1. GENERAL

All submissions must be consistent with the principles which have been adopted by the Commission. The principles are attached in Table 1.

Information in the submissions must relate to the year ended 30 June 2019, in order to be compatible with the Grants Commission’s Return of General Information for that year (for the 2020-21 grant calculations).

Only operational costs should be included; capital costs are to be excluded.

Submissions should be based only on inherent disabilities and problems, which are outside a council’s control. Additional costs that result from deliberate policy decisions made by councils to provide a higher than average standard of service are not considered disabilities.

Information provided on disabilities should be brief and the costing estimates of the disabilities should be as accurate as is practicable.

If you have further question, then please contact:
Helen Pearce on (02) 4428 4131 or by email at helen.pearce@olg.nsw.gov.au

Submissions should be e-mailed to the Commission at olg@olg.nsw.gov.au as soon as possible, but no later than 30 November 2019.
2. EXPENDITURE DISABILITIES

(a) Content

The details of the Commission’s expenditure calculations for Council’s area are enclosed (See Appendix A). This information should be used in assessing whether to make a submission on expenditure disabilities; that is, in assessing whether the particular disabilities of Council’s area are already recognised in the formula. If council believes that disabilities other than those currently identified by the formula have an impact on the cost of providing services, then this should be substantiated in the submission.

Similarly, if council believes that the impact of any disability already identified by the Commission is greater than indicated, then the case should be argued in the submission. Please refer to Table 2 for the basic format for a special submission. Details of the expenditure items considered, the council functions and disability measures can be found in Appendix X.
(b) Required Format

Table 2 shows the REQUIRED FORMAT for submissions on expenditure disabilities. Submissions should be brief and include:

1. the function affected (using the Commission's functional heading);
2. a brief description of the disability;
3. a brief account of the action taken to deal with that disability;
4. the estimated additional cost impact of that action.

Where a disability factor affects costs across a number of council functions, separate details should be used showing the cost impact in each function area.

(c) Outcome

Where the Commission recognises an additional disability raised in a submission beyond the measures recognised, an adjustment will be made as an "other" category.

Where an additional disability is recognised which has an impact on a number of councils, the methodology will be adjusted and all councils will be affected according to the extent of the relevant disability.

3. REVENUE DISABILITIES

While the approved principles generally bind the Commission's operation in this area, councils may wish to comment on the current methodology if it is considered that these unfairly disadvantage them.

It should be noted that non-rateable properties are taken into consideration in the Commission's calculation automatically. The loss of revenue from non-rateable properties does not need to be specified in the submission.
TABLE 1

APPROVED PRINCIPLES

1. general purpose grants to local governing bodies will be allocated as far as practicable on a full equalisation basis as defined in the Local Government (Financial Assistance) Act 1995; that is a basis which attempts to compensate local governing bodies for differences in expenditure required in the performance of their functions and in their capacity to raise revenue.

2. the assessment of revenue and expenditure allowances of local governing bodies will, as far as is practicable, be independent of the policy or practices of those bodies in raising revenue and the provision of services.

3. revenue raising capacity will primarily be determined on the basis of property values; positive and negative allowances relative to average standards may be calculated.

4. revenue allowances may be discounted to achieve equilibrium with expenditure allowances.

5. generally for each expenditure function an allowance will be determined using operational cost; both positive and negative allowances relative to average standards may be calculated.

6. expenditure allowances will be discounted to take account of specific purpose grants.

7. additional costs associated with non-resident use of services and facilities will be recognised in determining expenditure allowances.
TABLE 2

REQUIRED FORMAT FOR SUBMISSIONS ON

EXPENDITURE DISABILITIES

Function:

Disability:

Description and Response:

Cost Impact: