of the *Local Government (Financial Assistance) Act*.

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% of the total amount of general purpose grants to which the State 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 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 specific purpose payments and any special allowances. It should be noted that the total net standardised deficit normally 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.

Specific purpose payments (SPP) 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 specific purpose payment is a reimbursement of costs incurred; or
- grants for a particular service are received by only a relatively small number of councils, 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 specific purpose payments is adopted. Further information on the Commission's treatment of particular SPPs is given in Section 6.

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 many and varied 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 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 contained in the ABS local government finance statistics. 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. These are described in more detail in Section 6 of this Report.

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 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 scope of which has been 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.

Hence 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 rehabilitation element was introduced in the 2001-02 assessments following the review referred to in Section 6.

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 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

| Expenditure function | Explanation of expenditure function |
|----------------------------------|--|
| 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. |
| Public safety | Fire protection, 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 carefully considered 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.

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

Table 3 Application of disability factors to expenditure standards

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

Section 6 of this Report provides additional detailed information in relation to the calculation of this disability factor.

(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. The Commission supplements its judgement with the results of a regression equation that draws upon actual levels of expenditure within each expenditure category to predict the magnitude of the population that is likely to be served by that level of expenditure.

(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 has been 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 weight of the disability factor has also been adjusted so as to increase its influence upon the Commission's equalisation model.

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 2001-02 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.

Following consultation with councils during the Commission's 2001 hearings and visits, the application of this factor has been extended to the Recreation and Culture and Law, Order and Public Safety Expenditure categories.

(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 motels to registered camping grounds in each municipality.

(xi) *Day-tripper*

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

(xii) *Equivalent tenements*

The use of population to estimate standard water and sewerage expenditure does not recognise expenditures incurred in providing water and sewerage services to non-residential establishments. Therefore, a factor has been developed to recognise the cost of providing these services to commercial properties. This has been done by dividing the total value of serviced commercial properties by the modal residential assessed annual value in each water and sewerage district to determine the number of residential “equivalent tenements”. Since the 2000-01 assessments, a disability factor has been recognised 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:

| |
|--|
| <p>National principle for the distribution of road grants</p> <p><i>Identified Road Component</i></p> <p>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.</p> |
|--|

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

Many councils made representations to the Commission during the course of its hearings and visits in 2001 regarding council-specific issues related to the Commission's methodology. The Commission considered all the submissions presented by individual councils as part of its grant assessment procedure, and wishes to thank them for their comments and input. While the issues raised are too numerous to list, a number of issues of more general relevance were considered by the Commission during the 2001-02 grant assessments, as discussed below.

(i) The Population Dispersion Disability Factor

The Commission has recently completed an extensive review of the method of calculation of the population dispersion disability factor. The purpose of the review was to ensure that the formula represents the best measure of the additional costs borne by councils as a consequence of a dispersed population.

The recognition of a disability for dispersion is predicated on the assumption that for two otherwise identical councils, the council with a less concentrated population will incur greater *per capita* expenditure to provide the same level of service. Conversely, a council with a higher density of population will achieve economies of scale in service provision.

Commencing with the introduction of the population dispersion factor in 1989-90, the formula used to calculate the disability comprised three elements:

- i) population density (population/sq km);
- ii) population centres (all centres with populations over 200, as identified by the ABS) receiving at least two of a given list of council services; and
- iii) length of all council and State roads within council boundaries.

The population centres component of the formula (element (ii) above) was modified for the 2000-01 assessments. Previously, only those population centres identified by the ABS as being urban centre localities (UCL) were considered (a UCL is defined by the ABS to be a concentration of population of over 200 persons, and possessing certain other attributes characteristic of "townships", as opposed to simple aggregations of individual properties). In order to achieve a more comprehensive measure of dispersion, councils were asked to specify all population centres that have a population of fewer than 200 persons, and receive two or more council services. Councils were also asked to identify the types of council services provided to each nominated centre, and the distance by road between all population centres and the council's administrative headquarters.

Further Improvements Adopted for the 2001-02 Assessments

Whilst population density (population/sq km) is a useful measure of population dispersion in most instances, its use is not appropriate in respect of those councils which have a large area of uninhabited land which does not require regular council services. Similarly, the aggregate length of State and council roads has been accepted as an appropriate measure of dispersion. However, it has in the past been given the same weight as population density and the number of population centres, as well as being recognised separately in the assessment of ILRF grants.

The Commission has concluded that the elements of population dispersion previously captured by population density and road length could be better measured by the sum of the population weighted distance between each population centre and the municipality's administrative centre. Hence, in the calculation of the 2001-02 assessments, the population dispersion disability factor is based upon:

- the number of population centres in a municipality; and
- the population weighted distance between each population centre and the municipality's administrative centre.

The revised disability factor is calculated so that the number of population centres determines 25 per cent of the factor, whilst the remaining 75 per cent is determined by the population weighted distance component.

In relation to the population weighted distance element, the population centres' raw population figures are adjusted so as to reflect the presumption that economies of scale exist in relation to the provision of services to larger centres. In recognition of this presumption:

- where a centre's population is less than 500, each unit of population receives a full weight in the calculation of population weighted distance component;
- where a centre's population is between 501 and 2000, the first 500 units of population receive a full weight, but each additional unit between 501 and 2000 is discounted by one third in the calculation of population weighted distance component; and
- where a centre's population is greater than 2000, each unit of population above 2000 is discounted by two thirds in the calculation of population weighted distance component.

This is represented algebraically below:

Where PN = the actual population of a population centre; and
 P = the adjusted population figure used in the population weighted distance component.

- Where $(1 < PN \leq 500)$, $P = PN$
- Where $(501 < PN \leq 2000)$, $P = 500 + (0.66 \times (PN - 500))$; and
- Where $(PN \geq 2001)$, $P = 1500 + (0.33 \times (PN - 2000))$.

(ii) Impact of Socio-Economic Status Upon Council Expenditure

Over the past few years, several councils have submitted to the Commission that low socio-economic status among resident populations represents an additional cost disadvantage in relation to the provision of council services. In last year's Annual Report, the Commission foreshadowed that it would "investigate the feasibility of using a single disability factor for measuring relative social disadvantage, which may allow the total number of factors in the equalisation model to be reduced". To facilitate its investigation, the Commission reviewed the ABS publication, *Socio-Economic Indices for Areas (SEIFA)*.

Derived from the 1996 Census of Population and Housing, SEIFA is a compilation of five discrete indices that measure different aspects of socio-economic conditions within geographic areas.

Following consultation with councils, the Commission decided that the adoption of a new SEIFA based disability factor was not warranted. Analysis undertaken by the Commission revealed that the current *unemployment* disability factor provides a remarkably good proxy for a broader measure of socio-economic status which it derived from the SEIFA index.

The infrequency with which SEIFA data, and hence any disability factor derived therefrom, can be updated was held to constitute a substantial drawback. Specifically, SEIFA is derived from Census information which is collected only once every five years. As SEIFA data may not be released for at least two years after the Census is undertaken, the data may be up to seven years old before it is updated. By contrast, the data used to calculate the current *unemployment* disability factor is updated from year to year.

Whilst the Commission chose not to adopt a new measure of socio-economic status, it decided that it should extend the application of the *Unemployment* disability factor. Whereas the factor had previously been applied to only the Health, Housing and Welfare category, it has now been extended to the Law, Order and Public Safety and Recreation and Culture expenditure categories.

(iii) Remoteness Disability Factor in the “Mulholland” Asset Preservation Model

At the conclusion of its lengthy review of the Mulholland Model, the Commission introduced a new *remoteness* disability factor for the 2000-01 assessments. This disability is intended to recognise the added costs where road making equipment and materials are not readily accessible to a council.

In its 2000-01 Annual Report, the Commission noted that there was a lack of sufficiently consistent and objective evidence to support the application of this factor to any councils other than Flinders and King Island. Following the presentation of additional evidence of material cost disadvantage by several councils, the Commission has decided to extend the application of the factor to a further eight councils.

The remoteness factor continues to be based upon the *isolation* factor currently applied in the base grant equalisation model. In order to calculate the *remoteness* factor, the base grant *isolation* factor has been modified so that it draws only upon the distance between each municipality’s administrative centre and the nearest regional centre (Hobart, Launceston, Devonport and Burnie). The factor is applied to all activities recognised in the Mulholland model.

(iv) The Distribution of heavy vehicle motor tax revenue to councils

As anticipated in last year’s Annual Report, the *State Grants Commission Act 1976* was amended to require the Commission to recommend the distribution amongst councils of State motor taxes collected on the registration of heavy vehicles (known as “NRTC funds”)¹. The amended legislation reflects the State Government’s intention to implement appropriate and long term revenue sharing arrangements in relation to this revenue.

¹ After the National Road Transport Commission, which determines the nationally uniform taxation rates.

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. Beginning with the 2000-01 distribution, it has proposed a transitional arrangement under which the available funds will be allocated according to the estimated volumes of heavy vehicle traffic utilising local roads.

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.

Given the considerable variation between councils in the collection of road tolls, the alternative distribution of these funds based on VK has varied markedly from the interim distribution. Broadly speaking, the replacement method has produced a more even allocation of funds across councils than was the case with the historic road toll collections. The Commission recognises the need for stability in council funding and accordingly decided to recommend that the new distribution be phased-in over five years.

As outlined to councils during both the 2000 and 2001 hearings and visits, the Commission believes that the most attractive basis for the distribution of these funds in the longer term lies with the results of the *Major Freight Demanders Survey*, which is planned by the Department of Infrastructure, Energy and Resources (DIER) for 2001-02. The survey will be an update of a similar study conducted in 1997, which is to be expanded to include local government roads and a wider range of industries and vehicle types. 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 freight burden, including recognition of relative tonnages.

When this study is completed, the Commission will evaluate the results and consult with councils on the nature and timing of the application of the information to the distribution of heavy vehicle motor tax revenues.

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 2001-02, this amount will again be \$1.5 million.

(vi) Local Government's Support of the State Emergency Service (SES)

During the Commission's 2001 program of council hearings and visits, several councils submitted that the Commission should acknowledge, within its equalisation model, the varying extent to which local government provides financial support to the State Emergency Service (SES).

The involvement of Tasmanian local government in the activities of the SES arises from the provisions of the *Emergency Services Act 1976*. The Act imposes at least two fundamental obligations related to the provision of emergency services upon all Tasmanian municipalities. The first such obligation is to prepare a counter disaster plan and provide appropriate resources to be able to implement that plan in times of disaster or emergency. The second obligation, perhaps more relevant to the Commission's deliberations, is to raise and maintain such local volunteer units of the SES as the council considers necessary to ensure effective operation of the counter disaster plan.

Significantly, the SES provides no direct financial support to councils for these activities other than the provision of uniforms for volunteer members. Councils are therefore frequently obliged to provide an appropriate building to house the unit, to purchase at least one vehicle and to pay for appropriate equipment and training for the unit's volunteer members.

The ABS has advised that expenditure arising from SES related activities is included in the Public Safety expenditure category. The Commission decided that the variation in expenditure disabilities encountered by municipalities in their provision of support to the SES is most appropriately recognised by replacing the *scale (low)* disability factor (for which all municipalities receive a value of 1.00) with *scale (medium)*. This reflects the fact that all councils are required to provide at least a minimum level of support, and consequently, smaller councils are likely to face diseconomies of scale and relatively high fixed costs in the provision of these services.

(vii) Health Care Facilities

Several councils submitted that the Commission should acknowledge within its equalisation model that some rural councils make a financial contribution to the provision of health care facilities (specifically hospitals, aged care facilities and "multi-purpose centres"). In response, the Commission has undertaken an investigation into the nature and extent of Tasmanian local government's involvement in health facility provision.

The investigation was conducted through consultation with senior officials from both State and Commonwealth Health Departments. Its objective was to enable the Commission to determine whether any special recognition of councils' contribution to such facilities is warranted, and, if so, the most appropriate means by which such recognition could be achieved within its equalisation model.

The Commission has concluded that health facility provision is not within the normal scope of local government activity in Tasmania. Only five of twenty nine councils are engaged in the provision of these services, acting in effect as service delivery agents for other spheres of government. Importantly, the grant assistance received by these councils from other spheres of government is treated by exclusion (that is, it is not considered as part of councils' revenue capacity in the Commission's equalisation model).

(viii) Rural Doctors

Since the 1999 assessments, the Commission has recognised the necessity for some councils to provide direct financial support in order to attract and retain the services of general practitioners within their boundaries. It considers this to be an expenditure disability which should be recognised in the equalisation process.

In practice, this has meant that a special allowance has been added to the standardised deficit of each of the relevant councils prior to calculation of their final base grant. It was determined that the allowance should be \$20,000 per doctor, which recognises the recurrent cost faced by councils in this situation. For the 2001-02 grants, special allowances were made in respect to Central Highlands (2 locations), Glamorgan/Spring Bay, Huon Valley and Tasman.

7 - OUTCOMES OF THE 2001-02 ASSESSMENTS

Grant Recommendations

The degree of inter-year variation between councils' grant outcomes is considerably lower than in recent years for both the base and ILRF (road) grants. The comparative stability of this year's grant recommendations reflects the fact that the Commission has made only relatively minor changes to its equalisation method for the 2001-02 grants. Stable grant outcomes have enabled the Commission to avoid the need to "cap" or "collar" the extent of inter-year changes for either the base or the ILRF (road) grants.

Base grants

The movements in base grants in 2001-02 for individual councils are generally less volatile than those observed in 2000-01. In 2000-01 three councils received the maximum increase of 10 per cent, while three were subject to the maximum decrease of 5 per cent. In contrast, in the 2001-02 assessments, only one council received a grant increase of greater than 10 per cent, whilst the largest decline in the base grant was 4.5 per cent.

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;
- population growth differentials; and
- changing council disability factors, reflecting changes in the underlying data used to calculate the factors.

In addition, movements in base grant outcomes have also resulted from the Commission's decisions in relation to:

- the new formula used to calculate the *population dispersion* disability factor (refer page 14);
- the extension of the *unemployment* disability factor to the Law, Order and Public Safety and Recreation and Culture expenditure categories (refer page 15); and
- the provision of additional assistance to those councils experiencing sustained and significant population decline (refer page 11).

ILRF (Road) Grant

The Commission completed a major review of its road-funding model in 2000. The review resulted in significant changes that produced considerable volatility in the level of ILRF grants for some councils. To limit the magnitude of these variations, the Commission decided to cap and collar inter-year changes in the 2000-01 ILRF grants to a maximum increase of 10 per cent and a maximum decrease of 5 per cent.

The review has continued to exert some influence on this year's road grant outcomes. Specifically, the "residual" of last year's capped grant variations (the amount councils were due to receive above or below the capped or collared outcome) is reflected in this year's grant outcomes.

This year, the Commission has further modified its road-funding model by extending the application of the *Remoteness* factor that is used to capture the added costs faced by councils which must transport road making equipment and material over long distances. Whereas previously the factor had only been applied to King and Flinders Islands, it is now accorded to the ten councils most remote from the larger regional centres.

Total grants

When the two grants are combined, the net effect is that only three councils will receive a grant reduction (compared to seven in 2000-01), with the maximum decrease being 2.4 per cent, compared to 4.8 per cent in the previous year. Of the remaining councils, thirteen will receive a grant increase of more than 5 per cent, with the maximum gain being 8.7 per cent (compared to 10 per cent in 2000-01).

8 - ISSUES FOR FUTURE ASSESSMENTS

Review of the Local Government (Financial Assistance) Act 1995

The *Local Government (Financial Assistance) Act 1995* requires the Commonwealth Minister to cause a review of the operation of the Act to be carried out not later than 30 June 2001. The Commonwealth Grants Commission (CGC) was charged with the responsibility of conducting the Review.

Terms of Reference

The Review's terms of reference, announced in June 2000, required the CGC to examine and report on:

- 1) the effectiveness of the current arrangements under the Act to achieve the purposes of the Act and the goals in providing the grants that are referred to in Section 3 of the Act;
- 2) the appropriateness of the current National Principles and, in particular, the retention of or variations of the minimum grant for the general purpose component in Section 6 of the Act; and
- 3) the consistency with the National Principles of the methodology and policies used by each of the State and Territory Grants Commissions in distributing funds to councils.

The Review's terms of reference specifically precluded any examination of the interstate distribution of the general purpose and local road grants or the quantum of funds available under the Act.

Draft and Final Reports

A two volume Draft Report was released in late January 2001 which formed the basis of preliminary discussions with councils during the 2001 hearings and visits program. The Commission was represented at a conference to discuss the Draft Report, hosted by the CGC in Canberra on 29 and 30 April 2001.

The Commission's Final Report was presented to the Minister for Finance and Administration on 22 June 2001 and publicly released on 4 July 2001.

The Review's Findings

The Final Report suggests that most Local Government Grants Commissions (LGGC) may need to make substantial changes to the methods of their assessments. The changes, if adopted, will inevitably lead to a redistribution of grants between councils in all states and territories.

The focus of the CGC's attention in the Final Report is upon better assessing relative needs amongst councils, and enhancing the transparency of the grant assessment process. In summary, the major proposals in the Final Report are:

- that the minimum grant principle, under which all councils receive a base grant share equivalent to 30 per cent of what they would receive were the pool to be distributed on a *per capita* basis, should be retained;
- that the efficiency and effectiveness purpose (referred to in Section 3(2)(d) of the Act) is not an appropriate purpose for an Act that distributes untied assistance on equalisation principles and should be removed from the Act;
- that the method of allocating the minimum grant should be altered by splitting the base grant pool into *per capita* and *relative needs* pools;
- that an assessment of non-rate revenue should be incorporated into the assessment of each council's revenue capacity;
- that an assessment of depreciation and other omitted expenditure should be incorporated into the assessment of each council's expenditure needs;
- that the scope of the "other grant support principle", relating to the extent to which grants from other sources should be assessed as ordinary revenue, should be expanded;
- that a "budget result term" should be introduced to more correctly reflect the reality of how councils finance their expenditure and reduce the volatility of LGGC's equalisation models;
- that, in assessing expenditure needs all disability factors should be centred on 1.00 (as opposed to the current practice of according a factor of 1.00 to the least disadvantaged councils);
- that a revised method should be adopted for "factoring back" the difference between the total standardised deficits of all councils assessed as having grant needs and the quantum of available grant funds; and
- that there should be an assessment of the proportion of standard expenditure within each expenditure category to which disability factors are applied.

The Commission's Response

The proposals made in the Final Report are such that they are likely to exercise a significant influence upon the Commission's deliberations in future years.

If the conclusions of the Review are accepted by the Commonwealth Government, the proposed changes are unlikely to be implemented before the 2003-04 grant year, as it could be some time before the necessary enabling legislation is considered by the Commonwealth Parliament.

The Commission proposes to undertake further research into the application to the Tasmanian model of the conclusions identified above. Its first priority will be to consider and discuss with local government those items related to the expansion or alteration of the scope of the Commission's standard equalisation budget, specifically:

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

These are all matters which will call for the exercise of discretion by the Commission, in contrast to those matters which will involve only statistical or mechanical changes to the model.

The Commission intends to distribute a series of discussion papers in relation to the changes proposed in the CGC's Final Report to councils for comment. These discussion papers will provide the basis for discussion during the Commission's hearings and visits in 2002 and beyond.

9 - GENERAL OBSERVATIONS

Application of Grants

As in the past, the grants for 2001-02 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 New South Wales Local Government Grants Commission hosted the Annual Conference of State Grants Commissions in Sydney, from 13 to 15 November 2000. As is the normal practice, the Conference included reports by each Commission on its activities during the year.

The major topics discussed at the conference were:

- patterns of grant distribution among the different Australian Classification of Local Government (ACLG) groups within the various jurisdictions;
- the application of the Socio-Economic Indices for Areas (SEIFA) to the measurement of councils' expenditure disabilities by the Western Australian Local Government Grants Commission;
- methods of electronic data collection and presentation employed by the New South Wales Local Government Grants Commission; and
- the CGC Review of the Local Government (Financial Assistance) Act.

10 - RECOMMENDATIONS

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

The Commission's recommendations of financial assistance for councils for 2001-02 were conveyed to the Treasurer on 19 July 2001, and his acceptance thereof was advised to the Chairman by letter dated 26 July 2001.

11 - CONCLUSION

Attached to this Report are appendices that contain information used for the grant assessments. Also appended are details of the hearings conducted by the Commission during 2001 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 2000-01.

In 2000-01 Mr David Hope relinquished his position as the Commission's Secretary following his promotion to another post within the Economic and Financial Policy Division of the Department of Treasury and Finance. The Commission wishes to record its sincere appreciation of his professional and dedicated service during his term as Secretary.

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.

I G Inglis
CHAIRMAN

L A Scott
MEMBER

B A Southorn
MEMBER

R C Close
MEMBER

Nick J A Wright
SECRETARY

October 2001

TABLE 4
RECOMMENDED GRANTS FOR 2001-02

| <i>Council</i> | <i>Base Component</i> | <i>Total Per Capita Base Grant</i> | <i>Identified Local Road Component</i> | <i>Total Grant²</i> |
|----------------------|---------------------------|--|--|------------------------------------|
| | \$ | \$ | \$ | \$ |
| Break O'Day | 715,963 | 125 | 961,581 | 1,677,544 |
| Brighton | 725,214 | 56 | 318,443 | 1,043,657 |
| Burnie | 915,169 | 47 | 689,286 | 1,604,455 |
| Central Coast | 1,338,090 | 64 | 1,074,768 | 2,412,858 |
| Central Highlands | 565,176 | 226 | 834,767 | 1,399,942 |
| Circular Head | 840,792 | 99 | 965,873 | 1,806,666 |
| Clarence | 1,214,846 | 25 | 796,554 | 2,011,400 |
| Derwent Valley | 610,664 | 62 | 489,557 | 1,100,221 |
| Devonport | 757,519 | 31 | 616,628 | 1,374,147 |
| Dorset | 822,016 | 110 | 1,155,091 | 1,977,107 |
| Flinders | 414,306 | 439 | 384,274 | 798,581 |
| George Town | 577,491 | 86 | 407,615 | 985,106 |
| Glamorgan/Spring Bay | 433,809 | 103 | 470,759 | 904,567 |
| Glenorchy | 650,078 | 15 | 787,333 | 1,437,411 |
| Hobart | 680,376 | 15 | 1,023,939 | 1,704,315 |
| Huon Valley | 947,139 | 70 | 1,048,208 | 1,995,347 |
| Kentish | 690,349 | 125 | 718,346 | 1,408,696 |
| King Island | 368,353 | 208 | 422,577 | 790,929 |
| Kingborough | 968,812 | 34 | 766,670 | 1,735,483 |
| Latrobe | 481,484 | 60 | 362,686 | 844,170 |
| Launceston | 1,658,084 | 26 | 1,617,960 | 3,276,044 |
| Meander | 1,221,192 | 70 | 1,245,250 | 2,466,442 |
| Northern Midlands | 1,201,930 | 102 | 1,376,818 | 2,578,748 |
| Sorell | 654,352 | 60 | 537,753 | 1,192,105 |
| Southern Midlands | 767,573 | 137 | 1,258,766 | 2,026,339 |
| Tasman | 275,342 | 123 | 229,805 | 505,147 |
| Waratah/Wynyard | 964,752 | 69 | 832,653 | 1,797,405 |
| West Coast | 694,321 | 124 | 395,518 | 1,089,839 |
| West Tamar | 1,074,439 | 54 | 603,861 | 1,678,300 |
| TOTAL | 23,229,632 | 49* | 22,393,339 | 45,622,971 |

***State average per capita base grant**

² Where the amount in the "Total" column differs from the sum of the amounts in the corresponding "Base Component" and "ILRF Component" columns, the difference is due to rounding.

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_i* 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_s* 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_i* is the standardised revenue.

APPENDIX 2

EXAMPLE OF THE APPLICATION OF DISABILITY FACTORS

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

| | |
|-------------------|------|
| Isolation | 1.03 |
| Scale | 1.05 |
| Population Growth | 1.02 |
| Tourism | 1.08 |

The cumulative disability factor is calculated as:

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

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

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

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

APPENDIX 3

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

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

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

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

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

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

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

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

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

Annual reconstruction³ 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)

³ *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 rehabilitation⁴ 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 maintenance⁵ 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**

⁴ *Rehabilitation* is defined as the complete replacement of the pavement of a road, where the foundations are strengthened and a new surface is overlaid.

⁵ *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 2000-01 *

| <i>Council</i> | 1 | 2 | 3 | 4 | 5 |
|----------------------|---|---|--|--|---|
| | <i>Recommended base grant 2000-01</i> | <i>Recommended road grant 2000-01</i> | <i>Base grant adjustment 2000-01</i> | <i>Road grant adjustment 2000-01</i> | <i>Total grant provided 2000-01</i> |
| | \$ | \$ | \$ | \$ | \$ |
| Break O'Day | 674,017 | 871,969 | 5,991 | 4,784 | 1,556,760 |
| Brighton | 708,630 | 309,228 | 6,299 | 1,697 | 1,025,854 |
| Burnie | 938,215 | 703,822 | 8,339 | 3,862 | 1,654,238 |
| Central Coast | 1,233,182 | 1,014,365 | 10,961 | 5,565 | 2,264,073 |
| Central Highlands | 571,004 | 766,997 | 5,075 | 4,208 | 1,347,284 |
| Circular Head | 813,962 | 902,636 | 7,235 | 4,952 | 1,728,785 |
| Clarence | 1,149,562 | 794,764 | 10,218 | 4,361 | 1,958,905 |
| Derwent Valley | 576,512 | 474,079 | 5,124 | 2,601 | 1,058,317 |
| Devonport | 792,801 | 615,757 | 7,047 | 3,378 | 1,418,983 |
| Dorset | 791,428 | 1,089,749 | 7,035 | 5,979 | 1,894,191 |
| Flinders | 382,744 | 363,320 | 3,402 | 1,993 | 751,460 |
| George Town | 558,949 | 395,034 | 4,968 | 2,167 | 961,119 |
| Glamorgan/Spring Bay | 391,588 | 440,781 | 3,481 | 2,418 | 838,269 |
| Glenorchy | 630,441 | 796,529 | 5,604 | 4,370 | 1,436,944 |
| Hobart | 663,041 | 918,784 | 5,893 | 5,041 | 1,592,760 |
| Huon Valley | 942,002 | 1,007,595 | 8,373 | 5,528 | 1,963,498 |
| Kentish | 649,409 | 680,737 | 5,772 | 3,735 | 1,339,653 |
| King Island | 351,190 | 396,379 | 3,122 | 2,175 | 752,865 |
| Kingborough | 983,337 | 750,055 | 8,740 | 4,115 | 1,746,247 |
| Latrobe | 440,131 | 347,852 | 3,912 | 1,909 | 793,804 |
| Launceston | 1,691,899 | 1,613,042 | 15,038 | 8,850 | 3,328,830 |
| Meander | 1,153,081 | 1,193,009 | 10,249 | 6,546 | 2,362,885 |
| Northern Midlands | 1,162,343 | 1,309,237 | 10,331 | 7,183 | 2,489,095 |
| Sorell | 639,013 | 519,964 | 5,680 | 2,853 | 1,167,509 |
| Southern Midlands | 739,058 | 1,275,519 | 6,569 | 6,998 | 2,028,145 |
| Tasman | 266,115 | 214,149 | 2,365 | 1,175 | 483,804 |
| Waratah/Wynyard | 943,636 | 797,165 | 8,388 | 4,374 | 1,753,562 |
| West Coast | 686,649 | 366,660 | 6,103 | 2,012 | 1,061,425 |
| West Tamar | 1,007,750 | 582,604 | 8,957 | 3,196 | 1,602,508 |
| Total | 22,531,691 | 21,511,781 | 200,273 | 118,026 | 44,361,772 |

* The final grant entitlement for 2000-01 was \$44,361,701 based on actual inflation for the year, whereas the recommended entitlement was \$44,043,472. Consequently, the 2000-01 recommended grants have been scaled up by the amounts shown in Columns 3 and 4 to reflect 'actual' final grant entitlements. The underpayment of \$318,229 is to be paid by adjusting the quarterly instalments in the 2001-02 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 2000</i> |
|----------------------|---|
| Break O'Day | 5,744 |
| Brighton | 12,980 |
| Burnie | 19,377 |
| Central Coast | 21,042 |
| Central Highlands | 2,496 |
| Circular Head | 8,495 |
| Clarence | 48,918 |
| Derwent Valley | 9,811 |
| Devonport | 24,436 |
| Dorset | 7,450 |
| Flinders | 944 |
| George Town | 6,738 |
| Glamorgan/Spring Bay | 4,220 |
| Glenorchy | 43,878 |
| Hobart | 45,923 |
| Huon Valley | 13,625 |
| Kentish | 5,530 |
| King Island | 1,775 |
| Kingborough | 28,442 |
| Latrobe | 8,090 |
| Launceston | 62,830 |
| Meander | 17,560 |
| Northern Midlands | 11,813 |
| Sorell | 10,911 |
| Southern Midlands | 5,621 |
| Tasman | 2,235 |
| Waratah/Wynyard | 13,891 |
| West Coast | 5,600 |
| West Tamar | 20,001 |
| TOTAL | 470,376 |

Source:

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

APPENDIX 6

LENGTH OF LOCAL GOVERNMENT ROADS AS AT 1 JANUARY 2001

| <i>Council</i> | <i>Urban Sealed km</i> | <i>Urban Unsealed km</i> | <i>Rural Sealed km</i> | <i>Rural Unsealed km</i> | <i>Total Roads km</i> | <i>Bridge Deck Areas m²</i> |
|----------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|-------------------------------|--|
| BREAK O'DAY | 75.89 | 39.44 | 106.51 | 335.06 | 556.90 | 7,839.42 |
| 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 | 138.06 | 661.88 | 5,677.50 |
| 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 | 4,830.95 |
| 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 | 45.58 | 9.04 | 198.55 | 485.20 | 738.37 | 8,660.00 |
| FLINDERS | 6.95 | 3.11 | 66.76 | 308.93 | 385.75 | 1,230.00 |
| GEORGE TOWN | 34.72 | 2.82 | 109.59 | 135.14 | 282.27 | 2,175.00 |
| GLAMORGAN/SPRING BAY | 49.14 | 24.24 | 78.35 | 197.37 | 349.10 | 2,536.10 |
| GLENORCHY | 239.72 | 0.19 | 34.35 | 15.88 | 290.14 | 1,937.70 |
| HOBART | 286.63 | 16.39 | 0.00 | 0.00 | 303.02 | 5,750.00 |
| HUON VALLEY | 24.26 | 8.34 | 126.98 | 596.10 | 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 | 109.01 | 0.00 | 129.63 | 272.14 | 510.77 | 3,254.00 |
| LATROBE | 47.30 | 1.40 | 145.33 | 69.84 | 263.87 | 1,795.00 |
| LAUNCESTON | 347.74 | 0.00 | 142.25 | 240.42 | 730.41 | 5,123.00 |
| MEANDER | 111.09 | 12.77 | 433.15 | 253.36 | 810.37 | 8,473.20 |
| NORTHERN MIDLANDS | 79.51 | 14.38 | 465.52 | 416.94 | 976.35 | 9,191.20 |
| SORELL | 31.09 | 40.25 | 86.88 | 175.85 | 334.07 | 4,185.50 |
| SOUTHERN MIDLANDS | 29.85 | 12.87 | 131.23 | 629.80 | 803.74 | 10,693.38 |
| TASMAN | 1.36 | 4.72 | 46.18 | 154.78 | 207.04 | 1,146.00 |
| WARATAH/WYNYARD | 66.85 | 5.46 | 194.29 | 273.36 | 539.96 | 4,851.35 |
| WEST COAST | 67.76 | 17.01 | 14.91 | 76.31 | 175.99 | 2,501.41 |
| WEST TAMAR | 71.94 | 5.04 | 189.75 | 181.89 | 448.62 | 2,888.38 |
| TOTAL | 2,561.25 | 250.32 | 4,090.37 | 7,143.83 | 14,045.77 | 123,769.27 |

Source:

State Grants Commission Local Road Lengths, updated in 2001 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 2000

| <i>Council</i> | <i>Land Value</i> | <i>Capital Value</i> | <i>Assessed Annual Value</i> | <i>Year of last Revaluation</i> | <i>Assessed Annual Value Adjustment Factor*</i> |
|-------------------|-------------------------|--------------------------|--------------------------------------|---|---|
| | \$ | \$ | \$ | | |
| Break O'Day | 170,316,970 | 405,290,719 | 21,832,314 | 1995 | 1.02 |
| Brighton | 123,832,000 | 446,433,000 | 33,390,086 | 2000 | 1.00 |
| Burnie | 338,615,097 | 1,102,426,400 | 83,948,246 | 1996 | 1.00 |
| Central Coast | 382,753,410 | 1,044,281,910 | 63,796,899 | 2000 | 1.00 |
| Central Highlands | 162,051,900 | 306,395,300 | 13,669,580 | 1996 | 1.00 |
| Circular Head | 321,277,850 | 650,624,350 | 34,807,241 | 2000 | 1.00 |
| Clarence | 1,052,445,575 | 2,749,015,590 | 176,520,454 | 1995 | 1.00 |
| Derwent Valley | 136,218,600 | 448,312,550 | 30,974,199 | 1998 | 1.00 |
| Devonport | 408,357,520 | 1,288,910,720 | 99,282,985 | 1997 | 1.00 |
| Dorset | 257,603,700 | 535,891,700 | 27,328,453 | 1998 | 1.02 |
| Flinders | 43,618,500 | 89,722,500 | 3,976,563 | 1999 | 1.00 |
| George Town | 103,627,150 | 372,385,800 | 23,341,807 | 2000 | 1.00 |
| Glamorgan/Spring | 203,534,312 | 436,945,667 | 22,824,961 | 1999 | 1.00 |
| Glenorchy | 622,700,470 | 2,123,821,400 | 177,585,518 | 1999 | 1.00 |
| Hobart | 1,764,905,959 | 5,056,375,780 | 359,817,649 | 1996 | 1.00 |
| Huon Valley | 269,018,375 | 710,115,990 | 41,418,909 | 1994 | 1.05 |
| Kentish | 140,974,550 | 324,473,800 | 16,669,132 | 1995 | 1.00 |
| King Island | 657,442,900 | 1,711,700,790 | 97,635,677 | 1997 | 1.00 |
| Kingborough | 110,672,350 | 201,471,100 | 10,360,010 | 1998 | 1.00 |
| Latrobe | 215,861,790 | 549,840,990 | 31,311,557 | 1997 | 1.00 |
| Launceston | 1,005,577,150 | 3,592,340,625 | 274,248,549 | 1997 | 1.00 |
| Meander | 373,169,200 | 1,032,047,750 | 62,415,786 | 1999 | 1.00 |
| Northern Midlands | 310,920,500 | 773,750,150 | 43,446,720 | 2000 | 1.00 |
| Sorell | 225,241,100 | 573,844,150 | 36,935,058 | 1998 | 1.00 |
| Southern Midlands | 212,988,060 | 425,817,500 | 19,961,944 | 1995 | 1.00 |
| Tasman | 102,889,350 | 209,416,995 | 11,020,239 | 1999 | 1.00 |
| Waratah/Wynyard | 289,567,500 | 726,071,500 | 42,782,892 | 1998 | 1.00 |
| West Coast | 27,146,245 | 176,347,945 | 18,557,629 | 1997 | 1.00 |
| West Tamar | 310,233,500 | 985,926,250 | 58,018,377 | 1995 | 1.00 |
| TOTAL | \$10,343,561,583 | \$29,049,998,921 | \$1,937,879,434 | | |

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 1999-2000

| <i>Council</i> | <i>Ordinary Services</i> | <i>Water and Sewerage*</i> | <i>Total Rate Revenue</i> |
|----------------------|------------------------------|--------------------------------|-----------------------------------|
| | \$ | \$ | \$ |
| Break O'Day | 1,908,000 | 1,287,000 | 3,195,000 |
| Brighton | 2,529,000 | 3,019,000 | 5,548,000 |
| Burnie | 7,656,000 | 5,436,000 | 13,092,000 |
| Central Coast | 5,921,000 | 4,390,000 | 10,311,000 |
| Central Highlands | 1,055,000 | 241,000 | 1,296,000 |
| Circular Head | 3,129,862 | 2,144,664 | 5,274,526 |
| Clarence | 11,956,000 | 10,146,000 | 22,102,000 |
| Derwent Valley | 2,648,000 | 2,179,000 | 4,827,000 |
| Devonport | 8,286,000 | 10,364,000 | 18,650,000 |
| Dorset | 1,853,000 | 1,202,000 | 3,055,000 |
| Flinders | 391,000 | 93,000 | 484,000 |
| George Town | 2,658,000 | 1,368,000 | 4,026,000 |
| Glamorgan/Spring Bay | 1,714,000 | 1,195,000 | 2,909,000 |
| Glenorchy | 9,501,000 | 16,106,000 | 25,607,000 |
| Hobart | 27,783,000 | 11,545,292 | 39,328,292 |
| Huon Valley | 4,130,000 | 2,196,000 | 6,326,000 |
| Kentish | 1,031,000 | 541,000 | 1,572,000 |
| King Island | 791,599 | 346,028 | 1,137,627 |
| Kingborough | 6,879,000 | 6,549,000 | 13,428,000 |
| Latrobe | 2,229,000 | 2,288,000 | 4,517,000 |
| Launceston | 22,589,000 | 18,667,000 | 41,256,000 |
| Meander Valley | 4,301,000 | 2,491,000 | 6,792,000 |
| Northern Midlands | 3,323,000 | 1,743,000 | 5,066,000 |
| Sorell | 3,346,000 | 1,462,000 | 4,808,000 |
| Southern Midlands | 1,514,613 | 705,980 | 2,220,593 |
| Tasman | 949,000 | 0 | 949,000 |
| Waratah/Wynyard | 3,949,000 | 3,074,000 | 7,023,000 |
| West Coast | 1,895,000 | 1,194,000 | 3,089,000 |
| West Tamar | 4,088,000 | 3,924,000 | 8,012,000 |
| TOTAL | 150,004,074 | 115,896,964 | 265,901,038 |

Source:

*Australian Bureau of Statistics (ABS)
Government Finance Statistics, Tasmania Cat. No. 5501.6*

* Includes all revenue from water sales.

APPENDIX 9

STANDARDISED REVENUE AND SPECIFIC PURPOSE PAYMENTS 2001-02 ASSESSMENTS*

| <i>Council</i> | <i>Standardised Revenue</i> | <i>Specific Purpose Payments Treated by Inclusion</i> |
|----------------------|---------------------------------|---|
| | \$ | \$ |
| Break O'Day | 3,113,352 | 896,997 |
| Brighton | 4,695,433 | 313,492 |
| Burnie | 11,263,420 | 834,131 |
| Central Coast | 8,791,721 | 950,671 |
| Central Highlands | 1,840,297 | 996,471 |
| Circular Head | 4,831,785 | 991,048 |
| Clarence | 24,575,175 | 774,391 |
| Derwent Valley | 4,165,804 | 495,295 |
| Devonport | 13,838,446 | 603,020 |
| Dorset | 3,902,359 | 1,164,255 |
| Flinders | 508,504 | 372,827 |
| George Town | 3,214,211 | 379,828 |
| Glamorgan/Spring Bay | 3,226,602 | 433,609 |
| Glenorchy | 24,619,704 | 799,294 |
| Hobart | 47,104,775 | 866,743 |
| Huon Valley | 6,121,278 | 1,115,058 |
| Kentish | 2,353,274 | 698,246 |
| King Island | 1,435,837 | 415,596 |
| Kingborough | 13,525,717 | 795,459 |
| Latrobe | 4,412,071 | 327,496 |
| Launceston | 37,127,664 | 1,789,360 |
| Meander Valley | 8,840,443 | 1,162,298 |
| Northern Midlands | 6,046,956 | 1,371,361 |
| Sorell | 5,237,261 | 508,485 |
| Southern Midlands | 2,813,448 | 1,289,100 |
| Tasman | 1,500,772 | 219,027 |
| Waratah/Wynyard | 5,977,933 | 758,739 |
| West Coast | 2,577,236 | 339,903 |
| West Tamar | 8,239,559 | 554,746 |
| TOTAL | 265,901,038 | 22,216,948⁶ |

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

⁶ To enable comparison, each council's Standardised Revenue and Specific Purpose Payments are presented in per capita terms in Appendices 16 and 17.

APPENDIX 10

STANDARD EXPENDITURE, 2001-02 ASSESSMENTS

| <i>Council</i> | <i>General Administration</i> | <i>Health Housing & Welfare</i> | <i>Protection of the Environment</i> | <i>Recreation & Culture</i> |
|----------------------|-----------------------------------|---|--|-------------------------------------|
| | \$ | \$ | \$ | \$ |
| Break O'Day | 558,186 | 185,785 | 263,252 | 452,526 |
| Brighton | 1,261,360 | 419,828 | 594,883 | 1,022,595 |
| Burnie | 1,883,002 | 626,733 | 888,062 | 1,526,565 |
| Central Coast | 2,044,802 | 680,586 | 964,370 | 1,657,738 |
| Central Highlands | 242,554 | 80,731 | 114,393 | 196,641 |
| Circular Head | 825,520 | 274,764 | 389,332 | 669,256 |
| Clarence | 4,753,714 | 1,582,213 | 2,241,947 | 3,853,875 |
| Derwent Valley | 953,405 | 317,329 | 449,645 | 772,934 |
| Devonport | 2,374,622 | 790,363 | 1,119,919 | 1,925,125 |
| Dorset | 723,970 | 240,964 | 341,439 | 586,928 |
| Flinders | 91,735 | 30,533 | 43,264 | 74,371 |
| George Town | 654,780 | 217,935 | 308,807 | 530,835 |
| Glamorgan/Spring Bay | 410,088 | 136,492 | 193,406 | 332,461 |
| Glenorchy | 4,263,941 | 1,419,198 | 2,010,960 | 3,456,812 |
| Hobart | 4,462,668 | 1,485,342 | 2,104,684 | 3,617,922 |
| Huon Valley | 1,324,039 | 440,690 | 624,443 | 1,073,409 |
| Kentish | 537,390 | 178,863 | 253,444 | 435,666 |
| King Island | 172,490 | 57,411 | 81,350 | 139,839 |
| Kingborough | 2,763,914 | 919,933 | 1,303,517 | 2,240,727 |
| Latrobe | 786,163 | 261,664 | 370,770 | 637,349 |
| Launceston | 6,105,643 | 2,032,185 | 2,879,544 | 4,949,895 |
| Meander Valley | 1,706,431 | 567,964 | 804,787 | 1,383,418 |
| Northern Midlands | 1,147,954 | 382,082 | 541,398 | 930,656 |
| Sorell | 1,060,300 | 352,907 | 500,059 | 859,594 |
| Southern Midlands | 546,233 | 181,807 | 257,614 | 442,836 |
| Tasman | 217,191 | 72,289 | 102,432 | 176,079 |
| Waratah/Wynyard | 1,349,888 | 449,293 | 636,634 | 1,094,366 |
| West Coast | 544,192 | 181,127 | 256,652 | 441,181 |
| West Tamar | 1,943,641 | 646,916 | 916,660 | 1,575,726 |
| TOTAL | 45,709,817 | 15,213,930 | 21,557,666 | 37,057,323 |

STANDARD EXPENDITURE, 2001-02 ASSESSMENTS continued

| <i>Community & Regional Development</i> | <i>Law, Order and Public Safety</i> | <i>Sewerage</i> | <i>Water</i> | <i>Other</i> |
|---|---|-----------------|--------------|--------------|
| \$ | \$ | \$ | \$ | \$ |
| 253,347 | 17,447 | 329,990 | 595,645 | 244,718 |
| 572,500 | 39,426 | 745,694 | 1,346,008 | 553,001 |
| 854,648 | 58,856 | 1,113,198 | 2,009,368 | 825,540 |
| 928,086 | 63,914 | 1,208,852 | 2,182,026 | 896,476 |
| 110,089 | 7,581 | 143,394 | 258,832 | 106,340 |
| 374,683 | 25,803 | 488,033 | 880,920 | 361,922 |
| 2,157,594 | 148,585 | 2,810,313 | 5,072,728 | 2,084,108 |
| 432,727 | 29,800 | 563,637 | 1,017,387 | 417,989 |
| 1,077,782 | 74,223 | 1,403,835 | 2,533,979 | 1,041,074 |
| 328,592 | 22,629 | 427,999 | 772,555 | 317,401 |
| 41,636 | 2,867 | 54,232 | 97,891 | 40,218 |
| 297,188 | 20,466 | 387,095 | 698,721 | 287,067 |
| 186,129 | 12,818 | 242,437 | 437,608 | 179,789 |
| 1,935,298 | 133,276 | 2,520,768 | 4,550,087 | 1,869,384 |
| 2,025,495 | 139,488 | 2,638,252 | 4,762,151 | 1,956,509 |
| 600,949 | 41,385 | 782,749 | 1,412,893 | 580,481 |
| 243,908 | 16,797 | 317,696 | 573,453 | 235,601 |
| 78,289 | 5,391 | 101,973 | 184,065 | 75,622 |
| 1,254,472 | 86,391 | 1,633,978 | 2,949,396 | 1,211,746 |
| 356,820 | 24,573 | 464,766 | 838,922 | 344,667 |
| 2,771,201 | 190,842 | 3,609,550 | 6,515,383 | 2,676,817 |
| 774,507 | 53,337 | 1,008,813 | 1,820,948 | 748,128 |
| 521,028 | 35,881 | 678,651 | 1,224,992 | 503,282 |
| 481,244 | 33,141 | 626,831 | 1,131,455 | 464,854 |
| 247,922 | 17,073 | 322,923 | 582,890 | 239,478 |
| 98,578 | 6,789 | 128,400 | 231,766 | 95,220 |
| 612,681 | 42,193 | 798,031 | 1,440,477 | 591,814 |
| 246,995 | 17,010 | 321,717 | 580,712 | 238,583 |
| 882,171 | 60,752 | 1,149,047 | 2,074,076 | 852,125 |
| 20,746,562 | 1,428,734 | 27,022,851 | 48,777,335 | 20,039,956 |

APPENDIX 11

STANDARDISED EXPENDITURE, 2000-01 ASSESSMENTS

| <i>Council</i> | <i>General Administration</i> | <i>Health Housing & Welfare</i> | <i>Protection of the Environment</i> | <i>Recreation & Culture</i> |
|----------------------|-----------------------------------|---|--|-------------------------------------|
| | \$ | \$ | \$ | \$ |
| Break O'Day | 1,230,828 | 337,597 | 436,965 | 870,035 |
| Brighton | 1,748,546 | 550,453 | 712,944 | 1,349,950 |
| Burnie | 2,845,997 | 805,643 | 1,074,537 | 2,364,814 |
| Central Coast | 2,559,551 | 830,538 | 1,108,839 | 2,117,898 |
| Central Highlands | 735,999 | 185,361 | 247,871 | 481,835 |
| Circular Head | 1,503,331 | 421,629 | 562,043 | 1,088,321 |
| Clarence | 5,064,940 | 1,682,398 | 2,368,605 | 4,886,917 |
| Derwent Valley | 1,513,961 | 440,625 | 594,266 | 1,140,755 |
| Devonport | 3,027,350 | 906,310 | 1,226,230 | 2,556,422 |
| Dorset | 1,354,197 | 379,902 | 505,319 | 970,371 |
| Flinders | 497,866 | 105,036 | 136,979 | 261,302 |
| George Town | 1,211,196 | 340,022 | 446,894 | 855,207 |
| Glamorgan/Spring Bay | 1,076,399 | 266,334 | 396,549 | 745,697 |
| Glenorchy | 4,444,335 | 1,515,481 | 2,090,328 | 4,221,574 |
| Hobart | 6,877,454 | 1,549,129 | 2,902,095 | 4,434,443 |
| Huon Valley | 1,976,030 | 613,021 | 817,703 | 1,571,124 |
| Kentish | 1,074,635 | 287,195 | 389,928 | 744,668 |
| King Island | 544,909 | 130,122 | 160,620 | 325,429 |
| Kingborough | 3,030,429 | 997,212 | 1,422,012 | 2,592,726 |
| Latrobe | 1,371,012 | 386,168 | 531,637 | 990,688 |
| Launceston | 7,115,600 | 2,227,867 | 3,110,151 | 6,632,989 |
| Meander | 2,453,460 | 753,034 | 1,041,654 | 1,914,461 |
| Northern Midlands | 1,773,425 | 521,055 | 714,638 | 1,350,572 |
| Sorell | 1,723,141 | 514,332 | 697,461 | 1,288,090 |
| Southern Midlands | 1,113,172 | 306,445 | 398,928 | 763,911 |
| Tasman | 632,487 | 151,918 | 211,988 | 421,371 |
| Waratah/Wynyard | 1,922,971 | 573,903 | 788,256 | 1,451,961 |
| West Coast | 1,361,550 | 366,923 | 462,422 | 982,934 |
| West Tamar | 2,601,500 | 809,728 | 1,111,667 | 2,017,900 |
| TOTAL | 64,386,273 | 18,955,381 | 26,669,529 | 51,394,369 |

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

STANDARDISED EXPENDITURE, 2001-02 ASSESSMENTS *continued*

| <i>Community & Regional Development</i> | <i>Law, Order and Public Safety</i> | <i>Sewerage</i> | <i>Water</i> | <i>Other</i> | <i>Roads</i> | <i>Total⁷</i> |
|---|-------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------------|
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 467,186 | 30,673 | 412,648 | 744,821 | 244,718 | 3,453,053 | 8,228,524 |
| 697,933 | 52,047 | 760,497 | 1,374,039 | 553,001 | 1,667,533 | 9,466,944 |
| 1,102,118 | 76,413 | 1,364,685 | 2,461,993 | 825,540 | 4,024,635 | 16,946,376 |
| 1,129,503 | 78,959 | 1,288,249 | 2,338,436 | 896,476 | 5,454,325 | 17,802,775 |
| 263,184 | 16,561 | 225,449 | 406,945 | 106,340 | 3,291,063 | 5,960,608 |
| 599,279 | 39,440 | 561,023 | 1,013,838 | 361,922 | 4,265,582 | 10,416,410 |
| 2,448,409 | 160,243 | 3,009,215 | 5,484,782 | 2,084,108 | 5,086,677 | 32,276,294 |
| 612,179 | 41,505 | 601,404 | 1,085,653 | 417,989 | 1,666,435 | 8,114,770 |
| 1,263,631 | 86,593 | 1,511,660 | 2,734,914 | 1,041,074 | 3,881,803 | 18,235,987 |
| 527,807 | 35,409 | 487,085 | 880,182 | 317,401 | 4,304,111 | 9,761,783 |
| 143,356 | 9,755 | 62,306 | 112,611 | 201,091 | 1,786,307 | 3,316,611 |
| 456,711 | 31,588 | 418,564 | 756,111 | 287,067 | 2,063,956 | 6,867,316 |
| 404,111 | 24,164 | 371,680 | 672,497 | 179,789 | 2,088,408 | 6,225,628 |
| 2,053,377 | 146,144 | 2,762,209 | 4,947,951 | 1,869,384 | 4,757,085 | 28,807,868 |
| 2,493,740 | 149,365 | 4,171,519 | 7,511,954 | 1,956,509 | 5,081,197 | 37,127,406 |
| 834,784 | 56,979 | 890,011 | 1,613,437 | 580,481 | 3,433,700 | 12,387,270 |
| 398,098 | 26,849 | 356,963 | 643,783 | 235,601 | 2,873,543 | 7,031,264 |
| 182,191 | 12,023 | 113,783 | 205,404 | 226,867 | 2,074,252 | 3,975,601 |
| 1,440,116 | 93,702 | 1,756,304 | 3,176,529 | 1,211,746 | 3,774,916 | 19,495,693 |
| 536,569 | 36,245 | 520,770 | 941,117 | 344,667 | 1,879,793 | 7,538,667 |
| 3,317,347 | 215,380 | 4,323,631 | 7,799,545 | 2,676,817 | 9,389,263 | 46,808,590 |
| 1,056,632 | 70,983 | 1,196,096 | 2,163,103 | 748,128 | 5,668,045 | 17,065,598 |
| 739,550 | 48,940 | 755,703 | 1,366,215 | 503,282 | 6,332,857 | 14,106,240 |
| 695,469 | 47,147 | 733,720 | 1,324,763 | 464,854 | 2,022,577 | 9,511,554 |
| 412,237 | 28,576 | 367,924 | 664,108 | 239,478 | 4,128,678 | 8,423,457 |
| 227,286 | 13,708 | 167,002 | 301,447 | 95,220 | 970,663 | 3,193,091 |
| 794,943 | 53,838 | 852,728 | 1,539,748 | 591,814 | 3,686,085 | 12,256,248 |
| 535,664 | 33,797 | 504,664 | 910,782 | 238,583 | 1,867,467 | 7,264,787 |
| 1,126,586 | 75,805 | 1,286,712 | 2,325,521 | 852,125 | 3,165,591 | 15,373,135 |
| 26,959,997 | 1,792,830 | 31,834,207 | 57,502,233 | 20,352,074 | 104,139,603 | 403,986,495 |

⁷ To enable comparison, each council's Standardised Expenditure is presented in per capita terms in Appendix 15.

APPENDIX 12

DISABILITY FACTORS, 2001-02 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 | 1.08 | 1.01 | 1.00 | 1.00 | 1.03 | 1.11 | 1.16 | 1.00 |
| Brighton | 1.00 | 1.10 | 1.01 | 1.00 | 1.00 | 1.00 | 1.01 | 1.02 | 1.00 |
| Burnie | 1.01 | 1.08 | 1.02 | 1.06 | 1.00 | 1.04 | 1.01 | 1.03 | 1.07 |
| Central Coast | 1.00 | 1.06 | 1.02 | 1.00 | 1.00 | 1.02 | 1.03 | 1.05 | 1.00 |
| Central Highlands | 1.12 | 1.06 | 1.00 | 1.00 | 1.02 | 1.03 | 1.23 | 1.08 | 1.11 |
| Circular Head | 1.02 | 1.03 | 1.02 | 1.00 | 1.02 | 1.02 | 1.07 | 1.13 | 1.00 |
| Clarence | 1.01 | 1.03 | 1.02 | 1.00 | 1.00 | 1.08 | 1.02 | 1.00 | 1.00 |
| Derwent Valley | 1.01 | 1.06 | 1.01 | 1.00 | 1.00 | 1.06 | 1.04 | 1.03 | 1.00 |
| Devonport | 1.00 | 1.08 | 1.02 | 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 | 1.07 | 1.02 | 1.00 | 1.00 | 1.00 | 1.04 | 1.28 | 1.00 |
| George Town | 1.04 | 1.07 | 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 | 1.06 | 1.03 | 1.00 | 1.00 | 1.02 | 1.00 | 1.00 | 1.00 |
| Hobart | 1.01 | 1.03 | 1.04 | 1.30 | 1.00 | 1.03 | 1.00 | 1.00 | 1.00 |
| Huon Valley | 1.03 | 1.07 | 1.02 | 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 | 1.00 | 1.00 | 1.02 | 1.00 | 1.02 | 1.35 | 1.00 |
| Kingborough | 1.01 | 1.01 | 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 | 1.06 | 1.04 | 1.01 | 1.00 | 1.03 | 1.01 | 1.01 | 1.00 |
| Meander Valley | 1.01 | 1.02 | 1.01 | 1.00 | 1.00 | 1.02 | 1.09 | 1.05 | 1.00 |
| Northern Midlands | 1.01 | 1.03 | 1.01 | 1.00 | 1.00 | 1.06 | 1.08 | 1.04 | 1.00 |
| Sorell | 1.04 | 1.05 | 1.01 | 1.00 | 1.00 | 1.03 | 1.06 | 1.02 | 1.00 |
| Southern Midlands | 1.02 | 1.06 | 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 | 1.06 | 1.00 | 1.00 | 1.05 | 1.02 | 1.18 | 1.18 | 1.16 |
| West Tamar | 1.02 | 1.00 | 1.01 | 1.00 | 1.00 | 1.01 | 1.09 | 1.06 | 1.00 |

DISABILITY FACTORS 2001-02 ASSESSMENTS continued

| <i>Popu- lation Growth</i> | <i>Tourism</i> | <i>Regional Responsibility</i> | | | <i>Scale</i> | | | <i>Equivalent Tenements</i> | |
|------------------------------------|----------------|--------------------------------|---|-----------------------------------|--------------|---------------|------------|---------------------------------|--------------|
| | | <i>General Admin</i> | <i>Comm. & Region. Devel.</i> | <i>Recreat. & Culture</i> | <i>High</i> | <i>Medium</i> | <i>Low</i> | <i>Sewerage</i> | <i>Water</i> |
| 1.00 | 1.07 | 1.00 | 1.00 | 1.00 | 1.80 | 1.40 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.35 | 1.18 | 1.00 | 1.01 | 1.01 |
| 1.00 | 1.01 | 1.14 | 1.01 | 1.19 | 1.18 | 1.09 | 1.00 | 1.06 | 1.06 |
| 1.00 | 1.02 | 1.00 | 1.00 | 1.00 | 1.14 | 1.07 | 1.00 | 1.01 | 1.01 |
| 1.00 | 1.09 | 1.00 | 1.00 | 1.00 | 2.41 | 1.70 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.03 | 1.00 | 1.00 | 1.00 | 1.57 | 1.28 | 1.00 | 1.01 | 1.01 |
| 1.00 | 1.01 | 1.03 | 1.00 | 1.10 | 1.00 | 1.00 | 1.00 | 1.04 | 1.05 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.49 | 1.25 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.02 | 1.14 | 1.02 | 1.10 | 1.08 | 1.04 | 1.00 | 1.05 | 1.05 |
| 1.00 | 1.02 | 1.00 | 1.00 | 1.00 | 1.64 | 1.32 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.06 | 1.00 | 1.00 | 1.00 | 5.00 | 3.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.70 | 1.35 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.24 | 1.00 | 1.00 | 1.00 | 2.00 | 1.50 | 1.00 | 1.00 | 1.01 |
| 1.00 | 1.00 | 1.03 | 1.00 | 1.10 | 1.00 | 1.00 | 1.00 | 1.09 | 1.08 |
| 1.00 | 1.03 | 1.20 | 1.12 | 1.08 | 1.00 | 1.00 | 1.00 | 1.24 | 1.24 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.33 | 1.16 | 1.00 | 1.01 | 1.01 |
| 1.00 | 1.06 | 1.00 | 1.00 | 1.00 | 1.82 | 1.41 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.04 | 1.00 | 1.00 | 1.00 | 2.71 | 1.86 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.03 | 1.01 | 1.00 | 1.01 | 1.01 |
| 1.05 | 1.02 | 1.00 | 1.00 | 1.00 | 1.60 | 1.30 | 1.00 | 1.00 | 1.01 |
| 1.00 | 1.02 | 1.11 | 1.08 | 1.16 | 1.00 | 1.00 | 1.00 | 1.16 | 1.16 |
| 1.05 | 1.02 | 1.00 | 1.00 | 1.00 | 1.22 | 1.11 | 1.00 | 1.01 | 1.02 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.40 | 1.20 | 1.00 | 1.01 | 1.01 |
| 1.06 | 1.00 | 1.00 | 1.00 | 1.00 | 1.44 | 1.22 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.81 | 1.41 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.15 | 1.00 | 1.00 | 1.00 | 2.50 | 1.75 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.02 | 1.00 | 1.00 | 1.00 | 1.32 | 1.16 | 1.00 | 1.01 | 1.01 |
| 1.00 | 1.13 | 1.00 | 1.00 | 1.00 | 1.81 | 1.41 | 1.00 | 1.01 | 1.01 |
| 1.00 | 1.01 | 1.00 | 1.00 | 1.00 | 1.16 | 1.08 | 1.00 | 1.00 | 1.00 |

APPENDIX 13

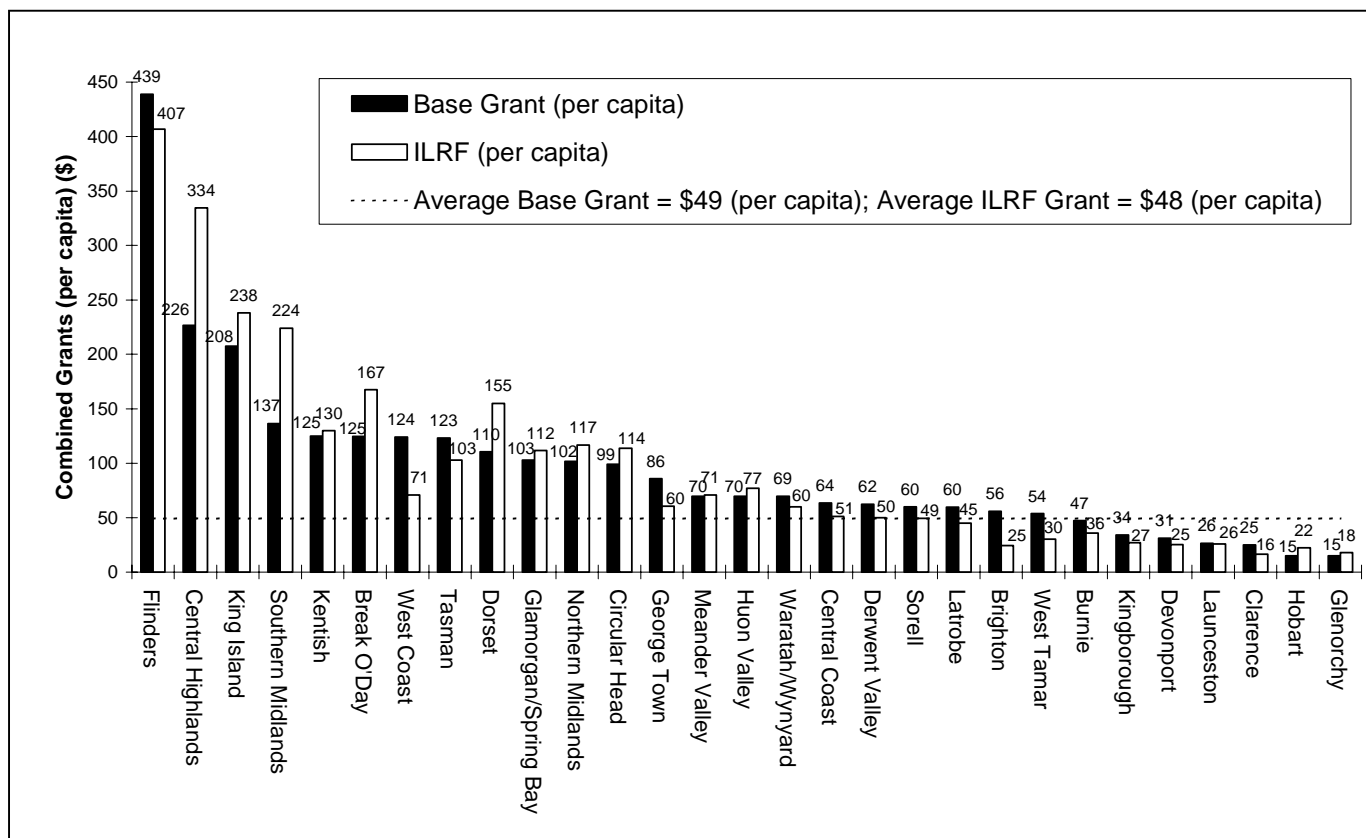
MULHOLLAND MODEL DISABILITY FACTORS

| <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 |

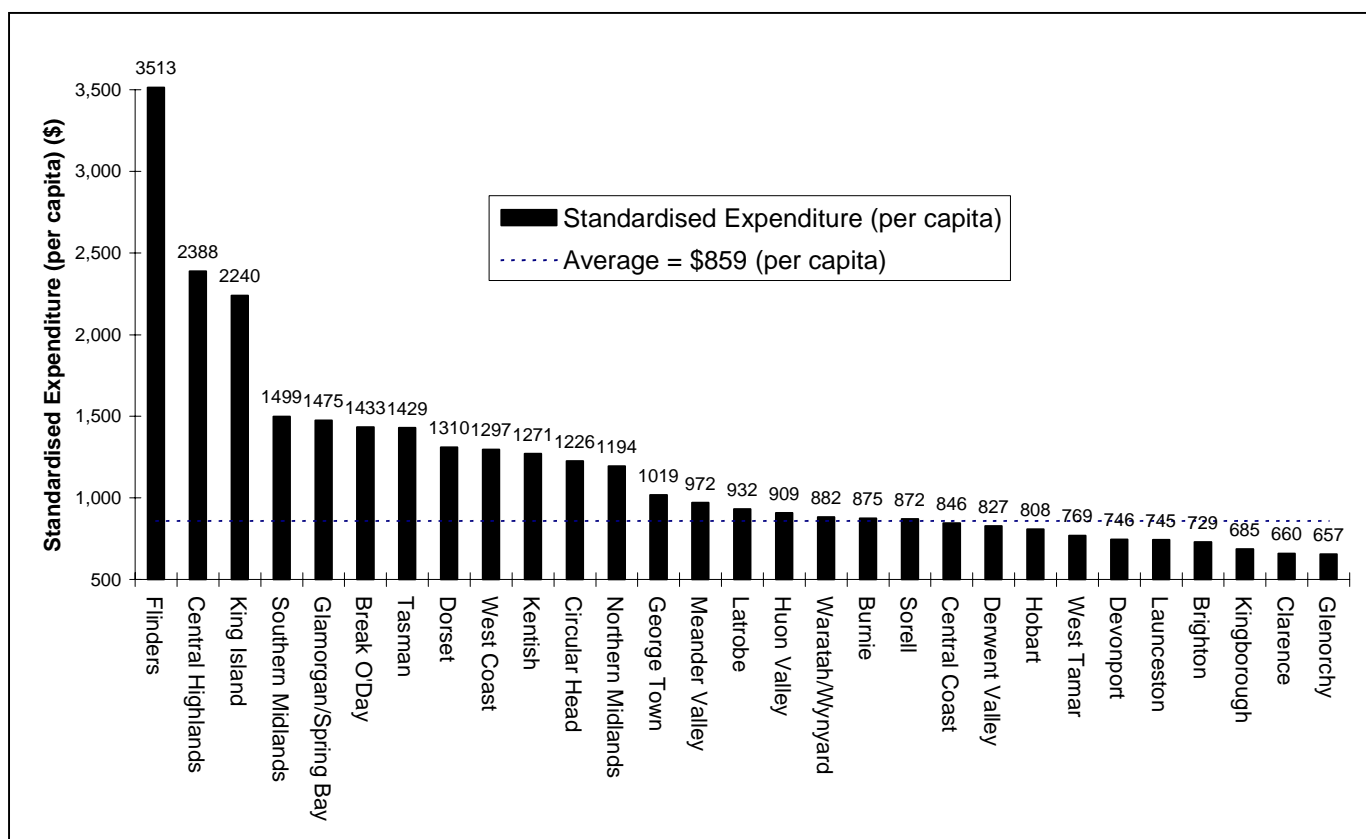
MULHOLLAND MODEL DISABILITY FACTORS continued

| <i>Rural Sealed roads</i> | | | | | | <i>Rural Unsealed</i> | | <i>Cost</i> | <i>Remoteness</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>Factor</i> | |
| 0.98 | 0.99 | 1.01 | 1.03 | 1.04 | 0.98 | 0.98 | 0.98 | 1.00 | 1.07 |
| 0.94 | 1.00 | 1.05 | 1.07 | 1.05 | 0.98 | 0.94 | 0.98 | 1.00 | 1.00 |
| 1.02 | 0.99 | 1.00 | 1.06 | 1.08 | 1.04 | 1.01 | 1.00 | 1.00 | 1.00 |
| 1.01 | 0.99 | 1.00 | 0.99 | 1.12 | 1.00 | 1.01 | 0.98 | 1.00 | 1.00 |
| 0.98 | 1.00 | 1.06 | 1.02 | 1.12 | 0.97 | 1.00 | 0.97 | 1.00 | 1.03 |
| 1.04 | 0.99 | 1.00 | 0.99 | 1.12 | 1.01 | 1.04 | 0.99 | 1.00 | 1.04 |
| 0.94 | 1.00 | 0.95 | 0.96 | 1.09 | 0.98 | 0.94 | 0.96 | 1.00 | 1.00 |
| 0.95 | 1.00 | 1.01 | 1.00 | 1.05 | 0.96 | 0.95 | 0.96 | 1.00 | 1.00 |
| 1.00 | 0.99 | 1.00 | 1.04 | 1.07 | 1.01 | 1.00 | 0.99 | 1.00 | 1.03 |
| 1.00 | 0.99 | 1.02 | 1.02 | 1.10 | 1.01 | 1.00 | 0.99 | 1.00 | 1.11 |
| 0.96 | 0.99 | 0.99 | 1.00 | 1.05 | 1.00 | 0.96 | 0.99 | 1.00 | 1.00 |
| 1.00 | 0.97 | 1.10 | 1.12 | 1.08 | 0.98 | 1.00 | 0.97 | 1.00 | 1.04 |
| 0.96 | 0.99 | 1.03 | 1.02 | 1.06 | 0.96 | 0.96 | 0.96 | 1.00 | 1.00 |
| 0.95 | 0.99 | 0.95 | 1.00 | 1.16 | 1.01 | 0.95 | 0.99 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.09 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.01 | 1.00 | 0.97 | 1.01 | 1.06 | 0.97 | 1.01 | 0.97 | 1.00 | 1.00 |
| 1.03 | 0.99 | 1.00 | 0.95 | 1.15 | 1.01 | 1.01 | 0.98 | 1.00 | 1.14 |
| 1.03 | 1.02 | 1.00 | 1.04 | 1.00 | 0.99 | 1.03 | 0.97 | 1.00 | 1.00 |
| 1.01 | 0.99 | 0.90 | 1.03 | 1.14 | 0.98 | 1.00 | 0.96 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 0.92 | 1.05 | 1.01 | 1.00 | 0.98 | 1.00 | 1.00 |
| 0.99 | 1.00 | 1.04 | 1.04 | 1.10 | 1.00 | 0.99 | 0.99 | 1.00 | 1.00 |
| 1.01 | 1.00 | 0.99 | 1.02 | 1.09 | 0.99 | 1.01 | 0.97 | 1.00 | 1.00 |
| 0.95 | 1.02 | 1.03 | 1.07 | 1.05 | 1.01 | 0.95 | 0.98 | 1.00 | 1.00 |
| 0.95 | 1.00 | 1.04 | 1.12 | 1.07 | 1.00 | 0.95 | 0.98 | 1.00 | 1.00 |
| 0.95 | 1.00 | 1.07 | 1.04 | 1.13 | 1.03 | 0.95 | 1.00 | 1.00 | 1.04 |
| 1.00 | 1.00 | 1.07 | 1.04 | 1.10 | 0.97 | 0.98 | 0.97 | 1.00 | 1.05 |
| 1.03 | 1.00 | 1.00 | 1.00 | 1.12 | 1.01 | 1.03 | 1.00 | 1.00 | 1.00 |
| 1.07 | 1.00 | 1.00 | 1.00 | 1.09 | 0.97 | 1.07 | 0.99 | 1.00 | 1.07 |
| 1.00 | 0.99 | 1.01 | 1.02 | 1.05 | 0.98 | 1.00 | 0.97 | 1.00 | 1.00 |

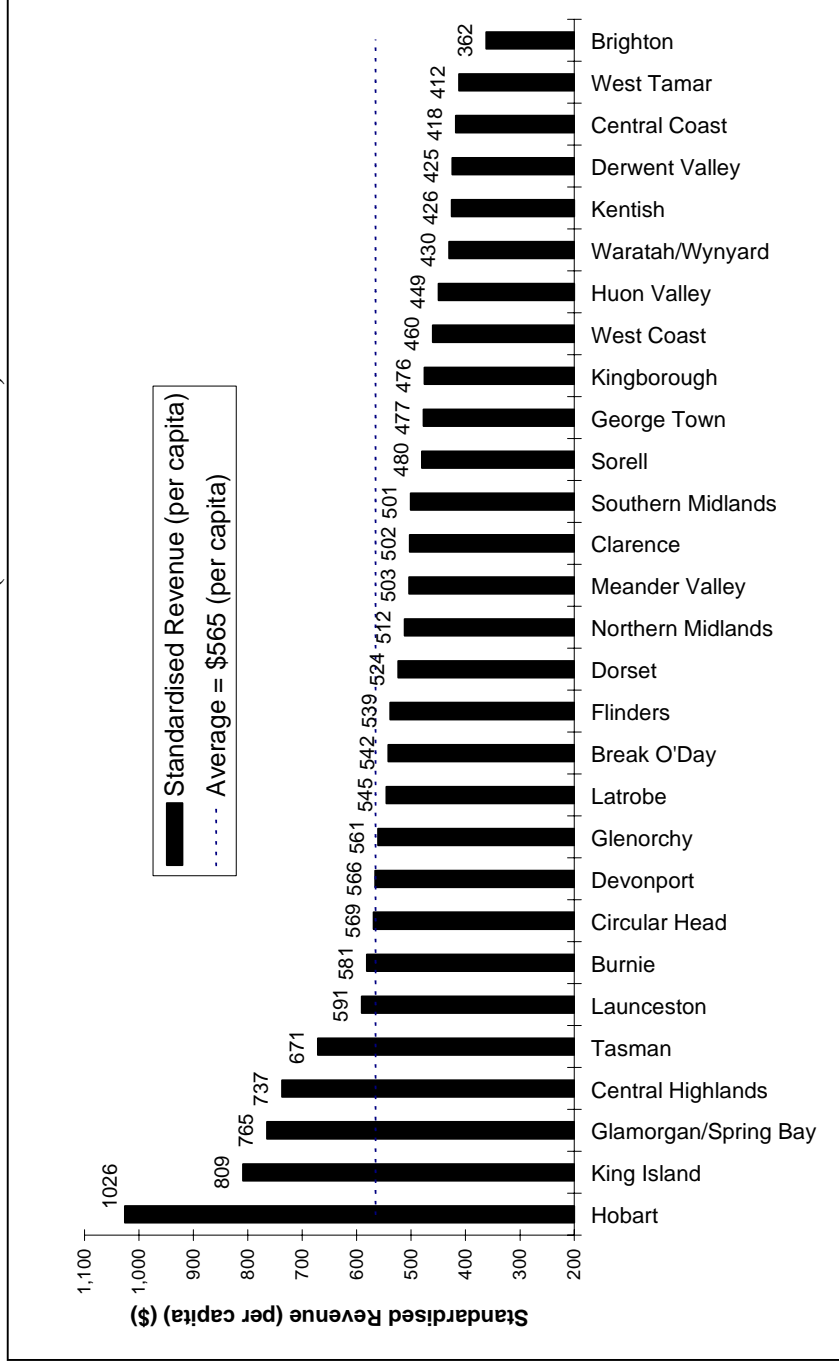
APPENDIX 14 – BASE AND ILRF GRANTS (PER CAPITA) 2001-02



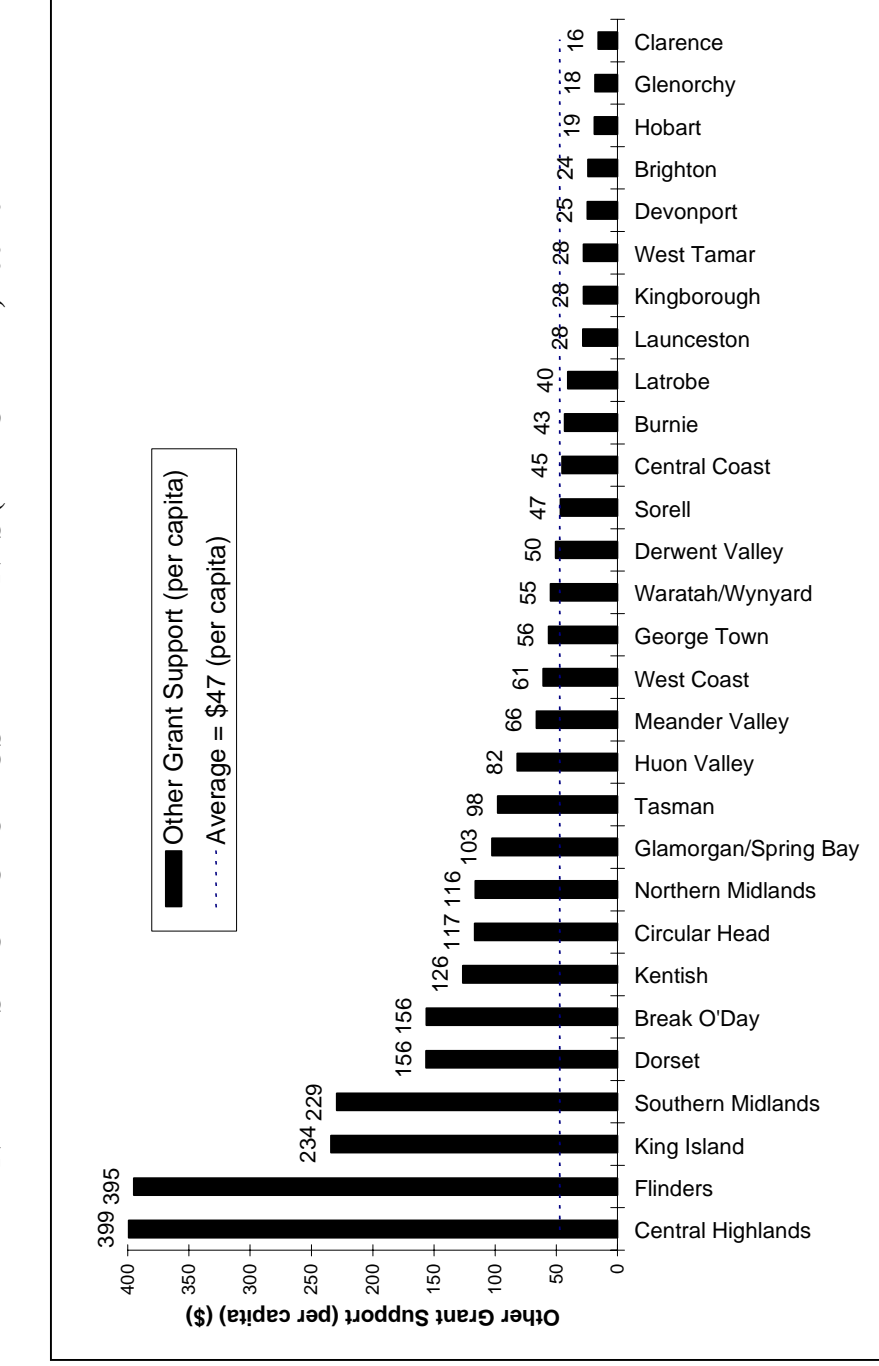
APPENDIX 15 – STANDARDISED EXPENDITURE (PER CAPITA) 2001-02



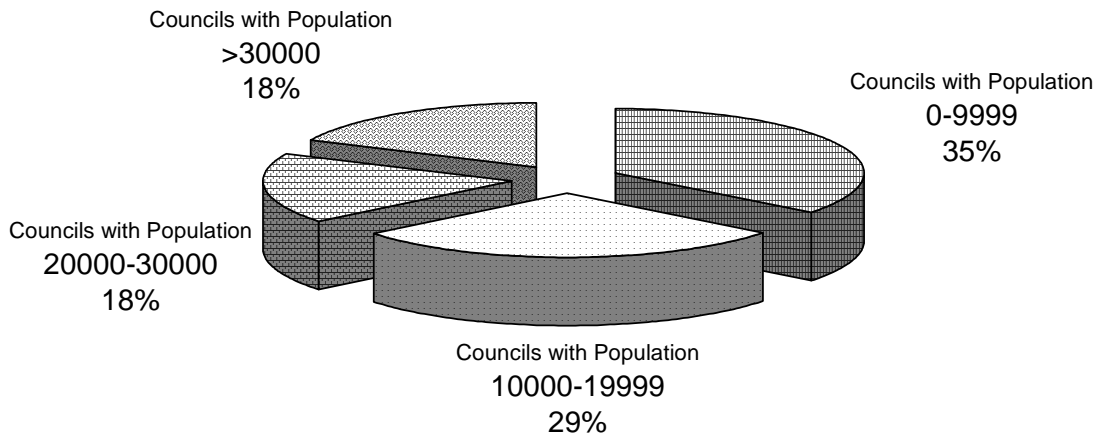
APPENDIX 16 – STANDARDISED REVENUE (PER CAPITA) 2001-02



APPENDIX 17 – SPECIFIC PURPOSE PAYMENTS (PER CAPITA) 2001-02

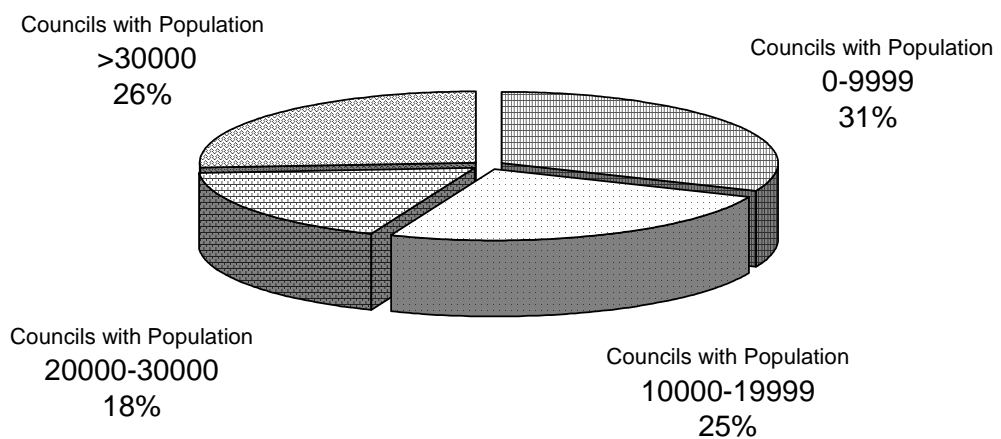


APPENDIX 18 – SHARE OF BASE GRANT POOL BY POPULATION 2001-02



■ 0-9999 (14 Councils) □ 10000-19999 (7 Councils) ▨ 20000-30000 (4 Councils) ▩ >30000 (4 Councils)

APPENDIX 19 – SHARE OF BASE GRANT POOL BY POPULATION 1994-95



■ 0-9999 (14 Councils) □ 10000-19999 (7 Councils) ▨ 20000-30000 (4 Councils) ▩ >30000 (4 Councils)

APPENDIX 20

REPRESENTATION AT COMMISSION DISCUSSIONS IN 2001

Tuesday 27 February 2001

West Coast Council

Clr Darryl Gerrity, Mayor
Clr Glenda Stubbings, Deputy Mayor
Clr Lewis McKay
Clr Anne Drake
Mr Andrew Wardlaw, General Manager
Ms Karen Fell, Senior Administration Officer

Waratah/Wynyard Council

Clr Roger Chalk, Mayor
Mr John Gibson, General Manager
Mr Jack Riddiford, Director of Engineering

Wednesday 28 February 2001

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 Fulston, Strategic Planning Coordinator

King Island Council

Clr David Brewster, Mayor
Clr Judith Payne, Deputy Mayor
Clr Vernon Philbey
Clr Peter Youd
Clr Royce Conley
Mr John White, Acting General Manager
Mr Jimmy Walters, Acting Director Corporate Services

Devonport City Council

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

Circular Head Council

Clr Ross Hine, Mayor
Mr Mark Goldstone, General Manager
Mr Brett Russell, Financial Services Manager

Central Coast Council

Clr Michael Downie, Mayor
Clr Brian Robertson, Deputy Mayor
Mr Alf Mott, General Manager
Mr Bevin Eberhardt, Engineering Services Manager
Mrs Jenny Williams, Community Services Manager
Ms Sandra Ayrton, Financial Services Manager

Wednesday 14 March 2001

Flinders Island Council

Clr Lynn Mason, Mayor
Clr Stephen Mason, Deputy Mayor
Clr Helen Cooper
Clr Carol Cox
Mr Lee Connors, General Manager
Mr Tony Bickford, Finance and Administration Manager
Mr Les Pitchford, Works and Services Manager
Mr David Walker, Aerodrome Operations Supervisor

Thursday 15 March 2001

Launceston City Council

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

George Town Council

Ms Ngaire McCrindle, General Manager

Latrobe Council

Mr Grant Atkins, General Manager
Mr Leigh Edsall, Director Development Services
Ms Jan Febey, Director Corporate Services

Friday 16 March 2001

Dorset Council

Clr Yvonne Thorne, Mayor
Mr Gregory Preece, General Manager
Mr John Martin, Corporate Services Manager
Mr Bryan Smith, Works and Infrastructure Manager

Break O'Day Council

Clr Stephen Salter, Mayor
Mr David Morcom, General 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 9 April 2001

Kingborough Council

Clr Don Hazell, Mayor
Mr Rick McClean, General Manager
Mr Rod Palethorpe, Manager Corporate Services

Tuesday 10 April 2001

Southern Midlands Council

Clr Helen Scott, Deputy Mayor
Clr Colin Beven
Clr Des Manning
Mr Tim Kirkwood, General Manager

Central Highlands Council

Clr Geoff Parsons, Mayor
Clr Deirdre Flint
Clr Tony Flint
Clr Janet Monks
Mr Trevor Berriman, General Manager

Ms Lyn Burke, Manager Works and Services

Wednesday 11 April 2001

Glamorgan/Spring Bay Council

Clr Cheryl Arnold, Mayor
Mr Gary Reid, General Manager

Sorell Council

Clr Carmel Torenus, Mayor
Mr Brian Inches, General Manager
Mr Alan Bryce, Manager Financial Services
Mr Tony Hocking, Consultant – Enterprise Marketing and Research

Tasman Council

Clr Neil Noye, Mayor
Mr Gregory Burgess, General Manager

Hobart City Council

Ald Robert Valentine, Lord Mayor
Mr Brent Armstrong, General Manager
Mr Tom Horacek, Manager Financial Services

Glenorchy City Council

Mr Greg French, Acting General Manager
Mr Trevor Jones, Manager – Governance and Performance
Mr Andrew Lawrence, Manager – Roads and Recreation
Mr Peter Verdouw, Financial Accountant

Thursday 19 April 2001

Clarence City Council

Mr Roger Howlett, General Manager
Mr Frank Barta, Corporate Treasurer

Derwent Valley Council

Clr Nick Cracknell, Mayor
Mr Stephen Mackey, General Manager
Mr Robert McCrossen, Deputy General Manager
Mr John Bradley, Accountant
Mr Andrew Lawson, Project Officer
Mr Bill Barber, Economic Development Officer

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