

Annual Report 2013

Queensland Local Government Grants Commission



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**Queensland Local
Government Grants Commission**

24 January 2014

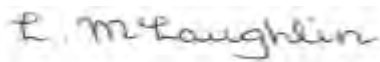
The Honourable David Crisafulli MP
Minister for Local Government, Community Recovery and Resilience
Level 18 Mineral House
41 George Street
Brisbane QLD 4000

Dear Minister

On 23 August 2013 the (then) Commonwealth Minister for Regional Australia, Local Government and Territories, Catherine King MP, approved the allocation of the 2013-14 Financial Assistance Grant, as put forward by the Queensland Local Government Grants Commission.

The Report contains details of the distribution methodology for the Grant and the outcomes for Queensland's 73 local governments. Additionally, it details other Commission activities over the previous year, including the Commission's council visitation program.

Yours sincerely



Lynette McLaughlin
Chairperson

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Highlights

The Queensland Local Government Grants Commission Report for 2012-13 provides a summary of the commission's activities for the year, particularly the allocation of the 2013-14 Financial Assistance Grant. The following are some of the highlights of the year.

Financial Assistance Grants Allocation 2013-14

The commission determined the allocations for the total cash grant for the financial year 2013-14 totalling \$446.4 million. A pre-payment for 2013-14 was also made (see 'Forward payment' below). Financial Assistance Grant funds are paid as untied grants under the provisions of the *Local Government (Financial Assistance) Act 1995* (Commonwealth).

Forward Payment

The Australian Government made an early payment of approximately half of the 2013-14 Financial Assistance Grant in the 2012-13 financial year. This payment totalled \$223.9 million for Queensland.

Road audits

The road data audit program continued for its fourth year, completing ten road audits in 2012-13. The program continues to provide improvements to the quality of data used to calculate both components of the Financial Assistance Grant.

Number of commission meetings

As the Commission was appointed in November, they had four formal meetings, in addition to the 10 councils visited in the 2012/13 financial year.

Calculation

Again, the amalgamation principle for councils amalgamated in the 2007-08 reform process was no longer applied and no other changes were made to the methodology.

1 The commission

1.1 Role of the commission

The Queensland Local Government Grants Commission (the commission) is an independent statutory body that:

- makes recommendations for the distribution of Australian Government financial assistance to local governing bodies
- undertakes a data collection process to determine an average level of revenue and expenditure for each council which informs annual Financial Assistance Grant recommendations
- makes recommendations on other matters relating to the finances of local governing bodies
- holds inquiries and investigates matters relating to council finances and financial assistance.

1.2 The legislation

The commission was established in 1977 following the enactment of the *Local Government Grants Commission Act 1976* (Queensland). The commission in Queensland now operates under the *Local Government Act 2009*. Appendix 2 provides a history of the commission and the Financial Assistance Grant in Queensland.

The commission makes recommendations to the Queensland minister responsible for local government on the distribution of the Commonwealth's Financial Assistance Grant to local governments. These recommendations are based on the requirements of the *Local Government (Financial Assistance) Act 1995* (Commonwealth) and the national principles prescribed under that Act by the Australian Government minister.

The commission's statutory powers come under the *Local Government Act 2009* and the Local Government Regulation 2012. The commission:

- is a body that is created under this Act to perform the responsibilities of a local government grants commission under the *Local Government (Financial Assistance) Act 1995* (Commonwealth)
- and the Queensland Minister must comply with the *Local Government (Financial Assistance) Act 1995* (Commonwealth).

1.3 Commission members

The *Local Government Act 2009* requires that the commission is made up of the following members:

- Chair
- Deputy Chair
- four other members.

The *Local Government Act 2009* also requires that:

- the Deputy Chair is to be an officer of the department
- at least one member has knowledge of local government in relation to the local government areas of Indigenous regional councils and other Indigenous local governments
- the other members have knowledge of local government.

The Governor in Council appoints members of the commission for a period of up to three years. The appointment of the chair and members for this commission commenced on 1 November 2012. The members of the commission during 2012-13 were:

Chair

Ms Lynette McLaughlin

Former Mayor, Burdekin Shire Council

Ms McLaughlin was Mayor from 2004 to 2012 and Councillor from 1994 to 2000. Ms McLaughlin is a Board Member of Townsville Hospital and Health Service and a Board Member of Queensland Reconstruction Authority. Ms McLaughlin is currently Deputy Chairman of Regional Development Australia for Townsville and North West Queensland, and a member of the North Queensland Sports Foundation. In her role as Mayor, Ms McLaughlin chaired and was a member of numerous regional and district committees. Ms McLaughlin commenced her first term appointment to the commission in 2010.

Deputy Chair

Mr Stephen Johnston

Deputy Director-General, Department of Local Government, Community Recovery and Resilience.

Mr Johnston has extensive local government experience in New South Wales and Queensland, including Chief Executive Officer of Isis Shire Council. He was the National Chief Executive Officer of the Planning Institute of Australia from 2009 to 2010.

He has a Bachelor of Business degree (with a major in Local Government), a Graduate Diploma in Local Government, an MBA and a Master of Local Government and Environmental Law.

Members

Ms Joy Leishman

Former Mayor, Caboolture Shire Council

Mrs Leishman was Mayor from 2000 to 2008 and Councillor from 1985 to 1991.

She is a Co-Founder and Director of an Australian based manufacturing company and has extensive experience on government and community boards and committees.

Mr John Rauber

Former Chief Executive Officer, Moreton Bay Regional Council

Mr Rauber was Chief Executive Officer from 2008 to 2012 and previously held Director and Senior Managerial positions with the former Pine Rivers Shire Council in a local government career spanning almost 40 years. As well, he has experience in the private sector, has tertiary qualifications in Construction Management and a Diploma from the Australian Institute of Company Directors

Mr Kevin Wormald

Former Chief Executive Officer, Wujal Wujal Aboriginal Shire Council

Mr Wormald was Chief Executive Officer from 2009 to 2012 and also for Gladstone City Council from 1993 to 2004. From 2004 to 2009 he held various leadership positions in Queensland councils and his service to the sector spans over 50 years. He is a Fellow of the Local Government Managers Australia.

Mr Brendan McNamara

Former Mayor, Flinders Shire Council

Mr McNamara was Mayor from 1997 to 2012 and Councillor from 1991 to 1997. He is a former Director and Treasurer of the Local Government Association of Queensland and was the Vice President of the North Queensland Local Government Association. He has also served on state government advisory committees. In partnership with his wife, he operates a 14,000ha sheep and cattle property 87 kms south of Hughenden. In an earlier career Brendan qualified and worked as an accountant in Townsville.

Note that the following former Commission members served between 1 July 2013 until 30 October 2013: Kelvin Spiller, Mark O'Brien, Carl Wulff and Stuart Duncan.

Remuneration of commission members

Remuneration of members is paid according to the Queensland Government Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities. For the 2012–13 financial year, reimbursement of daily meeting and special assignment fees, approved by the Governor in Council to the Chair, Ms Lynette McLaughlin, and members Mr John Rauber, Mr Brendan McNamara, Mr Kevin Wormald, Ms Joy Leishman and previous members Kelvin Spiller and Mark O'Brien is below.

| Remuneration of Commission members | 2012-13 |
|------------------------------------|------------|
| Lyn McLaughlin | \$5,283.00 |
| John Rauber | \$2,147.00 |
| Brendan McNamara | \$2,147.00 |
| Kevin Wormald | \$1,949.00 |
| Joy Leishman | \$2,147.00 |
| Kelvin Spiller | \$291.00 |
| Mark O'Brien | \$239.00 |

Commission support staff

A number of staff from the Department of Local Government supported the commission during the year.

Executive Officers of the commission were: Paul Carlson and Bill Gilmore.
Officers were: Michael Meehan, Peter Fletcher, Selina Schmidt and Kate McMahan.

All funds allocated by the Australian Government are distributed to councils. The commission's operating costs are met by the Queensland Government. These costs include member session fees, accommodation, travel and consultancies.

1.4 Acknowledgements

The commission wishes to acknowledge and express its gratitude for assistance received from:

- Department of Local Government, Community Recovery and Resilience
- (the former) Commonwealth Department of Regional Australia, Local Government, Arts and Sport
- Australian Bureau of Statistics
- Department of Transport and Main Roads
- Department of Environment and Heritage Protection
- Local Government Association of Queensland
- Government Statistician (Queensland Treasury and Trade).

The commission also expresses its appreciation to elected representatives and staff of all Queensland local governments for their assistance and cooperation during the year.

1.5 National conference

Because of the change of Government in 2012, no representatives of the commission attended the Annual National Conference of Grants Commissions hosted by the Western Australia Grants Commission in October 2012.

2 The 2012-13 year in review

Road audits

The road data audit program continued for its fourth year with ten road audits being completed:

| | | |
|----------------------------|-----------------------------|-----------------------------------|
| Aurukun Shire Council | Barcaldine Regional Council | Blackall-Tambo Regional Council |
| Boulia Shire Council | Bullo Shire Council | Cloncurry Shire Council |
| Croydon Shire Council | Maranoa Regional Council | Napranum Aboriginal Shire Council |
| Toowoomba Regional Council | | |

The audits are to verify road data submitted to the department by councils annually against recorded evidence. The majority of the audits resulted in adjustments to the road data—confirming that the audit program is a valuable process in the allocation of a finite amount of funds. The discrepancies are usually due to weaknesses in the data management processes conducted by council or the incorrect classification of road data as per the definitions supplied in the annual Consolidated Data Collection (see 'Data Collection' on page 9).

Council visits

In the 2012-13 year, the commission visited the following councils:

| | | |
|----------------------------------|--------------------------------------|---------------------------------|
| Hinchinbrook Shire Council | Palm Island Aboriginal Shire Council | Townsville City Council |
| Burdekin Shire Council | Somerset Regional Council | Lockyer Valley Regional Council |
| Southern Downs Regional Council | Goondiwindi Regional Council | Mount Isa City Council |
| McKinlay Shire Council | Richmond Shire Council | Flinders Shire Council |
| Charters Towers Regional Council | | |

Council visits provide an opportunity to explain the role of the commission, the methodology process, and the rationale of the independent road audit program. The continuation of this program will provide elected representatives and council executive staff with the opportunity to provide direct feedback to the commission and communicate issues for their communities. These visits are a vital aspect of the role of the commission.

2.1 Grant allocation principles and processes

National principles

The framework for calculating the Financial Assistance Grant is established by the Australian Government's national principles. The commission's methodology for allocating the Financial Assistance Grant is required to comply with these principles.

General Purpose Grant

The first three national principles in particular shape the methodology for calculating the General Purpose Grant. As with the Identified Road Grant, the General Purpose Grant is untied and may be used for any legitimate council activity. The national principles relating to the allocation of General Purpose Grant, payable under section 9 of the *Local Government (Financial Assistance) Act 1995* (Commonwealth) (the Act) among local governing bodies are:

Horizontal fiscal equalisation

The General Purpose Grant will be allocated to local governing bodies, as far as practicable, on a horizontal fiscal 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. Horizontal fiscal equalisation takes into account the differences in the expenditure required by local governing bodies in the performance of their functions and in the capacity of local governing bodies to raise revenue.

Horizontal fiscal equalisation effectively establishes the purpose of the Financial Assistance Grant. To meet this principle, the General Purpose Grant methodology accounts for differences in the expenditure councils incur in providing services and their revenue-raising capacity. The commission calculates state averages for revenue and expenditure categories and applies these averages—with cost adjustors (applied to expenditure categories only)—to each council.

Effort neutrality

An effort (or policy) neutral approach is used in assessing expenditure requirements and revenue-raising capacity of each local governing body. This means that as far as practicable the policies of individual local governing bodies, in terms of expenditure and revenue effort, will not affect the General Purpose Grant determination.

For instance, whether a council chooses to fund three libraries or none, or provide subsidies to key industry sectors, does not affect the outcome for the individual council. Actual revenues and expenditures are used to calculate state averages only, not individual council allocations. Infrastructure or service backlog is also not considered in determining the General Purpose Grant.

The principle of effort neutrality allows the commission to consider factors outside of a council's control which may affect its revenue-raising capacity or expenditure need—for example geographical location. Importantly, effort neutrality ensures that councils cannot, through policy decisions, affect their General Purpose Grant outcomes.

Minimum grant

The minimum General Purpose Grant allocation is 30 per cent of the available funding, which is allocated on a per capita basis.

Minimum grant determination is calculated by taking 30 per cent of the total General Purpose Grant pool and distributing this on a per capita basis for each council in the state. Councils only receive the minimum grant when assessed as having a high capacity to raise revenue. For 2013-14 grant allocation, the following councils only received the minimum grant:

- Brisbane City Council
- Cairns Regional Council
- Gold Coast City Council
- Ipswich City Council
- Logan City Council
- Moreton Bay Regional Council
- Redland City Council
- Sunshine Coast Regional Council.

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.

Aboriginal people and Torres Strait Islanders

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

Council amalgamation

The amalgamation principle has now expired after a four year moratorium and amalgamated councils may now receive a General Purpose Grant outcome that is less than its consolidated pre-amalgamation level (2007-08). The outcome of this is that amalgamated councils may receive a decrease in General Purpose Grant if the methodology indicates that outcome.

Identified Road Grant

The national principle relating to the allocation of the amounts payable under section 12 of the Act—the identified road component of the Financial Assistance Grant—among local governing bodies is as follows:

The identified road grant 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 roads needs, relevant considerations include length, type and usage of roads in each local governing area.

Grant processes

The following should be noted with regard to the annual Financial Assistance Grant allocation:

- **Data collection**

The commission uses data collected directly from councils as well as other sources, such as the Australian Bureau of Statistics and a variety of Queensland Government agencies. Base data used in the allocation methodology is listed by council in Appendix 3.

Some specific data items used in the methodology are sourced directly from local governments through the Consolidated Data Collection which is due annually near the end of November. This data is also used by the Department of Local Government, Community Recovery and Resilience for the *Queensland Local Government Comparative Information* publication and the Australian Bureau of Statistics for the national accounts.

- **Variability of Financial Assistance Grant outcomes**

As the methodology for making the recommendation uses averages which are based on annual data, these averages will change from year to year. Additionally, data such as population and property valuations will vary annually for each council. For this reason, Financial Assistance Grant outcomes are not fixed and will change each year.

2.2 Grant funding 2013-14

For 2013-14, Queensland's cash Financial Assistance Grant allocation is:

- \$315,787,829 for the General Purpose Grant
- \$130,594,867 for the Identified Road Grant.

Therefore, Queensland's total cash Financial Assistance Grant funding allocation for 2013-14 is \$446,382,696. Both components of the Financial Assistance Grant provide untied funding to Queensland local governing bodies. Proportionate allocations for all states and territories are detailed in Diagram 1.

The above figures include the Australian Government cash adjustment which considers newly available consumer price index (CPI) and population data annually, with respect to the grant from the previous year. The cash adjustments for the 2012-13 grant, as applied to the 2013-14 grant, are -\$1,567,603 and -\$467,326 for the General Purpose Grant and Identified Road Grant respectively.

Diagram 1—National distribution of the 2013-14 total cash grant pool (General Purpose Grant and Identified Road Grant)

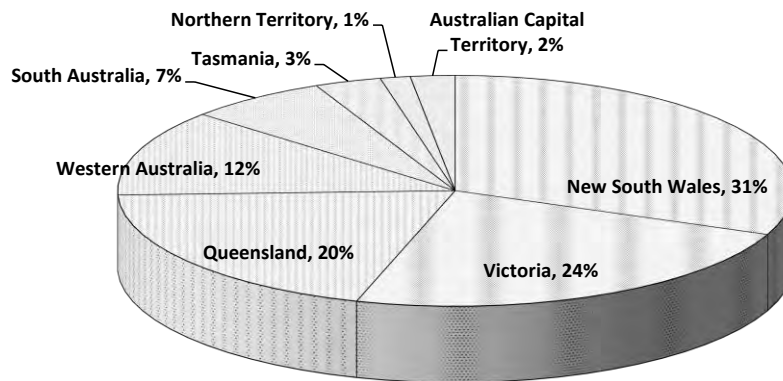
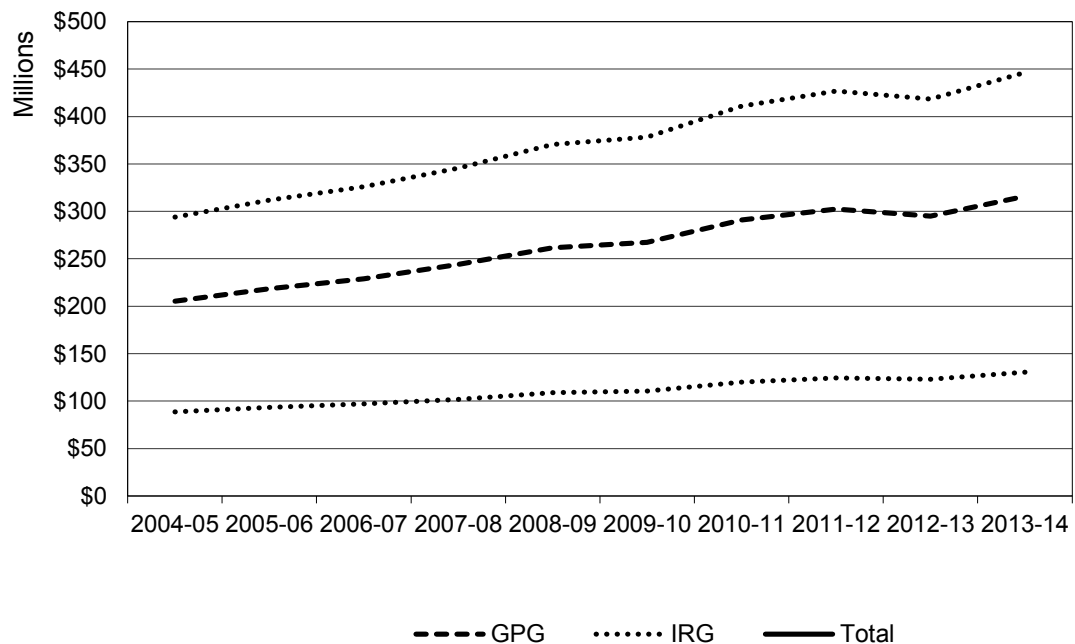


Diagram 2—Queensland’s historical Financial Assistance Grant allocation (General Purpose Grant and Identified Road Grant)



2.3 General Purpose Grant methodology

The 2013-14 year was the third year the revised methodology was used and consideration given to:

- the potential to increase financial capacity of amalgamated councils
- the limited revenue raising opportunity of rural and remote councils, including Indigenous local governments
- councils with low populations and large areas
- councils with significant revenue raising capacity.

2.3.1 Assessing revenue raising capacity

Table 1 summarises the methodology revenue categories, their drivers and the unit of measure applied to the calculation.

Table 1—Summary of revenue assessment

| Revenue category | Revenue driver | Unit of measure (state average) |
|------------------|-------------------------|---|
| Rates | Total valuations | Average cent in dollar rates: \$0.010 |
| Garbage charges | Number of bins serviced | \$287 per bin serviced |
| Fees and charges | Population | \$413 per capita |
| Other grants | Actual grants received | Identified Road Grant (50% used) State Government Financial Aid (20% used) Minimum grant component of the General Purpose Grant (100% used) |

Assessing rating capacity

A ten year average of property valuations is used to avoid large fluctuations in grant outcomes. The total state rate revenue is divided by this ten year average of land valuation to derive a cent in the dollar average, which is then multiplied by each council's total land valuation (averaged over 10 years).

$$\frac{\text{State total rate revenue}}{\text{State total valuation (ten year average)}} = \text{Cent in the dollar average} \times \text{Council total valuation (ten year average)}$$

The outcome of this assessment is adjusted by a combination of three socio-economic indexes from the Australian Bureau of Statistics to allow for capacity to pay.

Because Indigenous councils do not charge rates, 20 per cent of their State Government Financial Aid allocation is used as a proxy for rate revenue.

Garbage charges

The methodology uses the state total revenue for garbage collection divided by the total number of bins serviced to calculate the value per bin. For 2013-14, the average per bin is \$287.

Other fees and charges

The methodology calculates this revenue as a per capita amount. This is calculated by the sum of all revenue received by user fees and charges across all councils, divided by the state's population. The per capita amount for 2013-14 is \$413.

Other grants received

Other grants assessed as contributing to councils' revenue are:

- Identified Road Grant (50 per cent used)
- State Government Financial Aid (20 per cent used)
- minimum grant component of the General Purpose Grant (100 per cent used).

2.3.2 Assessing expenditure

The expenditure categories

State expenditure totals for each of the below expenditure categories are divided by relevant cost drivers, such as total state population, to determine per capita amounts that form the basis for each council's category expenditure. Cost adjustors are then applied to account for the differences in service delivery across the state. Table 2 details each expenditure category, the relevant cost driver, the average for 2013-14 and the cost adjustors that are applied to the category.

Table 2—Summary of expenditure assessment in the methodology

| Expenditure category | 2013-14 unit of measure | Cost adjustors applied (see below) | | | | |
|--|--|------------------------------------|-------------------------|------------------|-----------------------------|-------|
| | | Location | Demography - Indigenous | Demography - age | Demography - Indigenous/age | Scale |
| Administration | Actual mid-point of remuneration category + \$431.56 per capita+ \$426.71 per property/\$143.85 per capita (Indigenous councils) | ✓ | | | | ✓ |
| Public order and safety | \$29.72 per capita | ✓ | ✓ | ✓ | ✓ | ✓ |
| Education, health, welfare and housing | \$27.59 per capita | ✓ | ✓ | ✓ | ✓ | ✓ |
| Garbage and recycling | \$190.00 per bin / \$91.23 per capita (Indigenous councils) | ✓ | | | | ✓ |
| Community amenities, recreation, culture and libraries | \$176.96 per capita | ✓ | ✓ | ✓ | ✓ | ✓ |
| Building control and town planning | \$223.98 per residential property /\$70.29 per capita (Indigenous councils) | ✓ | | | | ✓ |
| Business and industry development | \$38.58 per capita | ✓ | | | | ✓ |
| Environment | \$111.58 per residential property/ \$37.62 per capita (Indigenous councils) | ✓ | | | | ✓ |
| Roads | Road expenditure assessment (as below) | ✓ | | | | ✓ |

Administration

Administration costs are assessed as a total of the following three components:

1. Remuneration category actual expenditure (mayor, deputy mayor and councillors remuneration mid-point), plus chief executive officer, chief financial officer, personal assistant / administration staff, and audit expenditure.
2. Seventy-five per cent of remaining state total administration expenditure divided by state population and multiplied by council population (\$431.56 per capita (75 per cent) for 2013-14).
3. Twenty-five per cent of remaining state total administration expenditure divided by state total number of properties and multiplied by total number of council properties (\$426.71 per property (25 per cent) for 2013-14). For Indigenous councils, adjusted population data is used in place of property numbers.

Public order and safety

This category is calculated by dividing the state total expenditure for public order and safety by the state total population and multiplying by council population. For 2013-14, the amount for each council is \$29.72 per capita.

Education, health, welfare and housing

This category is calculated by dividing the state total expenditure for education, health, welfare and housing by the state total population, then multiplying by council population. For 2013-14, the amount for each council is \$27.59 per capita.

Garbage / recycling

The number of bins serviced is the cost driver used to calculate expenditure for this category. For Indigenous local governments, population is used rather than the number of bins serviced. For 2013-14, the amounts for each council are \$190.00 per bin serviced and \$91.23 per capita for Indigenous councils.

Community amenities, recreation, culture and libraries

This category is calculated by dividing the state total expenditure for community amenities, recreation, culture and libraries by state total population and multiplying by council population. For 2013-14, the amount for each council is \$176.96 per capita.

Building control and town planning

This category is calculated by dividing the state total expenditure for building control and town planning by the state total residential properties and multiplying by council residential properties. For Indigenous local governments, adjusted population figures are used rather than residential property number. For 2013-14, the amounts for each council are \$223.98 per residential property and \$70.29 per capita for Indigenous councils.

Business and industry development

This category is calculated by dividing the state total expenditure for business and industry development by the state total population and multiplying by council population. For 2013-14, the amount for each council is \$38.58 per capita.

Environment

Environmental expenditure is calculated by dividing the state total expenditure for environment by the state total number of properties, and multiplying by number of council properties. For Indigenous local governments, adjusted population figures are used rather than total properties. For 2013-14, the environment amounts for each council are \$111.58 per residential property and \$37.62 per capita for Indigenous councils.

Roads Expenditure Assessment

Table 3—Summary of Road Assessment Model

| | Traffic volume range (adjusted vehicles per day) | Base cost (\$/km) | Cost adjustors | | | | | | | | | |
|-------------|--|-------------------|---------------------|-------------------|----------------|--------------|-------------|-----------------------|-----------------------|------------|-------|-------------|
| | | | Climate | | Soil sub-grade | | | Locality on-cost | | Terrain | | |
| | | | Favourable (TI -50) | Adverse (TI +100) | Good (CBR>10) | Poor (CBR<5) | MR Reactive | <1.0p/km ² | <0.1p/km ² | Undulating | Hilly | Mountainous |
| Rural Roads | Unformed | \$272 | 0% | 25% | 0% | 0% | 0% | 5% | 10% | 2% | 5% | 0% |
| | <40 | \$544 | 0% | 20% | 0% | 0% | 0% | 5% | 10% | 2% | 5% | 0% |
| | 40–150 | \$2,600 | 0% | 20% | 0% | 10% | 10% | 5% | 10% | 2% | 5% | 0% |
| | 150–250 | \$4,725 | -10% | 15% | -5% | 10% | 10% | 2.5% | 5% | 2% | 5% | 10% |
| | 250–1000 | \$6,671 | -7.5% | 10% | -5% | 10% | 10% | 2.5% | 2.5% | 2% | 5% | 10% |
| | 1,000–3,000 | \$8,447 | -7.5% | 10% | -5% | 10% | 10% | 2.5% | 2.5% | 2% | 5% | 10% |
| | >3000 | \$11,634 | -7.5% | 10% | -5% | 10% | 10% | 2.5% | 2.5% | 2% | 5% | 10% |

| | Traffic volume range (adjusted vehicles per day) | Base cost (\$/km) | Cost adjustors | | | | | | | | | |
|-------------|--|-------------------|---------------------|-------------------|----------------|--------------|-------------|-----------------------|-----------------------|------------|-------|-------------|
| | | | Climate | | Soil sub-grade | | | Locality on-cost | | Terrain | | |
| | | | Favourable (TI -50) | Adverse (TI +100) | Good (CBR>10) | Poor (CBR<5) | MR Reactive | <1.0p/km ² | <0.1p/km ² | Undulating | Hilly | Mountainous |
| Urban Roads | <500 | \$9,295 | -7.5% | 10% | -2.5% | 5% | 5% | 2.5% | 2.5% | 0% | 2% | 5% |
| | 500–1,000 | \$14,455 | -7.5% | 10% | -2.5% | 5% | 5% | 2.5% | 2.5% | 0% | 2% | 5% |
| | 1,000–5,000 | \$22,978 | -7.5% | 10% | -5% | 10% | 10% | 2.5% | 2.5% | 0% | 2% | 5% |
| | 5,000–10,000 | \$41,678 | -7.5% | 10% | -5% | 10% | 10% | 2.5% | 2.5% | 0% | 2% | 5% |
| | >10,000 | \$71,233 | -7.5% | 10% | -5% | 10% | 10% | 2.5% | 2.5% | 0% | 2% | 5% |

The roads expenditure assessment for each local government is calculated according to base costs per kilometre, considering traffic volumes against rural and urban roads (Table 3). The commission receives advice from the Department of Transport and Main Roads on a regular basis for these base costs, which include an allowance for gravel availability and cartage. Cost adjustors are also applied to the roads assessment calculations. Table 3 outlines the base costs per kilometre and the cost adjustors used in the roads assessment.

Across Queensland, the on-cost factors increased road expenditure assessments by 4.4 per cent for 2013-14 General Purpose Grants. Further detail on the cost adjustors is outlined below:

- *Climate*—represents the impact on maintenance for roads due to rainfall and other climate factors. It is based on the Thornthwaite Index and applied on a sliding scale.
 - adverse effect—increase in expenditure up to maximum of 25 per cent
 - favourable effect—decrease in expenditure up to maximum of ten per cent.
- *Locality*—captures the additional costs for maintenance activity that occurs in remote and less populated areas.
- *Population density*—lower density increases costs up to maximum of ten per cent.
- *Terrain*—represents the additional costs to road maintenance due to the terrain of the area.
 - undulating terrain—increase in expenditure up to a maximum of two per cent
 - hilly terrain—increase in expenditure up to a maximum of five per cent
 - mountainous terrain—increase in expenditure up to a maximum of ten per cent.
- *Soil sub-grade*—represents the additional costs due to reactive soils for roads expenditure.
 - reactive or poor soils—increase in expenditure up to maximum of ten per cent
 - good soil—decrease in expenditure up to maximum of five per cent.

Additionally, there is an allowance made for heavy vehicles, as per Table 4 (next page).

Table 4—Allowances for heavy vehicles

| Class of vehicle | Allowance |
|--------------------------------------|------------------|
| Light to medium trucks, two axles | 1 vehicle |
| Heavy rigid and/or twin steer tandem | 2 vehicles |
| Semi-trailers | 3 vehicles |
| B-doubles | 4 vehicles |
| Road trains | 5 vehicles |

2.3.3 Cost adjustors

A significant part of the methodology is the application of cost adjustors. These are indices that adjust the expenditure totals for each local government in recognition of the additional costs in delivering core services and reflect factors outside council control. Refer to Table 2 for details of the application of the cost adjustors to the different expenditure categories and Appendix 4 for each council's individual cost adjustors.

Scale—recognises economies of scale which may be achieved by larger councils.

The formula uses a scale from one to two based on the average local government population for that year. This means that this cost adjustor is based around a dynamic average rather than a fixed threshold. Those councils above average size do not receive a scale cost adjustor benefit. Councils below average size receive a score based on a sliding scale.

Demography—represents the additional use of facilities and increased service requirements due to the composition of the population according to age and Indigenous descent. These are calculated on a sliding scale from one to two reflecting the proportion of Indigenous, aged and young residents.

Location—represents the additional costs in the provision of services related to the council location and is based on the Accessibility/Remoteness Index for Areas (ARIA). ARIA is an index of remoteness derived from measures of road distance between populated localities and service centres.

2.3.4 Scaling back—matching available funding

For the 2013-14 General Purpose Grant calculation, the overall assessed expenditure figure used was \$7.16 billion, while the equivalent assessed revenue amount was \$5.46 billion. After each council was allocated the minimum grant, some \$222.15 million of the General Purpose Grant funding pool remained unallocated to meet a \$1.6 billion deficit.

Given that the General Purpose Grant pool is less than the assessed needs of all councils combined, the commission must apportion, or scale back, the available funds to councils. There are two options for this: the equalisation method and the proportional method. The commission regards a combination of the two as fulfilling the national principle of horizontal fiscal equalisation. The two methods are each given a 50 per cent weighting in the grant outcomes. Under the proportional method, each council's funding is reduced by the same proportion. Under the equalisation method, the General Purpose Grant is allocated so that assessed revenue together with the General Purpose Grant equals the same proportion of assessed expenditure for all deficit councils.

More information on the scaling back process is contained in Section 5 of the General Purpose Grant Methodology Review Information Paper available on the commission's website.

2.4 Identified Road Grant methodology

The Identified Road Grant component of the Financial Assistance Grant is a relatively simple calculation, intended for the preservation of existing road assets. It is not designed to be a direct capital subsidy for a particular road construction project. The Identified Road Grant is an untied grant and may be used for any council purpose. The following formula, which considers council-controlled road length and population, is used:

- 62.85 per cent allocated according to council road length
- 37.15 per cent allocated according to local government area population.

Based on 2011-12 data, there were 152,785 km of council-controlled roads in Queensland. Estimated residential population data supplied by the Australian Bureau of Statistics in 2011 indicated that Queensland's population (excluding Weipa) was 4,556,416.

As an example, a council with 1000 km of road and 2000 residents would receive an Identified Road Grant entitlement of:

$$\{[0.6285 \times (1000 / 152,805)] + [0.3715 \times (2000 / 4,556,416)]\} \times \$131,062,193 = 560,442$$

For the 2013-14 Identified Road Grant, the amounts per kilometre of road and per capita are \$539.07 and \$10.69 respectively. Note that final amounts will vary slightly, in line with the Australian Government's annual cash adjustment (see below).

The Identified Road Grant formula is also the basis on which the Australian Government allocates its Roads to Recovery funding to councils.

2.5 Cash adjustment

Each July, the Australian Government uses estimates of the Australian Bureau of Statistics' consumer price index (applied to both grants) and the anticipated population growth for the next year (applied to the General Purpose Grant only) in determining the General Purpose Grant and Identified Road Grant funding pools for the coming year.

At the completion of the financial year, final consumer price index and population figures are available. Based on these figures, the Australian Government makes a retrospective cash adjustment to each state's funding pool which is applied to the coming year's grant. In July 2013, the Australian Government provided an adjustment to the Financial Assistance Grant, based on the final consumer price index and population figures for the previous year.

Appendices

Appendix 1—2013-14 Financial Assistance Grant outcomes

| Local government | General Purpose Grant | | | Identified Road Grant | | | Financial Assistance Grant | 2013-14 Early Cash Payment (Paid June 2013) |
|--------------------------|-----------------------|-----------------------------------|--------------------|-----------------------|-----------------------------------|--------------------|----------------------------|---|
| | 2013-14 Entitlement | 2012-13 Population/CPI Adjustment | 2013-14 Total Cash | 2013-14 Entitlement | 2012-13 Population/CPI Adjustment | 2013-14 Total Cash | 2013-14 Total Cash | |
| <i>Aurukun</i> | 2,106,519 | -9,374 | 2,097,145 | 114,616 | -398.0 | 114,218 | 2,211,363 | 1,003,474 |
| <i>Balonne</i> | 3,476,547 | -17,311 | 3,459,236 | 1,301,941 | -4,630.0 | 1,297,311 | 4,756,547 | 2,398,577 |
| <i>Banana</i> | 5,783,444 | -29,220 | 5,754,224 | 2,286,482 | -8,156.0 | 2,278,326 | 8,032,550 | 4,096,202 |
| <i>Barcaldine</i> | 5,066,330 | -25,226 | 5,041,104 | 1,746,615 | -6,217.0 | 1,740,398 | 6,781,502 | 3,420,984 |
| <i>Barcoo</i> | 2,920,817 | -14,558 | 2,906,259 | 956,816 | -3,403.0 | 953,413 | 3,859,672 | 1,948,347 |
| <i>Blackall-Tambo</i> | 2,855,139 | -15,007 | 2,840,132 | 1,014,545 | -3,624.0 | 1,010,921 | 3,851,053 | 2,024,697 |
| <i>Boulia</i> | 2,221,203 | -10,986 | 2,210,217 | 721,599 | -2,551.0 | 719,048 | 2,929,265 | 1,467,825 |
| <i>Brisbane</i> | 23,186,507 | -110,909 | 23,075,598 | 14,906,882 | -51,764.0 | 14,855,118 | 37,930,716 | 18,461,942 |
| <i>Bulloo</i> | 4,488,376 | -19,974 | 4,468,402 | 1,078,321 | -4,017.0 | 1,074,304 | 5,542,706 | 2,581,868 |
| <i>Bundaberg</i> | 5,125,522 | -26,996 | 5,098,526 | 2,610,027 | -9,846.0 | 2,600,181 | 7,698,707 | 4,108,108 |
| <i>Burdekin</i> | 2,511,387 | -11,775 | 2,499,612 | 806,946 | -3,014.0 | 803,932 | 3,303,544 | 1,612,461 |
| <i>Burke</i> | 2,511,635 | -14,173 | 2,497,462 | 390,361 | -2,305.0 | 388,056 | 2,885,518 | 1,755,693 |
| <i>Cairns</i> | 3,465,635 | -17,528 | 3,448,107 | 2,676,788 | -9,680.0 | 2,667,108 | 6,115,215 | 3,127,763 |
| <i>Carpentaria</i> | 3,883,977 | -19,442 | 3,864,535 | 983,288 | -3,494.0 | 979,794 | 4,844,329 | 2,454,849 |
| <i>Cassowary Coast</i> | 2,253,083 | -11,606 | 2,241,477 | 934,259 | -3,506.0 | 930,753 | 3,172,230 | 1,664,314 |
| <i>Central Highlands</i> | 6,201,491 | -32,737 | 6,168,754 | 2,853,194 | -10,175.0 | 2,843,019 | 9,011,773 | 4,734,627 |
| <i>Charters Towers</i> | 4,452,419 | -24,334 | 4,428,085 | 2,401,617 | -8,702.0 | 2,392,915 | 6,821,000 | 3,678,762 |
| <i>Cherbourg</i> | 483,984 | -2,154 | 481,830 | 51,215 | -184.0 | 51,031 | 532,861 | 243,453 |
| <i>Cloncurry</i> | 4,372,141 | -19,631 | 4,352,510 | 876,310 | -3,650.0 | 872,660 | 5,225,170 | 2,495,870 |
| <i>Cook</i> | 7,212,533 | -34,805 | 7,177,728 | 1,490,599 | -5,258.0 | 1,485,341 | 8,663,069 | 4,255,031 |
| <i>Croydon</i> | 2,625,243 | -11,682 | 2,613,561 | 589,842 | -1,661.0 | 588,181 | 3,201,742 | 1,413,678 |
| <i>Diamantina</i> | 2,251,855 | -11,323 | 2,240,532 | 563,132 | -2,006.0 | 561,126 | 2,801,658 | 1,425,613 |
| <i>Doomadgee</i> | 1,153,696 | -5,134 | 1,148,562 | 75,909 | -266.0 | 75,643 | 1,224,205 | 556,261 |

| Local government | General Purpose Grant | | | Identified Road Grant | | | Financial Assistance Grant | 2013-14 Early Cash Payment (Paid June 2013) |
|---------------------------|-----------------------|-----------------------------------|--------------------|-----------------------|-----------------------------------|--------------------|----------------------------|---|
| | 2013-14 Entitlement | 2012-13 Population/CPI Adjustment | 2013-14 Total Cash | 2013-14 Entitlement | 2012-13 Population/CPI Adjustment | 2013-14 Total Cash | 2013-14 Total Cash | |
| <i>Etheridge</i> | 3,424,086 | -15,237 | 3,408,849 | 969,657 | -3,450.0 | 966,207 | 4,375,056 | 2,023,625 |
| <i>Flinders</i> | 4,474,438 | -19,911 | 4,454,527 | 1,087,890 | -4,435.0 | 1,083,455 | 5,537,982 | 2,634,017 |
| <i>Fraser Coast</i> | 4,445,723 | -19,784 | 4,425,939 | 3,096,587 | -11,404.0 | 3,085,183 | 7,511,122 | 3,597,138 |
| <i>Gladstone</i> | 5,750,871 | -29,345 | 5,721,526 | 2,032,938 | -7,270.0 | 2,025,668 | 7,747,194 | 3,984,927 |
| <i>Gold Coast</i> | 10,961,198 | -55,124 | 10,906,074 | 7,479,199 | -26,652.0 | 7,452,547 | 18,358,621 | 9,305,306 |
| <i>Goondiwindi</i> | 4,441,399 | -23,581 | 4,417,818 | 1,449,777 | -5,181.0 | 1,444,596 | 5,862,414 | 3,109,539 |
| <i>Gympie</i> | 3,564,377 | -17,780 | 3,546,597 | 1,733,770 | -6,259.0 | 1,727,511 | 5,274,108 | 2,674,081 |
| <i>Hinchinbrook</i> | 1,561,112 | -7,308 | 1,553,804 | 500,133 | -1,775.0 | 498,358 | 2,052,162 | 987,314 |
| <i>Hope Vale</i> | 853,494 | -3,798 | 849,696 | 73,600 | -266.0 | 73,334 | 923,030 | 421,286 |
| <i>Ipswich</i> | 3,705,176 | -17,749 | 3,687,427 | 2,771,803 | -9,572.0 | 2,762,231 | 6,449,658 | 3,134,964 |
| <i>Isaac</i> | 3,130,630 | -19,687 | 3,110,943 | 2,004,312 | -7,100.0 | 1,997,212 | 5,108,155 | 2,984,692 |
| <i>Kowanyama</i> | 1,338,564 | -6,437 | 1,332,127 | 202,262 | -722.0 | 201,540 | 1,533,667 | 751,767 |
| <i>Lockhart River</i> | 1,348,253 | -6,000 | 1,342,253 | 185,212 | -644.0 | 184,568 | 1,526,821 | 696,684 |
| <i>Lockyer Valley</i> | 3,021,110 | -13,444 | 3,007,666 | 1,158,691 | -4,155.0 | 1,154,536 | 4,162,202 | 1,941,111 |
| <i>Logan</i> | 6,129,631 | -29,538 | 6,100,093 | 4,351,796 | -14,829.0 | 4,336,967 | 10,437,060 | 5,063,058 |
| <i>Longreach</i> | 6,265,840 | -30,886 | 6,234,954 | 1,680,150 | -5,977.0 | 1,674,173 | 7,909,127 | 3,959,526 |
| <i>Mackay</i> | 3,897,613 | -21,226 | 3,876,387 | 2,565,977 | -9,248.0 | 2,556,729 | 6,433,116 | 3,441,011 |
| <i>Mapoon</i> | 1,006,537 | -4,858 | 1,001,679 | 21,964 | -77.0 | 21,887 | 1,023,566 | 501,903 |
| <i>Maranoa</i> | 12,275,789 | -54,628 | 12,221,161 | 3,305,398 | -10,679.0 | 3,294,719 | 15,515,880 | 7,018,209 |
| <i>McKinlay</i> | 4,142,987 | -18,437 | 4,124,550 | 1,077,730 | -3,829.0 | 1,073,901 | 5,198,451 | 2,400,049 |
| <i>Moreton Bay</i> | 8,345,616 | -40,041 | 8,305,575 | 6,143,182 | -21,264.0 | 6,121,918 | 14,427,493 | 7,026,033 |
| <i>Mornington Island</i> | 1,406,255 | -7,698 | 1,398,557 | 141,692 | -499.0 | 141,193 | 1,539,750 | 848,132 |
| <i>Mount Isa</i> | 3,894,452 | -17,331 | 3,877,121 | 1,339,065 | -4,735.0 | 1,334,330 | 5,211,451 | 2,415,183 |
| <i>Murweh</i> | 5,175,927 | -25,872 | 5,150,055 | 1,550,294 | -5,476.0 | 1,544,818 | 6,694,873 | 3,382,536 |
| <i>Napranum</i> | 922,505 | -4,105 | 918,400 | 102,321 | -158.0 | 102,163 | 1,020,563 | 437,073 |
| <i>North Burnett</i> | 8,648,289 | -38,485 | 8,609,804 | 2,768,161 | -9,852.0 | 2,758,309 | 11,368,113 | 5,270,452 |
| <i>Northern Peninsula</i> | 3,568,289 | -16,736 | 3,551,553 | 223,184 | -788.0 | 222,396 | 3,773,949 | 1,802,235 |

| Local government | General Purpose Grant | | | Identified Road Grant | | | Financial Assistance Grant | 2013-14 Early Cash Payment (Paid June 2013) |
|-----------------------------|-----------------------|-----------------------------------|--------------------|-----------------------|-----------------------------------|--------------------|----------------------------|---|
| | 2013-14 Entitlement | 2012-13 Population/CPI Adjustment | 2013-14 Total Cash | 2013-14 Entitlement | 2012-13 Population/CPI Adjustment | 2013-14 Total Cash | 2013-14 Total Cash | |
| <i>Palm Island</i> | 1,032,917 | -4,597 | 1,028,320 | 49,540 | -160.0 | 49,380 | 1,077,700 | 487,072 |
| <i>Paroo</i> | 3,501,378 | -17,608 | 3,483,770 | 1,172,230 | -4,170.0 | 1,168,060 | 4,651,830 | 2,364,061 |
| <i>Pormpuraaw</i> | 1,163,776 | -5,179 | 1,158,597 | 315,133 | -1,120.0 | 314,013 | 1,472,610 | 680,383 |
| <i>Quilpie</i> | 3,703,174 | -18,301 | 3,684,873 | 1,110,896 | -3,953.0 | 1,106,943 | 4,791,816 | 2,403,726 |
| <i>Redland</i> | 3,036,806 | -14,892 | 3,021,914 | 2,120,071 | -7,503.0 | 2,112,568 | 5,134,482 | 2,556,411 |
| <i>Richmond</i> | 3,133,929 | -14,700 | 3,119,229 | 712,979 | -2,691.0 | 710,288 | 3,829,517 | 1,863,109 |
| <i>Rockhampton</i> | 5,365,371 | -30,508 | 5,334,863 | 3,067,335 | -10,949.0 | 3,056,386 | 8,391,249 | 4,617,628 |
| <i>Scenic Rim</i> | 1,718,943 | -9,713 | 1,709,230 | 1,364,209 | -4,882.0 | 1,359,327 | 3,068,557 | 1,665,608 |
| <i>Somerset</i> | 2,243,383 | -10,516 | 2,232,867 | 1,267,543 | -4,440.0 | 1,263,103 | 3,495,970 | 1,684,974 |
| <i>South Burnett</i> | 5,103,461 | -28,723 | 5,074,738 | 2,110,651 | -7,550.0 | 2,103,101 | 7,177,839 | 3,961,215 |
| <i>Southern Downs</i> | 5,138,566 | -29,219 | 5,109,347 | 2,011,165 | -7,174.0 | 2,003,991 | 7,113,338 | 3,958,584 |
| <i>Sunshine Coast</i> | 6,741,251 | -34,450 | 6,706,801 | 5,273,645 | -19,756.0 | 5,253,889 | 11,960,690 | 6,249,647 |
| <i>Tablelands</i> | 6,064,461 | -33,270 | 6,031,191 | 2,712,919 | -9,697.0 | 2,703,222 | 8,734,413 | 4,721,516 |
| <i>Toowoomba</i> | 10,486,863 | -53,824 | 10,433,039 | 5,854,045 | -21,074.0 | 5,832,971 | 16,266,010 | 8,392,843 |
| <i>Torres</i> | 2,824,671 | -14,752 | 2,809,919 | 98,911 | -355.0 | 98,556 | 2,908,475 | 1,541,079 |
| <i>Torres Strait Island</i> | 10,337,051 | -47,630 | 10,289,421 | 249,585 | -897.0 | 248,688 | 10,538,109 | 4,940,811 |
| <i>Townsville</i> | 4,190,505 | -22,725 | 4,167,780 | 2,868,648 | -10,359.0 | 2,858,289 | 7,026,069 | 3,748,099 |
| <i>Western Downs</i> | 14,087,911 | -72,183 | 14,015,728 | 4,411,491 | -15,612.0 | 4,395,879 | 18,411,607 | 9,483,828 |
| <i>Whitsunday</i> | 3,406,723 | -16,075 | 3,390,648 | 1,355,079 | -4,885.0 | 1,350,194 | 4,740,842 | 2,309,205 |
| <i>Winton</i> | 4,164,652 | -20,707 | 4,143,945 | 1,363,303 | -4,852.0 | 1,358,451 | 5,502,396 | 2,772,931 |
| <i>Woorabinda</i> | 439,102 | -1,954 | 437,148 | 53,591 | -192.0 | 53,399 | 490,547 | 224,485 |
| <i>Wujal Wujal</i> | 402,497 | -1,791 | 400,706 | 15,021 | -52.0 | 14,969 | 415,675 | 188,372 |
| <i>Yarrabah</i> | 758,397 | -3,375 | 755,022 | 56,154 | -200.0 | 55,954 | 810,976 | 369,163 |

Appendix 2 - History of the commission and the Financial Assistance Grant in Queensland

The commission was established in 1977 following the enactment of Queensland's *Local Government Grants Commission Act 1976*. Its duties are to make recommendations concerning the distribution of certain financial assistance to local governing bodies and with respect to other matters relating to the finances of local governing bodies, to hold inquiries and make investigations in connection therewith, and for related purposes. Until 1986–87, the commission made recommendations on the distribution of the General Assistance Grant to Local Government provided in accordance with the *Local Government (Personal Income Tax Sharing) Act 1976* (Commonwealth).

The *Local Government (Financial Assistance) Act 1986* (Commonwealth) came into force on 1 July 1986. It replaced the *Local Government (Personal Income Tax Sharing) Act 1976* (Commonwealth). The 1986 Act required that states develop principles on which the distribution methodology would be based, in line with the requirements of that Act, and submit those principles to the Australian Government minister for approval.

The *Local Government (Financial Assistance) Act 1995* (Commonwealth) came into force on 1 July 1995. National principles were adopted in lieu of separate state principles. These continued the main thrust of the 1986 Act by:

- maintaining the principle of full horizontal fiscal equalisation
- continuing the statutory minimum grant which is equal to what a local governing body would receive if 30 per cent of the state entitlement was distributed on a per capita basis.

The commission's primary role since 1987–88 has been to make recommendations on the distribution of Financial Assistance Grants provided by the Australian Government under the legislation. These are untied general purpose grants.

Since 1991–92, there have been two separately identified components to the Financial Assistance Grant:

- General Purpose Grant
- Identified Road Grant.

In December 1993, the *Local Government Act 1993* was enacted and the *Local Government Grants Commission Act 1976* repealed. Provisions relating to the establishment and operation of the Local Government Grants Commission were included in the *Local Government Act 1993*.

From 1 July 2010, the *Local Government Act 1993* was replaced by the *Local Government Act 2009*. The commission's statutory powers now come under the *Local Government Act 2009* and the Local Government Regulation 2012. It states:

1. The commission is a body that is created under this Act to perform the responsibilities of a local government grants commission under the *Local Government (Financial Assistance) Act 1995*.
2. The Commission and the Minister for Local Government must comply with the *Local Government (Financial Assistance) Act 1995* (Commonwealth).

Appendix 3—Data used in grant calculation for 2013-14

| Local government | Number of properties (2012) | Value of properties (\$) 10 year average | Estimated residential population 2012 | Road length (km) | | |
|--------------------------|-----------------------------|--|---------------------------------------|------------------|-------|-------|
| | | | | Rural | Urban | Total |
| <i>Aurukun</i> | - | - | 1,445 | 165 | 19 | 184 |
| <i>Balonne</i> | 2,168 | 272,985,359 | 4,868 | 2,274 | 45 | 2,319 |
| <i>Banana</i> | 6,510 | 862,412,816 | 14,988 | 3,808 | 137 | 3,945 |
| <i>Barcaldine</i> | 1,776 | 317,215,199 | 3,305 | 3,117 | 58 | 3,175 |
| <i>Barcoo</i> | 178 | 42,850,477 | 363 | 1,751 | 17 | 1,768 |
| <i>Blackall-Tambo</i> | 1,173 | 229,285,955 | 2,285 | 1,803 | 34 | 1,837 |
| <i>Boulia</i> | 158 | 43,502,099 | 494 | 1,318 | 11 | 1,329 |
| <i>Brisbane</i> | 319,665 | 91,255,880,604 | 1,109,664 | - | 5657 | 5,657 |
| <i>Bulloo</i> | 176 | 29,574,206 | 420 | 1,979 | 13 | 1,992 |
| <i>Bundaberg</i> | 39,966 | 3,302,703,860 | 93,082 | 2,414 | 583 | 2,997 |
| <i>Burdekin</i> | 8,214 | 658,444,185 | 17,913 | 992 | 150 | 1,142 |
| <i>Burke</i> | 142 | 33,999,385 | 567 | 703 | 10 | 713 |
| <i>Cairns</i> | 53,784 | 7,737,814,440 | 165,859 | 644 | 1034 | 1,678 |
| <i>Carpentaria</i> | 720 | 93,458,689 | 2,235 | 1,739 | 41 | 1,780 |
| <i>Cassowary Coast</i> | 14,525 | 1,412,288,979 | 28,667 | 987 | 178 | 1,165 |
| <i>Central Highlands</i> | 11,022 | 1,830,448,686 | 30,545 | 4,335 | 353 | 4,688 |
| <i>Charters Towers</i> | 5,229 | 456,880,237 | 12,451 | 4,080 | 129 | 4,209 |
| <i>Cherbourg</i> | - | - | 1,262 | 52 | 18 | 70 |
| <i>Cloncurry</i> | 1,086 | 87,913,225 | 3,492 | 1,478 | 79 | 1,557 |
| <i>Cook</i> | 2,000 | 201,572,011 | 4,516 | 2,631 | 45 | 2,676 |
| <i>Croydon</i> | 127 | 19,351,292 | 320 | 1,053 | 35 | 1,088 |
| <i>Diamantina</i> | 152 | 26,494,900 | 292 | 1,005 | 14 | 1,019 |
| <i>Doomadgee</i> | - | - | 1,404 | 98 | 15 | 113 |
| <i>Etheridge</i> | 431 | 82,199,684 | 909 | 1,729 | 52 | 1,781 |
| <i>Flinders</i> | 976 | 173,674,131 | 1,835 | 1,937 | 45 | 1,982 |
| <i>Fraser Coast</i> | 44,141 | 4,111,719,446 | 98,629 | 2,725 | 1065 | 3,790 |
| <i>Gladstone</i> | 25,070 | 2,372,530,798 | 61,170 | 2,126 | 433 | 2,559 |
| <i>Gold Coast</i> | 133,244 | 41,174,898,600 | 524,583 | 905 | 2571 | 3,476 |
| <i>Goondiwindi</i> | 4,880 | 481,315,800 | 10,935 | 2,340 | 133 | 2,473 |
| <i>Gympie</i> | 22,813 | 1,946,235,131 | 47,347 | 1,959 | 319 | 2,278 |
| <i>Hinchinbrook</i> | 6,460 | 474,902,877 | 11,798 | 602 | 92 | 694 |
| <i>Hope Vale</i> | - | - | 1,087 | 101 | 14 | 115 |
| <i>Ipswich</i> | 60,777 | 6,110,979,809 | 177,323 | 512 | 1115 | 1,627 |
| <i>Isaac</i> | 8,443 | 1,362,989,291 | 23,688 | 3,057 | 192 | 3,249 |
| <i>Kowanyama</i> | - | - | 1,150 | 345 | 8 | 352 |
| <i>Lockhart River</i> | - | - | 536 | 268 | 65 | 333 |
| <i>Lockyer Valley</i> | 15,489 | 1,120,897,788 | 36,404 | 1,074 | 354 | 1,428 |
| <i>Logan</i> | 86,261 | 13,175,556,544 | 293,353 | 1,017 | 1241 | 2,258 |

| Local government | Number of properties (2012) | Value of properties (\$) 10 year average | Estimated residential population 2012 | Road length (km) | | |
|-------------------------|-----------------------------|--|---------------------------------------|------------------|-------|-------|
| | | | | Rural | Urban | Total |
| Longreach | 1,860 | 244,941,715 | 4,298 | 2,953 | 79 | 3,032 |
| Mackay | 41,918 | 5,322,232,882 | 118,719 | 1,824 | 583 | 2,407 |
| Mapoon | - | - | 290 | 20 | 15 | 35 |
| Maranoa | 6,243 | 897,851,452 | 13,546 | 5,688 | 176 | 5,864 |
| McKinlay | 457 | 142,869,754 | 1,086 | 1,950 | 28 | 1,978 |
| Moreton Bay | 130,773 | 19,343,546,976 | 399,406 | 1,359 | 2120 | 3,479 |
| Mornington Island | - | - | 1,240 | 226 | 12 | 238 |
| Mount Isa | 6,095 | 315,417,371 | 22,793 | 1,872 | 160 | 2,033 |
| Murweh | 2,239 | 131,147,523 | 4,784 | 2,684 | 759 | 2,759 |
| Napranum | - | - | 936 | 159 | 12 | 171 |
| North Burnett | 6,063 | 391,516,166 | 10,301 | 4,809 | 123 | 4,932 |
| Northern Peninsula Area | - | - | 2,599 | 332 | 31 | 363 |
| Palm Island | - | - | 2,684 | 18 | 21 | 39 |
| Paroo | 1,029 | 64,914,720 | 1,960 | 2,101 | 35 | 2,136 |
| Porompuraaw | - | - | 740 | 550 | 20 | 570 |
| Quilpie | 585 | 33,081,041 | 1,012 | 2,001 | 40 | 2,041 |
| Redland | 56,518 | 9,502,423,708 | 145,336 | 297 | 755 | 1,052 |
| Richmond | 435 | 107,722,346 | 847 | 1,293 | 13 | 1,306 |
| Rockhampton | 45,081 | 3,765,665,439 | 115,399 | 2,525 | 878 | 3,403 |
| Scenic Rim | 16,638 | 2,508,262,069 | 37,781 | 1,562 | 220 | 1,782 |
| Somerset | 10,945 | 1,074,082,912 | 22,430 | 1,780 | 127 | 1,907 |
| South Burnett | 16,793 | 806,588,492 | 32,227 | 3,039 | 238 | 3,277 |
| Southern Downs | 17,131 | 961,395,172 | 34,972 | 2,787 | 251 | 3,038 |
| Sunshine Coast | 112,925 | 23,618,493,612 | 322,624 | 1,744 | 1644 | 3,388 |
| Tablelands | 20,423 | 1,812,232,480 | 45,563 | 3,764 | 366 | 4,130 |
| Toowoomba | 61,414 | 5,822,522,652 | 157,023 | 5,709 | 2039 | 7,748 |
| Torres | 551 | 75,169,010 | 3,607 | 93 | 19 | 112 |
| Torres Strait Island | - | - | 4,771 | 300 | 68 | 368 |
| Townsville | 62,470 | 6,388,878,505 | 184,697 | 577 | 1084 | 1,660 |
| Western Downs | 17,128 | 1,538,957,598 | 32,872 | 7,213 | 320 | 7,533 |
| Whitsunday | 13,676 | 1,862,968,207 | 33,295 | 1,635 | 219 | 1,854 |
| Winton | 745 | 144,140,163 | 1,380 | 2,483 | 19 | 2,502 |
| Woorabinda | - | - | 985 | 69 | 11 | 80 |
| Wujal Wujal | - | - | 296 | 19 | 3 | 22 |
| Yarrabah | - | - | 2,733 | 37 | 13 | 50 |

Appendix 4—Cost adjustors—by definition for 2013-14

| Local government | Scale | Indigenous | Aged <19 | Aged >65 | Indigenous >50 | Demography | Location |
|--------------------------|-------|------------|----------|----------|----------------|------------|----------|
| <i>Aurukun</i> | 1.70 | 1.41 | 1.19 | 1.02 | 1.04 | 1.81 | 1.93 |
| <i>Balonne</i> | 1.47 | 1.08 | 1.15 | 1.05 | 1.01 | 1.21 | 1.68 |
| <i>Banana</i> | 1.27 | 1.02 | 1.14 | 1.06 | 1.00 | 1.08 | 1.20 |
| <i>Barcaldine</i> | 1.55 | 1.03 | 1.13 | 1.08 | 1.00 | 1.11 | 1.84 |
| <i>Barcoo</i> | 1.96 | 1.03 | 1.10 | 1.07 | 1.00 | 1.06 | 1.99 |
| <i>Blackall-Tambo</i> | 1.62 | 1.02 | 1.12 | 1.08 | 1.00 | 1.08 | 1.85 |
| <i>Boulia</i> | 1.90 | 1.19 | 1.16 | 1.03 | 1.01 | 1.37 | 1.90 |
| <i>Brisbane</i> | 1.00 | 1.01 | 1.12 | 1.06 | 1.00 | 1.01 | 1.00 |
| <i>Bulloo</i> | 1.93 | 1.06 | 1.11 | 1.05 | 1.00 | 1.09 | 1.95 |
| <i>Bundaberg</i> | 1.00 | 1.02 | 1.13 | 1.09 | 1.00 | 1.11 | 1.12 |
| <i>Burdekin</i> | 1.23 | 1.02 | 1.13 | 1.09 | 1.00 | 1.12 | 1.17 |
| <i>Burke</i> | 1.88 | 1.13 | 1.10 | 1.03 | 1.01 | 1.16 | 1.92 |
| <i>Cairns</i> | 1.00 | 1.04 | 1.14 | 1.05 | 1.00 | 1.10 | 1.00 |
| <i>Carpentaria</i> | 1.62 | 1.17 | 1.14 | 1.06 | 1.02 | 1.34 | 1.94 |
| <i>Cassowary Coast</i> | 1.14 | 1.05 | 1.13 | 1.08 | 1.00 | 1.14 | 1.17 |
| <i>Central Highlands</i> | 1.13 | 1.02 | 1.15 | 1.03 | 1.00 | 1.04 | 1.60 |
| <i>Charters Towers</i> | 1.30 | 1.04 | 1.15 | 1.08 | 1.00 | 1.15 | 1.25 |
| <i>Cherbourg</i> | 1.73 | 1.47 | 1.24 | 1.02 | 1.05 | 2.00 | 1.34 |
| <i>Cloncurry</i> | 1.54 | 1.10 | 1.13 | 1.03 | 1.01 | 1.17 | 1.75 |
| <i>Cook</i> | 1.49 | 1.09 | 1.12 | 1.05 | 1.01 | 1.16 | 1.90 |
| <i>Croydon</i> | 1.98 | 1.12 | 1.15 | 1.04 | 1.01 | 1.26 | 1.94 |
| <i>Diamantina</i> | 2.00 | 1.12 | 1.10 | 1.04 | 1.01 | 1.16 | 1.99 |
| <i>Doomadgee</i> | 1.71 | 1.42 | 1.21 | 1.01 | 1.04 | 1.85 | 1.86 |
| <i>Etheridge</i> | 1.79 | 1.02 | 1.10 | 1.09 | 1.00 | 1.05 | 1.88 |
| <i>Flinders</i> | 1.66 | 1.03 | 1.13 | 1.08 | 1.00 | 1.12 | 1.82 |
| <i>Fraser Coast</i> | 1.00 | 1.02 | 1.12 | 1.10 | 1.00 | 1.12 | 1.12 |
| <i>Gladstone</i> | 1.00 | 1.02 | 1.14 | 1.04 | 1.00 | 1.05 | 1.25 |
| <i>Gold Coast</i> | 1.00 | 1.01 | 1.12 | 1.07 | 1.00 | 1.04 | 1.00 |
| <i>Goondiwindi</i> | 1.32 | 1.02 | 1.14 | 1.07 | 1.00 | 1.11 | 1.52 |
| <i>Gympie</i> | 1.05 | 1.01 | 1.13 | 1.09 | 1.00 | 1.10 | 1.15 |
| <i>Hinchinbrook</i> | 1.31 | 1.03 | 1.12 | 1.11 | 1.00 | 1.14 | 1.17 |
| <i>Hope Vale</i> | 1.75 | 1.43 | 1.18 | 1.01 | 1.04 | 1.81 | 1.86 |
| <i>Ipswich</i> | 1.00 | 1.02 | 1.15 | 1.05 | 1.00 | 1.07 | 1.00 |
| <i>Isaac</i> | 1.18 | 1.01 | 1.15 | 1.02 | 1.00 | 1.01 | 1.53 |
| <i>Kowanyama</i> | 1.74 | 1.41 | 1.18 | 1.01 | 1.04 | 1.79 | 1.98 |
| <i>Lockhart River</i> | 1.89 | 1.40 | 1.17 | 1.04 | 1.05 | 1.80 | 1.99 |
| <i>Lockyer Valley</i> | 1.10 | 1.01 | 1.14 | 1.07 | 1.00 | 1.08 | 1.17 |
| <i>Logan</i> | 1.00 | 1.01 | 1.15 | 1.05 | 1.00 | 1.06 | 1.00 |

| Local government | Scale | Indigenous | Aged <19 | Aged >65 | Indigenous >50 | Demography | Location |
|--------------------------------|--------------|-------------------|--------------------|--------------------|--------------------------|-------------------|-----------------|
| <i>Longreach</i> | 1.50 | 1.03 | 1.15 | 1.05 | 1.00 | 1.11 | 1.90 |
| <i>Mackay</i> | 1.00 | 1.02 | 1.14 | 1.05 | 1.00 | 1.06 | 1.00 |
| <i>Mapoon</i> | 2.00 | 1.41 | 1.13 | 1.03 | 1.04 | 1.73 | 1.89 |
| <i>Maranoa</i> | 1.28 | 1.04 | 1.14 | 1.06 | 1.00 | 1.11 | 1.63 |
| <i>McKinlay</i> | 1.75 | 1.02 | 1.11 | 1.04 | 1.00 | 1.00 | 1.90 |
| <i>Moreton Bay</i> | 1.00 | 1.01 | 1.14 | 1.06 | 1.00 | 1.06 | 1.00 |
| <i>Mornington</i> | 1.73 | 1.41 | 1.21 | 1.02 | 1.04 | 1.85 | 2.00 |
| <i>Mount Isa</i> | 1.19 | 1.07 | 1.15 | 1.03 | 1.01 | 1.13 | 1.76 |
| <i>Murweh</i> | 1.48 | 1.06 | 1.14 | 1.07 | 1.01 | 1.16 | 1.81 |
| <i>Napranum</i> | 1.78 | 1.44 | 1.21 | 1.02 | 1.05 | 1.88 | 1.87 |
| <i>North Burnett</i> | 1.34 | 1.03 | 1.12 | 1.10 | 1.00 | 1.13 | 1.45 |
| <i>Northern Peninsula Area</i> | 1.59 | 1.38 | 1.22 | 1.02 | 1.04 | 1.81 | 3.00 |
| <i>Palm Island</i> | 1.59 | 1.41 | 1.21 | 1.01 | 1.04 | 1.83 | 1.64 |
| <i>Paroo</i> | 1.64 | 1.15 | 1.14 | 1.07 | 1.01 | 1.32 | 1.85 |
| <i>Pormpuraaw</i> | 1.83 | 1.40 | 1.15 | 1.03 | 1.04 | 1.76 | 1.99 |
| <i>Quilpie</i> | 1.77 | 1.06 | 1.14 | 1.07 | 1.00 | 1.15 | 1.95 |
| <i>Redland</i> | 1.00 | 1.01 | 1.13 | 1.07 | 1.00 | 1.06 | 1.00 |
| <i>Richmond</i> | 1.80 | 1.03 | 1.12 | 1.06 | 1.00 | 1.06 | 1.94 |
| <i>Rockhampton</i> | 1.00 | 1.03 | 1.14 | 1.07 | 1.00 | 1.09 | 1.00 |
| <i>Scenic Rim</i> | 1.09 | 1.01 | 1.13 | 1.08 | 1.00 | 1.09 | 1.17 |
| <i>Somerset</i> | 1.19 | 1.01 | 1.13 | 1.08 | 1.00 | 1.08 | 1.17 |
| <i>South Burnett</i> | 1.12 | 1.02 | 1.14 | 1.09 | 1.00 | 1.12 | 1.33 |
| <i>Southern Downs</i> | 1.11 | 1.02 | 1.13 | 1.09 | 1.00 | 1.11 | 1.17 |
| <i>Sunshine Coast</i> | 1.00 | 1.01 | 1.12 | 1.09 | 1.00 | 1.07 | 1.00 |
| <i>Tablelands</i> | 1.06 | 1.05 | 1.13 | 1.09 | 1.00 | 1.16 | 1.52 |
| <i>Toowoomba</i> | 1.00 | 1.02 | 1.14 | 1.07 | 1.00 | 1.10 | 1.17 |
| <i>Torres</i> | 1.53 | 1.29 | 1.19 | 1.02 | 1.03 | 1.60 | 3.00 |
| <i>Torres Strait Island</i> | 1.48 | 1.40 | 1.22 | 1.02 | 1.05 | 1.86 | 4.50 |
| <i>Townsville</i> | 1.00 | 1.03 | 1.14 | 1.05 | 1.00 | 1.07 | 1.00 |
| <i>Western Downs</i> | 1.12 | 1.02 | 1.15 | 1.07 | 1.00 | 1.10 | 1.25 |
| <i>Whitsunday</i> | 1.12 | 1.02 | 1.12 | 1.06 | 1.00 | 1.03 | 1.50 |
| <i>Winton</i> | 1.71 | 1.05 | 1.12 | 1.08 | 1.00 | 1.14 | 1.93 |
| <i>Woorabinda</i> | 1.77 | 1.44 | 1.23 | 1.02 | 1.04 | 1.94 | 1.46 |
| <i>Wujal Wujal</i> | 2.00 | 1.43 | 1.20 | 1.02 | 1.06 | 1.88 | 1.86 |
| <i>Yarrabah</i> | 1.58 | 1.43 | 1.23 | 1.01 | 1.05 | 1.90 | 1.36 |



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