

APPENDIX C

LOCAL GOVERNMENT GRANTS COMMISSION GUIDELINES FOR SPECIAL SUBMISSIONS IN RELATION TO THE 2019-20 GRANTS

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 2018, in order to be compatible with the Grants Commission's **Return of General Information** for that year.

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

Submissions should be based only on inherent disabilities and problems, which are outside Council's control. **Additional costs that result from deliberate policy decisions made by Council 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 to determine.

It is expected that submissions will generally relate to expenditure disabilities.

It should be noted that water, sewerage and waste management services are not considered.

If you have further questions, 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 grants@olg.nsw.gov.au as soon as possible, but no later than **30 November 2018**.

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(b) Required Format

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

- (1) the function affected;
- (2) a **brief** description of the disability;
- (3) a **brief** account of the action taken, or which would need to be 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, an adjustment will be made for that function.

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 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. However, additional net costs associated with services to non-rateable properties may be raised as an expenditure disability.

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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 recurrent 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.

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TABLE 2

REQUIRED FORMAT FOR SUBMISSIONS ON EXPENDITURE DISABILITIES

EXAMPLE:

Function:

Administration and Governance

Disability:

Description and Response:

Cost Impact:

The **additional** cost is estimated as:-

450 applications x 3 hours/application x \$45/hour = **\$60,750**