



**State Grants Commission**

2015-16 Annual Report,  
including 2016-17  
Financial Assistance Grant  
Recommendations



Tasmanian  
Government

Mr Peter Gutwein MP  
TREASURER

Dear Treasurer

In accordance with Section 9(3) of the *State Grants Commission Act 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 fortieth Annual Report of the Commission, and relates to the Commission's activities during 2015-16 and its determination of the distribution of grants for payment in the 2016-17 financial year.

Yours sincerely



**D C Hudson**  
**CHAIRMAN**

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## EXECUTIVE SUMMARY

The State Grants Commission (the Commission) Annual Report for 2015-16 describes the Commission's activities during the year, and provides the Commission's recommendations for the distribution of Australian Government Financial Assistance Grants (FAGs).

In 2015-16, councils received cash payments of \$36 179 813 in FAGs. This represented the 2015-16 grant pool of \$71 818 617, the \$256 923 adjustment amount relating to the 2014-15 entitlements, less the advance payment of \$35 895 727. The advance payment, made by the Australian Government on 30 June 2015, was approximately 50 per cent of the 2015-16 entitlement.

For 2016-17, the Commission recommended the distribution of FAGs for an estimated total of \$71 542 045, which represents a 0.4 per cent decrease on the final grant pool for 2015-16.

The funding provided by the Australian Government consists of two elements, being the Base Grant and the Road Grant. The estimated Base Grant funding for 2016-17 is \$34 265 579, which is \$288 532, or 0.84 per cent, per cent less than the final 2015-16 Base Grant funding of \$34 554 111. The Road Grant funding for 2016-17 is \$37 276 466, which is \$1 670 more than the final 2015-16 Road Grant funding of \$37 274 796. This change in entitlements is explained in Section 3.

Total quarterly cash payments to be made to councils over 2016-17 will represent 100 per cent of the FAG funding allocated for 2016-17 as there was no brought forward payment made by the Australian Government in 2015-16.

In accordance with the Commission's triennial review policy, major methodological changes are incorporated into its assessments every three years, with data updates and minor methodological revisions incorporated each year. The 2016-17 distribution year is a "data update only year".

The Commission has not yet completed its 2016-17 recommendations for the distribution of the Heavy Vehicle Motor Tax Revenue funding pool, as the Commission is awaiting the results of the 2014-15 Traffic Freight Survey from the Department of State Growth to inform its next recommendations.

The 2015-16 year has been a "take stock" year to allow the Commission to review its internal processes and documentation and conduct training sessions to help educate councils on its methods.

During the year, the Commission reviewed its internal documentation, restructured and refocused its Annual Report, published the Commission's first separate Data Tables document, and also published its separate Distribution Methodology paper. The Commission has also adopted a longer term approach to its triennium review process and made greater use of technology for its internal administrative processes.

In 2015, the Commission identified and prioritised a number of research tasks that it considered warranted review over the 2018-19 Triennium. This culminated in the Commission issuing *Information Paper IP16-01 – Draft 2018-19 Triennium Work Plan* to councils in January 2016.

In accordance with the requirements of the *Local Government (Financial Assistance) Act 1995 (Australian Government)*, the Commission conducted hearings and visits and received submissions from councils. Following consideration of council feedback and submissions received through the hearings and visits process, the Commission issued *Information Paper IP16-06 - 2018-19 Triennium Work Plan* to councils in May 2016. The 2018-19 Triennium Work Plan is also available from the Commission's website.

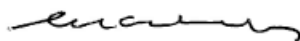
Many individuals and organisations have assisted the Commission in its work during 2015-16. The Commission wishes to express its appreciation to all those who contributed to its work including all council officers and elected officials for their cooperation and assistance. The Commission is also appreciative of the support given by the Secretary of the Department of Treasury and Finance, Mr Tony Ferrall, and the staff of the Economic and Financial Policy Division and other departmental officers for their contributions.

During the 2015-16 financial year, the Commission membership was unchanged.

As noted above, the Commission also publishes data tables which do not form part of the Commission's Annual Report but provide further information for those wishing to understand the grant recommendations for 2016-17 in greater detail. The 2016-17 Data Tables, and the Commission's Distribution Methodology paper, are both available from the State Grants Commission website: [www.treasury.tas.gov.au/domino/df/df.nsf/v-stategrants/home](http://www.treasury.tas.gov.au/domino/df/df.nsf/v-stategrants/home).



D C Hudson  
CHAIRMAN



G L Atkins  
MEMBER



R A Fraser  
MEMBER



P Marriott  
EXECUTIVE OFFICER

October 2016

## 1 – THE COMMISSION

### ***Financial Assistance Grants – Background***

FAGs are provided by the Australian Government, through the State Government, for the specific purpose of funding local government in accordance with the Australian Government's *Local Government (Financial Assistance) Act 1995* (the 1995 Act). The Australian Government financial assistance is provided in two parts: a Base Grant component and a Road Grant component. The Australian Government determines each state's share of the Base Grant pool based on population share and the Road Grant pool share based on historically agreed proportions. While there are two source pools, FAGs are provided to councils as untied, general revenue.

The 1995 Act requires a state to establish a local government grants commission, the membership of which must include two persons associated with local government, and for the grants to be distributed within states in accordance with seven National Principles reproduced as Appendix 1 of this report.

### ***Role and Legislation***

The Commission was established under the *State Grants Commission Act 1976* (the Act) and is responsible for making recommendations to the Treasurer concerning the distribution of the Australian Government FAGs to local government. The Treasurer has administrative responsibility for the Act. There were no changes to the legislation during the reporting period.

The Commission consists of two local government nominated members and the third member (Chair), nominated by the Secretary of the Department of Treasury and Finance (Treasury) and approved by the Treasurer. This was the first full year of the Commission operating as a three member Commission. The transition to three members has gone smoothly.

The current members of the Commission, and the expiry dates for current appointment terms, are detailed in Table 1.

**Table 1: Membership of the Commission**

<b>Name</b>	<b>Position</b>	<b>Current Appointment Expiry</b>
Mr D C Hudson	Nominee of the Secretary of the Department of Treasury and Finance (Chair)	2 Jan 2019
Mr G L Atkins	Representative of local government	4 Mar 2018
Mr R A Fraser	Representative of local government	12 Aug 2017



### ***Commission governance processes and performance***

The Commission conducts regular meetings and operates an annual hearings and visits program. Attendance of Commission members is reflected in Table 2.

**Table 2: Participation in Commission activities conducted during period  
1 July 2015 – 30 June 2016**

<b>Type of activity</b>	<b>Total number conducted</b>	<b>Number Attended</b>		
		<b>D Hudson</b>	<b>G Atkins</b>	<b>R Fraser</b>
Commission meetings	10	10	10	10
Hearings	12	12	12	12
Visits	9	9	9	9

The Commission seeks to operate using best practice governance strategies. It actively promotes increased stakeholder interest in its activities, methodology and assessment calculations, and endeavours to ensure an environment of accountability and transparency. Full details on the corporate governance practices of the Commission are available on its website.

The Commission conducts an annual member performance evaluation, both individually and as a group. It also periodically undertakes an external stakeholder assessment of its performance by way of a survey of councils. The latest external survey was undertaken in 2015. The results in both cases were positive.

The Commission reports periodically to the Treasurer and the Secretary of the Department of Treasury and Finance on matters when circumstances warrant.

### ***Funding arrangements***

All FAG funds allocated to Tasmania pursuant to the 1995 Act are fully distributed to Tasmanian local councils. The operating costs of the Commission are met by the Tasmanian State Government.

The operating budget for the Commission for 2015-16, excluding salaries and on-costs but including member expense claims, was \$21 720. The Commission's remuneration for 2015-16 and 2014-15 is detailed in Table 3.

**Table 3: State Grants Commission remuneration – 2015-16 and 2014-15**

	<b>Salary &amp; Allowances</b>	<b>Superannuation</b>	<b>Total</b>
<b>2015 - 2016</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
D Hudson (Chair)	39.9	3.8	43.7
R Fraser	23.8	2.2	26.0
G Atkins	24.6	2.2	26.8
<b>Total</b>	<b>88.3</b>	<b>8.2</b>	<b>96.5</b>

	<b>Salary &amp; Allowances</b>	<b>Superannuation</b>	<b>Total</b>
<b>2014 - 2015</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
R Close (Chair to 14 May)	34.2	3.2	37.4
D Hudson (Chair from 15 May)	23.6	2.2	25.8
R Fraser (from 12 Aug)	20.1	1.8	21.9
G Atkins	24.9	2.1	27.0
<b>Total</b>	<b>102.8</b>	<b>9.3</b>	<b>112.1</b>

Executive support resources equivalent to 1.0 FTE are provided to the Commission by the Department of Treasury and Finance.

### ***Commission methodology***

The Commission uses financial models designed to accord with the National Principles, to assist it in determining the distribution of funding provided by the Australian Government.

The Commission's methodology is explained in more detail and available for download on the Commission's website [www.treasury.tas.gov.au/domino/DTF/DTF.nsf/v-stategrants/home](http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/v-stategrants/home).

The Commission's models are primarily data driven, which means that significant changes in data can influence calculated grant shares. It is for this reason that the Commission takes the accuracy and consistency of data seriously and actively seeks to increase the integrity of the data used within the assessments. The Commission continues to remind councils of their obligations in relation to providing quality data.

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

The previously annual national conference of local government grants commissions came out of hiatus in October 2015.

The Victorian Grants Commission hosted the 2015 Conference in Melbourne, Victoria on 28-29 October 2015.

All jurisdictions and the Australian Department of Infrastructure and Regional Development were represented at the 2015 Conference.

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The 2015 Conference included reports by each jurisdiction on their activities during the period since the last national conference in October 2012.

The 2015 Conference also discussed “Three Big Issues” as follows:

Big Issue #1: Preparing for the End of the Pause;

Big Issue #2: Cost Adjustors and Disability Factors – What’s working, what’s not; and

Big Issue #3: “The National Distribution Principles.

Following the conference, all jurisdictions agreed to hold national conferences every two years. The South Australian Local Government Grants Commission has volunteered to host the next national conference in October 2017.

### **2015-16 in Review**

The 2015-16 year has been a “take stock” year to allow the Commission to review its internal processes and documentation, and conduct training sessions to help educate councils on its methods.

During the year, the Commission reviewed its internal documentation, restructured and refocused its Annual Report, published the Commission’s first separate Data Tables document, and also published its separate Distribution Methodology paper.

The Commission has also adopted a longer term approach to its triennium review process and made greater use of technology for its internal administrative processes.

During late 2015, the Commission identified and prioritised a number of research tasks that it considered warranted review over the 2018-19 Triennium. This culminated in the Commission initially issuing *Information Paper IP16-01 - Draft 2018-19 Triennium Work Plan* to councils in January 2016. Councils were invited to raise issues of interest and provide feedback on the Commission’s Draft Work Plan as part of the 2016 Hearing and Visits.

Following consideration of issues raised and feedback received through this process, the Commission finalised its work plan and issued *Information Paper IP16-06 - 2018-19 Triennium Work Plan* to councils in May 2016. The 2018-19 Triennium Work Plan is available on the Commission’s website. Details of the 2016 Hearings and Visits is provided in Section 4.

## 2 – FINANCIAL ASSISTANCE GRANT FUNDING RECEIVED – 2015-16

The finalised financial assistance entitlement to local government for 2015-16 is shown in Table 4 below.

**Table 4: Financial Assistance for Local Government - Finalised Entitlement 2015-16**

	2015-16 estimated entitlement	2015-16 adjustments (to be paid in 2016-17)	Finalised 2015-16 entitlement
	\$	\$	\$
Base Grant	34 543 821	+10 290	34 554 111
Road Grant	37 274 796	+0	37 274 796
<b>Total Grant</b>	<b>71 818 617</b>	<b>+10 290</b>	<b>71 828 907</b>

The Australian Government determined the need for a positive adjustment of \$10 290 (+0.014 per cent) to Tasmania's 2015-16 estimated grant entitlement of \$71 818 617 in line with final population figures. Tasmania's finalised 2015-16 FAG entitlement is \$71 828 907 (i.e. \$71 818 617 plus \$10 290). The upward adjustment has been apportioned across councils utilising the methodologies used to determine the Commission's 2015-16 recommendations, which includes the application of caps and collars<sup>1</sup>, to determine each council's entitlement. The adjustment amount will be paid to councils in 2016-17.

The Australian Government did not make an advance payment of the 2016-17 funding in 2015-16.

A breakdown of the financial assistance paid to local government in 2015-16 by the Australian Government is shown in Table 5 below.

**Table 5: Financial Assistance for Local Government - Cash Receipts for 2015-16**

	2015-16 estimated entitlement	2014-15 adjustment included in 2015-16 instalments	2015-16 bring forward payment (paid in 2014-15)	Total Cash paid to councils in 2015-16 financial year
	\$	\$	\$	\$
Base Grant	34 543 821	+257 505	-17 257 300	17 544 026
Road Grant	37 274 796	-582	-18 638 427	18 635 787
<b>Total Grant</b>	<b>71 818 617</b>	<b>+256 923</b>	<b>-35 895 727</b>	<b>36 179 813</b>

The Australian Government normally pays the FAG funding to jurisdictions in four instalments, being mid-August, November, February and May. Payments to councils occur promptly after receipt of each instalment.

<sup>1</sup> Caps and Collars are explained further on page 19

### 3 – FINANCIAL ASSISTANCE GRANT FUNDING EXPECTED – 2016-17 ESTIMATE

The total of estimated FAGs to be provided by the Australian Government in 2016-17 both nationally and to Tasmania is shown in Table 6 below.

**Table 6: Financial Assistance for Local Government – 2016-17 Estimate**

	<b>National pool of funds</b>	<b>Tasmanian Proportion of national pool</b>	<b>Tasmanian grant entitlement</b>	<b>Change on 2015-16 actual entitlement*</b>
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Base Grant	1 585 252 883	2.16	34 265 579	-0.84
Road Grant	703 423 357	5.30	37 276 466	0.00
<b>Total Grant</b>	<b>2 288 676 240</b>	<b>3.13</b>	<b>71 542 045</b>	<b>-0.40</b>

*\* This column shows the 2016-17 year estimated entitlement compared to the 2015-16 actual entitlement (accrual basis)*

The national pool of FAGs has historically been linked to annual changes in both the Australian population and the Consumer Price Index so that the Base Grant and Road Grant pools are maintained in “real per capita” terms. In May 2014, the Australian Government announced in its 2014-15 Budget that it was suspending indexation of the total funding pool for three years, commencing 1 July 2014. This is the third, and final year, of the indexation freeze. The Australian Government’s 2016-17 Budget released in May 2016 indicates that indexation of the total grant funding pool will resume in 2017-18.

While the total size of the funding pool is currently frozen, the allocation of the funding pools amongst the jurisdictions continues to be distributed based on the population share for the Base Grant funding component and historical shares for the Roads Grant funding component of the FAG pool.

Based on population estimates as at 31 December 2015, the Australian Government has determined that the 2016-17 National funding pool be distributed amongst jurisdictions as detailed in Table 7.

**Table 7: 2016-17 Financial Assistance Grants programme –  
Estimated entitlements by jurisdiction**

<b>Jurisdiction</b>	<b>Population as at 31 Dec 2015</b>	<b>Population shares for General Purpose Entitlement</b>	<b>2016-17 Estimated General Purpose Entitlement \$</b>	<b>Local Road Agreed Percentage Shares</b>	<b>2016-17 Estimated Local Road Entitlement \$</b>	<b>2016-17 Total Estimated Entitlement \$</b>
New South Wales	7 670 742	32%	508 002 282	29%	204 085 189	712 087 471
Victoria	5 996 385	25%	397 116 376	21%	145 020 454	542 136 830
Queensland	4 808 771	20%	318 465 494	19%	131 795 765	450 261 259
Western Australia	2 603 899	11%	172 445 721	15%	107 554 465	280 000 186
South Australia	1 702 785	7%	112 768 578	5%	38 657 876	151 426 454
Tasmania	517 404	2%	34 265 579	5%	37 276 466	71 542 045
Northern Territory	244 031	1%	16 161 188	2%	16 477 568	32 638 756
Australian Capital Territory	393 013	2%	26 027 665	3%	22 555 574	48 583 239
<b>Total</b>	<b>23 937 030</b>	<b>100%</b>	<b>1 585 252 883</b>	<b>100%</b>	<b>703 423 357</b>	<b>2 288 676 240</b>

*Note: The Commission uses population statistics as at June each year, as these figures align with the financial data that also informs the Commission's grant models.*

The Australian Government has projected a decline in Tasmania's total share of the Base Grant portion of the FAG pool in line with a forecast reduction in Tasmania's share of the national population. Accordingly, Tasmania's Base Grant for 2016-17 has decreased by 0.8 per cent from 2015-16 reflecting the relatively slower growth in population of Tasmania as a proportion of the national population. According to Australian Bureau of Statistics (ABS) estimates, the population of Tasmania grew by 0.4 per cent through the year to December 2015, compared with an Australian growth rate of 1.33 per cent over the same period, as detailed in Table 8.

**Table 8: Australian Government Population Estimates by jurisdiction**

	Population as at 31 December 2014	Population as at 31 December 2015	Estimated Change in Population	Estimated Rate of Population Growth
New South Wales	7 565 497	7 670 742	105 245	1.391%
Victoria	5 886 436	5 996 385	109 949	1.868%
Queensland	4 750 513	4 808 771	58 258	1.226%
Western Australia	2 581 250	2 603 899	22 649	0.877%
South Australia	1 691 503	1 702 785	11 282	0.667%
Tasmania	515 235	517 404	2 169	0.421%
Northern Territory	244 265	244 031	-234	-0.096%
Australian Capital Territory	387 640	393 013	5 373	1.386%
<b>Total</b>	<b>23 622 339</b>	<b>23 937 030</b>	<b>314 691</b>	<b>1.332%</b>

Tasmania's portion of the Road Grant Pool is expected to remain constant over the equivalent period, given its share is based on historical proportions.

The total cash payments to be made to councils in 2016-17 will be \$71 552 335. This is derived by adding the adjustment to the 2015-16 grants of \$10 290 to the estimated 2016-17 payment of \$71 542 045 as shown in Table 9.

**Table 9: Financial Assistance for Local Government - 2016-17 Estimate – Balance due**

	Estimated 2016-17 entitlement	Less 2016-17 bring forward payment (paid in 2015-16)	Plus 2015-16 adjustments (to be paid in 2016-17)	Amount to be paid over 4 instalments in 2016-17
	\$	\$	\$	\$
Base Grant	34 265 579	-0	+10 290	34 275 869
Road Grant	37 276 466	-0	+0	37 276 466
<b>Total Grant</b>	<b>71 542 045</b>	<b>-0</b>	<b>+10 290</b>	<b>71 552 335</b>

## 4 – HEARINGS, VISITS AND COUNCIL SUBMISSIONS

### 2016 Hearings & Visits

Under Section 11 of the *Local Government (Financial Assistance) Act 1995 (Australia Government)*, a state is not entitled to receive its grant unless that State's 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 annually conducts a series of regional hearings with councils which are open to the public and the media. All councils are invited to participate in the consultation process and attend regional hearings. In addition, the Commission aims to visit approximately one third of councils each year.

The Commission values face-to-face interaction with councils. Hearings and visits provide insights into relevant issues not discernible from the review of quantitative data alone and provide an opportunity to discuss issues raised by the Commission and councils in the discussion papers and council submissions.

Participation by councils in the 2016 Hearings and Visits processes are detailed in Tables 10-12.

**Table 10: Participation by councils in Commission's 2016 processes**

Total No. of councils	No. of written submissions received	No. of councils attending Hearings	No. of Councils visited
29	5	12	9

The dates, location and councils that participated in the Commission's 2016 regional hearings were:

**Table 11: Participation by councils in Commission's 2016 regional hearings**

Region	Location	Date	Councils attending
North	Launceston	8 Feb 2016	Launceston City Council, Dorset Council, George Town Council
South	Hobart	1 Mar 2016	Kingborough Council, Derwent Valley Council, Central Highlands Council, Clarence City Council, Huon Valley Council, Tasman Council (jointly as part of Sorell Council visit)
North West	Burnie, Sheffield	15, 17 Mar 2016	Latrobe Council, Central Coast Council, Devonport City Council

The dates and councils visited during 2016 were as follows:

**Table 12: Participation by councils in Commission's 2016 visits**

Date	Councils visited
8-10 Feb 2016	Northern Midlands Council, Flinders Island Council, West Tamar Council
29 Feb – 2 Mar 2016	Glenorchy City Council, Sorell Council, Glamorgan Spring Bay Council
15-16 Mar 2016	Kentish Council, Burnie City Council, Circular Head Council

Although not part of the Hearing and Visit process, the Chairman and Executive Officer also met with Brighton Council during the year.



### **Regional Training Sessions**

In response to requests from councils for regional forums to increase their understanding of the Commission's processes and models, training sessions for council staff were also conducted in conjunction with the Commission's 2016 Hearings and Visits processes.

These sessions were well attended with 16 councils, as detailed in Table 13, being represented at the sessions held throughout the State. Feedback on these sessions was positive.

**Table 13: Councils represented at the Commission's 2016 Methodology Training sessions**

<b>Date</b>	<b>Location</b>	<b>Councils attending</b>
8 Feb 2016	Launceston	Break O'Day Council, Dorset Council, George Town Council, Launceston City Council, Meander Valley Council, Northern Midlands Council, West Tamar Council
29 Feb 2016	Hobart	Central Highlands Council, Hobart City Council, Huon Valley Council, Kingborough Council
15 Mar 2016	Sheffield	Kentish Council, Latrobe Council
17 Mar 2016	Burnie	Central Coast Council, Circular Head Council, Waratah-Wynyard Council

The Commission is pleased with the consistent level of engagement and interest shown by most councils in the Commission's processes and methodologies. The Commission strives to be transparent and is continuously reviewing and improving the documentation available to councils on its website.

### **Major issues discussed during 2016 Hearings & Visits**

The Commission has had a practice of releasing discussion papers each year for discussion at the annual hearings and visits. As 2016 represented the first year of the 2018-19 Triennium, the Commission chose not to issue any discussion papers and instead, conducted the 2016 Hearings and Visits as open discussions on matters of council interest and discussion of its Draft Work Plan.

Councils raised or discussed with the Commission at the 2016 Hearings and Visits a variety of issues, some of which were matters already identified by the Commission for review (i.e. confirming the Commission's Draft Work Plan objectives), with some other matters resulting in new items being added to the Commission's Work Plan.

The Commission deliberated on these matters, and modified its priorities accordingly. The Commission's *2018-19 Triennium Work Plan* and priorities now reflect those matters that the Commission intends to review over the current Triennium. Due to the number of issues raised, some matters are intended to be reviewed as part of the next triennium.

The Commission thanks councils for their participation in, and contributions towards, the Commission's finalisation of its 2018-19 Triennium Work Plan. The Commission looks forward to consulting with councils on the specific and various aspects of the Work Plan as it progressively considers each matter over the coming years.



### ***Other Issues raised by councils***

Several issues were also raised by councils that were not matters in scope for the Commission. The Commission however, did convey these issues to the Treasurer for his information. Issues raised were:

- the freeze on indexation of the funding pool and advance payments by the Australian Government;
- the Minimum Grant and Council Amalgamation National Principles; and
- shifting of costs onto councils by other levels of Government.

### ***Issues for Future Assessments***

In accordance with the 2018-19 Triennium Work Plan, the Commission currently intends to issue to councils, by December 2016, discussion papers on the following matters:

- Tourism Cost Adjustor, which will discuss future options for the Tourism Cost Adjustor in the Base Grant Model (BGM);
- Population Growth and Decline, which will review the current Population Cost Adjustor in the BGM and discuss issues associated with population growth as well as decline; and
- Aspects of the Road Preservation Model (RPM), which is expected to include a review of the RPM Cost Adjustors and the impact rainfall intensity/concentration, cross terrain issues such as retaining walls and landslips, and accessibility have on road network asset preservation costs.

These discussion papers are expected to form the basis for the 2017 Hearings and Visits discussion. In addition to the discussion paper topics, councils are always invited to raise other relevant issues with the Commission.

In preparation for matters to be considered in 2018, the Commission will also seek information from those councils that currently receive additional recognition by way of General Practice (GP) Allowances and Airport Allowances.

## 5 – CHANGES TO THE DISTRIBUTION MODELS

The Commission monitors council practices to ensure that its methods for distributing both base grants and road grants are contemporary and equitable across councils. The Commission also monitors developments in local council policies, with a view to ensuring that the Commission's modelling reflects standard council policies.

In this context, the Commission operates a triennial review policy whereby major methodological changes are incorporated into its assessments every three years, with data updates and minor methodological revisions incorporated each year. This policy is designed to balance the conflict between grant stability and the desirability of updating the Commission's modelling to best reflect horizontal fiscal equalisation principles and developments in council practices.

In making the 2016-17 recommendations, the Commission has only taken into account data updates. The Commission has not made any changes to its methodologies.

In arriving at the 2016-17 recommendations, the Commission has implemented the following data changes:

### ***Base Grant Model***

- The Commission has temporarily frozen the bed capacity statistics at the bed capacity statistics as at June 2015. The Commission has only updated the Day Tripper statistics for 2016 data for informing the Tourism Cost Adjustor. The weighting applied to the two variables informing the Tourism Cost Adjustor remains at 70 per cent Bed Capacity and 30 per cent Day Tripper data.

The change in tourism database system from Tourism's Tiger Tourism database to the National Online system has resulted in the cessation of the measure of bed capacity rates for Tasmanian accommodation establishments. This had been part of the dataset used by the Commission to inform its Tourism Cost Adjustor.

The Commission intends to issue a discussion paper on the future of the Tourism Cost Adjustor by December 2016 for discussion with councils as part of its 2017 Hearings and Visits process.

### ***Road Preservation Model***

- Asset preservation rates for roads, bridges and culverts have been indexed in accordance with March 2016 Building Economist Index Road Component unit rates.

The RPM incorporates both a preservation cost per kilometre per annum for each of its standard road profiles and a preservation cost per square metre per annum for its bridge and culvert type assets. These unit costs are used to determine the asset preservation needs of each council.

In line with the Commission's undertaking last year, during 2015-16 the Commission further reviewed its processes for updating the asset preservation costs of roads. The review extended to include a review of the method for indexing asset preservation costs of bridges and culverts.

During the year, the Commission engaged a Road Asset Engineer for advice regarding the maintenance of the Commission's road asset preservation cost, and information and indexation methodology advice for bridges and culverts in Tasmania. This involved the Engineer contacting several councils directly for data. The Commission thanks those councils and their staff who were involved in this process for their cooperation and assistance provided to the Engineer.

The Engineer recommended to the Commission that the average movement in the unit rates of the Australian Institute of Quantity Surveyors Building Cost Index (BCI) used for indexing asset preservation costs for roads be used to maintain currency for bridge and culvert costs in the 2016 RPM. The average BCI movement as at March 2016 was 3.22 per cent.

The Commission accepted the Engineer's advice. Accordingly, the bridge and culvert asset preservation costs used by the Commission for the 2016-17 FAG allocations were indexed by 3.22%.

The Engineer also recommended the Commission source data from councils on the annual maintenance expenditure, useful lives and gross replacement costs in total for bridge and culverts by type as part of the Tasmanian Consolidated Data Collection process. This information is proposed to ultimately derive an index factor based on a rolling three year average of expenditure by Tasmanian councils. The Commission is currently consulting with the Local Government Association of Tasmania on the feasibility of this proposal.

A summary of the road rates, by road type, that applied for the 2016-17 FAG allocations is provided below in Table 14.

**Table 14: Road Preservation Model: Comparison 2015 and 2016 road asset preservation costs per kilometre**

Road Type	2015 rates	2016 rates	Change
	\$	\$	%
Urban Sealed	19 031	19 418	2.03
Rural Sealed	7 947	8 248	3.79
Unsealed	6210	6 415	3.30

## 6 – APPROVED GRANT DISTRIBUTIONS FOR 2016-17

### ***Total entitlements (Base Grant + Road Grant)***

The 2016-17 FAG Estimate distributions by council are detailed in Table 15. The 2016-17 Data Tables which are used to inform the distributions, and information on the Commission Distribution Methodology, are both available from the State Grants Commission's website: [www.treasury.tas.gov.au/domino/df/df.nsf/v-stategrants/home](http://www.treasury.tas.gov.au/domino/df/df.nsf/v-stategrants/home).

Sixteen councils will receive total grant increases for 2016-17, while thirteen councils will experience total grant decreases. The largest increase in total grant is 3.5 per cent for Derwent Valley Council, while Burnie will experience the largest decrease, down 5.0 per cent.

### **Base Grant Estimated Entitlements**

For 2016-17 the Estimated Base Grant Entitlement is 0.8 per cent less than the finalised 2015-16 Entitlement.

Thirteen councils will receive base grant increases for 2016-17, while sixteen councils will receive base grant decreases. These movements are largely a reflection of the suspension of the indexation of the grant pool by the Australian Government, and the lagging effect that caps and collars have on grant outcomes following significant changes in either methodology or data.

The effect of the 2014-15 change in water and sewerage returns due to the shift to equity based distribution arrangements continues to be felt, although the effect is gradually dispersing across all relative need councils. The freeze in indexation is also exposing differences in underlying council relativities.

### **Road Grant Estimated Entitlements**

For 2016-17, the Estimated Road Grant Entitlement is essentially unchanged from the Finalised 2015-16 Entitlement, which reflects the suspension of the indexation of the grant pool by the Australian Government and the fixed share that Tasmania receives of the National Road Grant funding pool.

Fourteen councils will receive road grant increases for 2016-17 while fifteen councils will experience road grant decreases. The changes in road grant distribution primarily reflects changes in the underlying asset stock data due to either engineering audits, associated data improvements or corrections, asset transfers, and bridge replacement programs undertaken by some councils.

### ***Application of 'caps' and 'collars'***

To create some stability in annual base grant allocations to councils, the Commission has historically applied 'caps' and 'collars' within the base grant assessment. The 'cap' limits the year on year increase in base grant for any council while the 'collar' restricts the year on year reduction in base grant for any council. The Commission policy is to apply a 'collar' of no more than -10 per cent and a 'cap' of no more than +15 per cent.

The application of the 10 per cent 'collar' affected three councils for the 2016-17 FAG allocations. The most affected council was Glamorgan Spring Bay Council, which would have, were it not for the collar, experienced a 21.9 per cent year on year decline in its base grant. The 'collar' limited the decline to -10 per cent. The application of the 'cap' of 15 per cent did not affect any councils.

The RPM does not contain either 'caps' or 'collars' to moderate significant variances in grant outcomes.



### ***Approval of Recommendations***

The Commission's recommendations of financial assistance for councils for 2016-17 were conveyed to the Treasurer on 28 July 2016, and accepted by return letter on 2 August 2016. The recommendations were accepted by the Australian Government Minister for Local Government and Territories, Senator, the Honourable Fiona Nash, MP on 8 August 2016.

The Australian Government paid the first instalment of the allocations to the State Government and this was passed on to councils by the Department of Treasury and Finance on 15 August 2016.

### ***2016-17 Estimated Financial Assistance Grant allocations***

The 2016-17 FAG allocations for Tasmania have been approved for distribution amongst Tasmanian councils as detailed in Table 15.

**Table 15: 2016-17 Financial Assistance Grant Estimate allocations by council**

Council	Base Grant				Road Grant			Total Grant
	Per Capita (30%) \$	Relative Needs (70%) \$	Total Base Grant \$	Per Capita Total Base Grant \$	Roads \$	Bridges \$	Total Road Grant \$	\$
Break O'Day	128 728	1 103 819	1 232 547	190.53	1 284 311	162 066	1 446 377	<b>2 678 924</b>
Brighton	318 587	687 436	1 006 023	62.84	509 812	29 780	539 592	<b>1 545 615</b>
Burnie	395 736	722 579	1 118 315	56.23	1 072 230	33 342	1 105 572	<b>2 223 887</b>
Central Coast	445 763	1 572 804	2 018 567	90.11	1 726 932	95 521	1 822 453	<b>3 841 020</b>
Central Highlands	45 947	860 993	906 940	392.78	1 324 175	88 017	1 412 192	<b>2 319 132</b>
Circular Head	164 069	1 096 320	1 260 389	152.87	1 696 447	110 471	1 806 918	<b>3 067 307</b>
Clarence	1 087 972	0	1 087 972	19.90	1 418 725	20 853	1 439 578	<b>2 527 550</b>
Derwent Valley	199 510	1 039 385	1 238 895	123.57	734 199	87 704	821 903	<b>2 060 798</b>
Devonport	508 088	300 644	808 732	31.67	1 153 657	20 667	1 174 324	<b>1 983 056</b>
Dorset	141 384	1 531 176	1 672 560	235.41	1 662 205	127 863	1 790 068	<b>3 462 628</b>
Flinders	15 581	592 038	607 619	776.01	670 050	21 685	691 735	<b>1 299 354</b>
George Town	135 355	843 830	979 185	143.96	728 649	71 991	800 640	<b>1 779 825</b>
Glamorgan Spring Bay	89 407	255 860	345 267	76.85	832 538	42 874	875 412	<b>1 220 679</b>
Glenorchy	911 923	0	911 923	19.90	1 316 451	49 191	1 365 642	<b>2 277 565</b>
Hobart	1 009 171	0	1 009 171	19.90	1 453 213	100 193	1 553 406	<b>2 562 577</b>
Huon Valley	325 432	1 643 816	1 969 248	120.41	1 347 245	130 130	1 477 375	<b>3 446 623</b>
Kentish	128 967	1 346 052	1 475 019	227.59	1 017 571	90 734	1 108 305	<b>2 583 324</b>
King Island	31 381	704 770	736 151	466.80	929 588	17 048	946 636	<b>1 682 787</b>
Kingborough	713 050	0	713 050	19.90	1 273 731	51 864	1 325 595	<b>2 038 645</b>
Latrobe	217 658	515 413	733 071	67.02	680 731	37 136	717 867	<b>1 450 938</b>
Launceston	1 334 802	0	1 334 802	19.90	2 647 730	103 821	2 751 551	<b>4 086 353</b>
Meander Valley	391 737	1 694 636	2 086 373	105.98	1 854 813	177 013	2 031 826	<b>4 118 199</b>
Northern Midlands	253 696	889 805	1 143 501	89.69	2 039 831	164 342	2 204 173	<b>3 347 674</b>
Sorell	277 694	834 125	1 111 819	79.67	927 020	57 289	984 309	<b>2 096 128</b>
Southern Midlands	124 927	1 565 229	1 690 156	269.22	1 365 828	145 826	1 511 654	<b>3 201 810</b>
Tasman	47 858	402 685	450 543	187.34	447 669	26 053	473 722	<b>924 265</b>
Waratah-Wynyard	284 340	1 212 260	1 496 600	104.74	1 201 698	78 150	1 279 848	<b>2 776 448</b>
West Coast	89 208	1 156 909	1 246 117	277.96	574 460	54 002	628 462	<b>1 874 579</b>
West Tamar	461 702	1 413 322	1 875 024	80.81	1 138 385	50 946	1 189 331	<b>3 064 355</b>
<b>Total</b>	<b>10 279 673</b>	<b>23 985 906</b>	<b>34 265 579</b>	<b>66.33</b>	<b>35 029 894</b>	<b>2 246 572</b>	<b>37 276 466</b>	<b>71 542 045</b>

## 7 – HEAVY VEHICLE MOTOR TAX REVENUES

The *State Grants Commission Act 1976* requires the Commission to recommend the distribution amongst councils of State motor taxes collected on the registration of heavy vehicles. This function of the Commission is separate from its responsibility to recommend the distribution of Australian Government FAGs. The distribution of Heavy Vehicle Motor Tax Revenues (HVMTR) is not governed by the *Local Government (Financial Assistance) Act 1995*, and the funding is not a component of the FAG pool.

Since 1996-97, the State Government has allocated \$1.5 million per annum of heavy vehicle motor taxes for distribution to councils.

The Commission bases the distribution of the HVMTR on heavy vehicle road usage data from the Tasmanian Freight Survey (TFS) conducted by the Department of State Growth. The TFS provides a measure of *tonne-kilometres (T-K)*, which is the product of tonnage carried over local roads and the distance over which it is carried, identified by the largest freight demanders in Tasmania.

The Commission excludes Flinders and King Island Councils when calculating the distribution of the HVMTR funding to councils. This exclusion is in recognition of these councils' pre-existing entitlement under the provisions of the *Roads and Jetties Act 1935* to a full reimbursement from the State Government of all motor tax paid on vehicles registered within their boundaries. In light of this longstanding arrangement, the Commission considers it as inequitable for Flinders and King Island to also receive a share of the HVMTR pool.

As Kingborough Council also receives a refund of motor tax under the *Roads and Jetties Act* for vehicles registered on Bruny Island, the Commission also excludes the Bruny Island portion of the freight task for Kingborough Council when determining Kingborough Council's entitlement to the HVMTR funding.

At the time of writing, the Commission had not yet completed its recommendations for the distribution of the 2016-17 HVMTR funding pool, as it is awaiting the receipt of the 2014-15 TFS results. The 2016-17 HVMTR funding recommendations will be reported in next year's Annual Report.





# APPENDICES

## APPENDIX 1

### NATIONAL PRINCIPLES FOR DETERMINING THE DISTRIBUTION OF GRANT FUNDING

The national principles for the distribution of base grants (Section 9 of the 1995 Act) are:

#### ***National Principles – Base Grant Distribution***

##### **1. Horizontal Fiscal Equalisation**

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

##### **2. Effort Neutrality**

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

##### **3. Minimum Grant**

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

##### **4. Other Grant Support**

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

##### **5. Aboriginal Peoples and Torres Strait Islanders**

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

##### **6. Council Amalgamation**

Where two or more local governing bodies are amalgamated into a single body, the general-purpose grant provided to the new body for each of the four years following amalgamation should be the total of the amounts that would have been provided to the former bodies in each of those years if they had remained separate entities.

The national principle governing the distribution of road grants (Section 12 of the 1995 Act) is:

***National principle - Road Grant Distribution***

**Identified Road Component**

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

The Commission has also developed its own set of State Principles, which are detailed in the Distribution Methodology Paper and available on the Commission's website.

## APPENDIX 2

### TOTAL FINAL GRANTS PROVIDED IN 2015-16

Council	Base Grant				Road Grant				Total Grant 2015-16 \$
	Per Capita (30%) \$	Relative Needs (70%) \$	Total Base Grant \$	Base Grant Adjust- ment \$	Roads \$	Bridges \$	Total Road Grant \$	Road Grant Adjust- ment \$	
Break O'Day	130 173	1 058 199	1 188 372	+ 435	1 292 013	155 544	1 447 557	+ 0	2 636 364
Brighton	318 467	696 930	1 015 397	+ 401	493 311	29 418	522 729	+ 0	1 538 527
Burnie	400 484	822 349	1 222 833	+ 0	1 084 684	33 387	1 118 071	+ 0	2 340 904
Central Coast	451 176	1 593 189	2 044 365	+ 780	1 725 319	97 738	1 823 057	+ 0	3 868 202
Central Highlands	46 605	879 815	926 420	+ 332	1 309 515	87 995	1 397 510	+ 0	2 324 262
Circular Head	167 115	1 087 014	1 254 129	+ 464	1 685 548	112 874	1 798 422	+ 0	3 053 015
Clarence	1 087 929	0	1 087 929	+ 324	1 401 415	20 845	1 422 260	+ 0	2 510 513
Derwent Valley	201 259	972 119	1 173 378	+ 440	729 738	87 681	817 419	+ 0	1 991 237
Devonport	514 290	259 296	773 586	+ 341	1 161 915	20 545	1 182 460	+ 0	1 956 387
Dorset	143 500	1 579 142	1 722 642	+ 625	1 661 068	143 171	1 804 239	+ 0	3 527 506
Flinders	15 683	601 988	617 671	+ 219	669 314	21 677	690 991	+ 0	1 308 881
George Town	137 280	833 982	971 262	+ 359	722 801	71 972	794 773	+ 0	1 766 394
Glamorgan Spring Bay	90 433	293 197	383 630	+ 0	835 650	44 603	880 253	+ 0	1 263 883
Glenorchy	918 458	0	918 458	+ 274	1 329 216	38 101	1 367 317	+ 0	2 286 049
Hobart	1 019 782	0	1 019 782	+ 304	1 513 991	100 168	1 614 159	+ 0	2 634 245
Huon Valley	327 607	1 615 808	1 943 415	+ 727	1 352 350	132 016	1 484 366	+ 0	3 428 508
Kentish	130 475	1 330 986	1 461 461	+ 531	1 019 359	90 712	1 110 071	+ 0	2 572 063
King Island	32 412	687 815	720 227	+ 259	905 633	17 045	922 678	+ 0	1 643 164
Kingborough	713 032	0	713 032	+ 213	1 269 610	51 849	1 321 459	+ 0	2 034 704
Latrobe	218 512	485 599	704 111	+ 277	693 875	39 893	733 768	+ 0	1 438 156
Launceston	1 351 134	0	1 351 134	+ 402	2 672 922	103 789	2 776 711	+ 0	4 128 247
Meander Valley	394 082	1 704 238	2 098 320	+ 791	1 853 427	176 970	2 030 397	+ 0	4 129 508
Northern Midlands	257 185	1 013 372	1 270 557	+ 0	2 038 953	155 962	2 194 915	+ 0	3 465 472
Sorell	277 398	957 956	1 235 354	+ 0	870 936	57 273	928 209	+ 0	2 163 563
Southern Midlands	125 523	1 618 804	1 744 327	+ 630	1 365 296	155 133	1 520 429	+ 0	3 265 386
Tasman	48 276	380 437	428 713	+ 158	449 243	26 556	475 799	+ 0	904 670
Waratah-Wynyard	287 967	1 207 163	1 495 130	+ 564	1 200 770	75 559	1 276 329	+ 0	2 772 023
West Coast	91 137	1 128 702	1 219 839	+ 440	578 356	54 881	633 237	+ 0	1 853 516
West Tamar	465 772	1 372 575	1 838 347	+ 0	1 134 281	50 930	1 185 211	+ 0	3 023 558
<b>Total</b>	<b>10 363 146</b>	<b>24 180 675</b>	<b>34 543 821</b>	<b>+ 10 290</b>	<b>35 020 509</b>	<b>2 254 287</b>	<b>37 274 796</b>	<b>+ 0</b>	<b>71 828 907</b>

\* The final grant entitlement for 2015-16 was \$71 828 907 based on an accrual calculation using actual population figures for the year, whereas the entitlement was estimated to be \$71 818 617. Consequently, the amounts shown in the adjustment columns should be added to the 2015-16 estimates to reflect 'actual' final grant entitlements. The total underpayment of \$10 290 is to be added to the regular quarterly instalments over the 2016-17 financial year as specified in the Commonwealth Local Government (Financial Assistance) Act 1995.

## APPENDIX 3

### COMPARISON OF 2016-17 RECOMMENDATIONS TO 2015-16 FINAL GRANT OUTCOMES

Council	Recom- mended Base Grant 2016-17 \$	Change from 2015-16 Base Grant \$	Change from 2015-16 Base Grant	Recom- mended Road Grant 2016-17 \$	Change from 2015-16 Road Grant \$	Change from 2015-16 Road Grant	Recom- mended Total Grant 2016-17 \$	Change from 2015-16 Total Grant \$	Change from 2015-16 Total Grant
Break O'Day	1 232 547	+ 43 740	+3.7%	1 446 377	- 1 180	-0.1%	2 678 924	+ 42 560	+1.6%
Brighton	1 006 023	- 9 775	-1.0%	539 592	+ 16 863	+3.2%	1 545 615	+ 7 088	+0.5%
Burnie	1 118 315	- 104 518	-8.5%	1 105 572	- 12 499	-1.1%	2 223 887	- 117 017	-5.0%
Central Coast	2 018 567	- 26 578	-1.3%	1 822 453	- 604	-0.0%	3 841 020	- 27 182	-0.7%
Central Highlands	906 940	- 19 812	-2.1%	1 412 192	+ 14 682	+1.1%	2 319 132	- 5 130	-0.2%
Circular Head	1 260 389	+ 5 796	+0.5%	1 806 918	+ 8 496	+0.5%	3 067 307	+ 14 292	+0.5%
Clarence	1 087 972	- 281	-0.0%	1 439 578	+ 17 318	+1.2%	2 527 550	+ 17 037	+0.7%
Derwent Valley	1 238 895	+ 65 077	+5.5%	821 903	+ 4 484	+0.5%	2 060 798	+ 69 561	+3.5%
Devonport	808 732	+ 34 805	+4.5%	1 174 324	- 8 136	-0.7%	1 983 056	+ 26 669	+1.4%
Dorset	1 672 560	- 50 707	-2.9%	1 790 068	- 14 171	-0.8%	3 462 628	- 64 878	-1.8%
Flinders	607 619	- 10 271	-1.7%	691 735	+ 744	+0.1%	1 299 354	- 9 527	-0.7%
George Town	979 185	+ 7 564	+0.8%	800 640	+ 5 867	+0.7%	1 779 825	+ 13 431	+0.8%
Glamorgan Spring Bay	345 267	- 38 363	-10.0%	875 412	- 4 841	-0.5%	1 220 679	- 43 204	-3.4%
Glenorchy	911 923	- 6 809	-0.7%	1 365 642	- 1 675	-0.1%	2 277 565	- 8 484	-0.4%
Hobart	1 009 171	- 10 915	-1.1%	1 553 406	- 60 753	-3.8%	2 562 577	- 71 668	-2.7%
Huon Valley	1 969 248	+ 25 106	+1.3%	1 477 375	- 6 991	-0.5%	3 446 623	+ 18 115	+0.5%
Kentish	1 475 019	+ 13 027	+0.9%	1 108 305	- 1 766	-0.2%	2 583 324	+ 11 261	+0.4%
King Island	736 151	+ 15 665	+2.2%	946 636	+ 23 958	+2.6%	1 682 787	+ 39 623	+2.4%
Kingborough	713 050	- 195	-0.0%	1 325 595	+ 4 136	+0.3%	2 038 645	+ 3 941	+0.2%
Latrobe	733 071	+ 28 683	+4.1%	717 867	- 15 901	-2.2%	1 450 938	+ 12 782	+0.9%
Launceston	1 334 802	- 16 734	-1.2%	2 751 551	- 25 160	-0.9%	4 086 353	- 41 894	-1.0%
Meander Valley	2 086 373	- 12 738	-0.6%	2 031 826	+ 1 429	+0.1%	4 118 199	- 11 309	-0.3%
Northern Midlands	1 143 501	- 127 056	-10.0%	2 204 173	+ 9 258	+0.4%	3 347 674	- 117 798	-3.4%
Sorell	1 111 819	- 123 535	-10.0%	984 309	+ 56 100	+6.0%	2 096 128	- 67 435	-3.1%
Southern Midlands	1 690 156	- 54 801	-3.1%	1 511 654	- 8 775	-0.6%	3 201 810	- 63 576	-1.9%
Tasman	450 543	+ 21 672	+5.1%	473 722	- 2 077	-0.4%	924 265	+ 19 595	+2.2%
Waratah-Wynyard	1 496 600	+ 906	+0.1%	1 279 848	+ 3 519	+0.3%	2 776 448	+ 4 425	+0.2%
West Coast	1 246 117	+ 25 838	+2.1%	628 462	- 4 775	-0.8%	1 874 579	+ 21 063	+1.1%
West Tamar	1 875 024	+ 36 677	+2.0%	1 189 331	+ 4 120	+0.3%	3 064 355	+ 40 797	+1.3%
<b>Total</b>	<b>34 265 579</b>	<b>- 288 532</b>	<b>-0.8%</b>	<b>37 276 466</b>	<b>+ 1 670</b>	<b>+0.0%</b>	<b>71 542 045</b>	<b>- 286 862</b>	<b>-0.4%</b>

## APPENDIX 4

### 2016-17 FINANCIAL ASSISTANCE GRANT ENTITLEMENTS, ADJUSTMENT AND CASH PAYMENTS

Council	Recommended Entitlements 2016-17			Population Adjustment 2015-16			Cash Payments 2016-17		
	Base Grant \$	Road Grant \$	Total Grant \$	Base Grant \$	Road Grant \$	Total Grant \$	Base Grant \$	Road Grant \$	Total Grant \$
Break O'Day	1 232 547	1 446 377	<b>2 678 924</b>	+ 435	+ 0	<b>+ 435</b>	1 232 982	1 446 377	<b>2 679 359</b>
Brighton	1 006 023	539 592	<b>1 545 615</b>	+ 401	+ 0	<b>+ 401</b>	1 006 424	539 592	<b>1 546 016</b>
Burnie	1 118 315	1 105 572	<b>2 223 887</b>	+ 0	+ 0	<b>+ 0</b>	1 118 315	1 105 572	<b>2 223 887</b>
Central Coast	2 018 567	1 822 453	<b>3 841 020</b>	+ 780	+ 0	<b>+ 780</b>	2 019 347	1 822 453	<b>3 841 800</b>
Central Highlands	906 940	1 412 192	<b>2 319 132</b>	+ 332	+ 0	<b>+ 332</b>	907 272	1 412 192	<b>2 319 464</b>
Circular Head	1 260 389	1 806 918	<b>3 067 307</b>	+ 464	+ 0	<b>+ 464</b>	1 260 853	1 806 918	<b>3 067 771</b>
Clarence	1 087 972	1 439 578	<b>2 527 550</b>	+ 324	+ 0	<b>+ 324</b>	1 088 296	1 439 578	<b>2 527 874</b>
Derwent Valley	1 238 895	821 903	<b>2 060 798</b>	+ 440	+ 0	<b>+ 440</b>	1 239 335	821 903	<b>2 061 238</b>
Devonport	808 732	1 174 324	<b>1 983 056</b>	+ 341	+ 0	<b>+ 341</b>	809 073	1 174 324	<b>1 983 397</b>
Dorset	1 672 560	1 790 068	<b>3 462 628</b>	+ 625	+ 0	<b>+ 625</b>	1 673 185	1 790 068	<b>3 463 253</b>
Flinders	607 619	691 735	<b>1 299 354</b>	+ 219	+ 0	<b>+ 219</b>	607 838	691 735	<b>1 299 573</b>
George Town	979 185	800 640	<b>1 779 825</b>	+ 359	+ 0	<b>+ 359</b>	979 544	800 640	<b>1 780 184</b>
Glamorgan Spring Bay	345 267	875 412	<b>1 220 679</b>	+ 0	+ 0	<b>+ 0</b>	345 267	875 412	<b>1 220 679</b>
Glenorchy	911 923	1 365 642	<b>2 277 565</b>	+ 274	+ 0	<b>+ 274</b>	912 197	1 365 642	<b>2 277 839</b>
Hobart	1 009 171	1 553 406	<b>2 562 577</b>	+ 304	+ 0	<b>+ 304</b>	1 009 475	1 553 406	<b>2 562 881</b>
Huon Valley	1 969 248	1 477 375	<b>3 446 623</b>	+ 727	+ 0	<b>+ 727</b>	1 969 975	1 477 375	<b>3 447 350</b>
Kentish	1 475 019	1 108 305	<b>2 583 324</b>	+ 531	+ 0	<b>+ 531</b>	1 475 550	1 108 305	<b>2 583 855</b>
King Island	736 151	946 636	<b>1 682 787</b>	+ 259	+ 0	<b>+ 259</b>	736 410	946 636	<b>1 683 046</b>
Kingborough	713 050	1 325 595	<b>2 038 645</b>	+ 213	+ 0	<b>+ 213</b>	713 263	1 325 595	<b>2 038 858</b>
Latrobe	733 071	717 867	<b>1 450 938</b>	+ 277	+ 0	<b>+ 277</b>	733 348	717 867	<b>1 451 215</b>
Launceston	1 334 802	2 751 551	<b>4 086 353</b>	+ 402	+ 0	<b>+ 402</b>	1 335 204	2 751 551	<b>4 086 755</b>
Meander Valley	2 086 373	2 031 826	<b>4 118 199</b>	+ 791	+ 0	<b>+ 791</b>	2 087 164	2 031 826	<b>4 118 990</b>
Northern Midlands	1 143 501	2 204 173	<b>3 347 674</b>	+ 0	+ 0	<b>+ 0</b>	1 143 501	2 204 173	<b>3 347 674</b>
Sorell	1 111 819	984 309	<b>2 096 128</b>	+ 0	+ 0	<b>+ 0</b>	1 111 819	984 309	<b>2 096 128</b>
Southern Midlands	1 690 156	1 511 654	<b>3 201 810</b>	+ 630	+ 0	<b>+ 630</b>	1 690 786	1 511 654	<b>3 202 440</b>
Tasman	450 543	473 722	<b>924 265</b>	+ 158	+ 0	<b>+ 158</b>	450 701	473 722	<b>924 423</b>
Waratah-Wynyard	1 496 600	1 279 848	<b>2 776 448</b>	+ 564	+ 0	<b>+ 564</b>	1 497 164	1 279 848	<b>2 777 012</b>
West Coast	1 246 117	628 462	<b>1 874 579</b>	+ 440	+ 0	<b>+ 440</b>	1 246 557	628 462	<b>1 875 019</b>
West Tamar	1 875 024	1 189 331	<b>3 064 355</b>	+ 0	+ 0	<b>+ 0</b>	1 875 024	1 189 331	<b>3 064 355</b>
<b>Total</b>	<b>34 265 579</b>	<b>37 276 466</b>	<b>71 542 045</b>	<b>+ 10 290</b>	<b>+ 0</b>	<b>+ 10 290</b>	<b>34 275 869</b>	<b>37 276 466</b>	<b>71 552 335</b>

## APPENDIX 5

### BASE GRANT, ROAD GRANT AND TOTAL POOL SHARES

Council	Shares of Base Grant			Shares of Road Grant			Shares of Total FAGs		
	14-15 %	15-16 %	16-17 %	14-15 %	15-16 %	16-17 %	14-15 %	15-16 %	16-17 %
Break O'Day	3.4	3.4	3.6	3.9	3.9	3.9	3.6	3.7	3.7
Brighton	3.1	2.9	2.9	1.4	1.4	1.4	2.2	2.1	2.2
Burnie	3.9	3.5	3.3	3.1	3.0	3.0	3.5	3.3	3.1
Central Coast	6.0	5.9	5.9	5.0	4.9	4.9	5.5	5.4	5.4
Central Highlands	2.8	2.7	2.6	3.5	3.7	3.8	3.1	3.2	3.2
Circular Head	3.4	3.6	3.7	4.8	4.8	4.8	4.1	4.3	4.3
Clarence	3.1	3.1	3.2	4.2	3.8	3.9	3.7	3.5	3.5
Derwent Valley	3.3	3.4	3.6	2.1	2.2	2.2	2.7	2.8	2.9
Devonport	2.1	2.2	2.4	3.3	3.2	3.2	2.7	2.7	2.8
Dorset	5.0	5.0	4.9	4.7	4.8	4.8	4.8	4.9	4.8
Flinders	1.9	1.8	1.8	1.7	1.9	1.9	1.8	1.8	1.8
George Town	2.8	2.8	2.9	2.2	2.1	2.1	2.5	2.5	2.5
Glamorgan Spring Bay	1.2	1.1	1.0	2.3	2.4	2.3	1.8	1.8	1.7
Glenorchy	2.7	2.7	2.7	3.8	3.7	3.7	3.2	3.2	3.2
Hobart	3.0	3.0	2.9	4.5	4.3	4.2	3.8	3.7	3.6
Huon Valley	5.0	5.6	5.7	3.8	4.0	4.0	4.4	4.8	4.8
Kentish	4.2	4.2	4.3	3.0	3.0	3.0	3.6	3.6	3.6
King Island	2.1	2.1	2.1	2.3	2.5	2.5	2.2	2.3	2.4
Kingborough	2.1	2.1	2.1	3.5	3.5	3.6	2.8	2.8	2.8
Latrobe	2.0	2.0	2.1	1.9	2.0	1.9	2.0	2.0	2.0
Launceston	3.9	3.9	3.9	7.6	7.4	7.4	5.8	5.7	5.7
Meander Valley	6.1	6.1	6.1	5.7	5.4	5.5	5.9	5.7	5.8
Northern Midlands	4.0	3.7	3.3	5.9	5.9	5.9	5.0	4.8	4.7
Sorell	3.9	3.6	3.2	2.5	2.5	2.6	3.2	3.0	2.9
Southern Midlands	5.1	5.0	4.9	3.9	4.1	4.1	4.5	4.5	4.5
Tasman	1.3	1.2	1.3	1.2	1.3	1.3	1.3	1.3	1.3
Waratah-Wynyard	4.5	4.3	4.4	3.4	3.4	3.4	4.0	3.9	3.9
West Coast	3.5	3.5	3.6	1.7	1.7	1.7	2.6	2.6	2.6
West Tamar	4.5	5.3	5.5	3.2	3.2	3.2	3.9	4.2	4.3

