

22MINLG-0325

Mayor Kevin Knight
City of Tea Tree Gully
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Dear Mayor Knight 

I am pleased to advise that the recommendations of the South Australian Local Government Grants Commission (the Commission) for the distribution of the Commonwealth Financial Assistance Grants (FA Grants) for 2022-23 and the Supplementary Local Road Funding for 2022-23 to councils were approved by the Hon Kristy McBain MP, Commonwealth Minister for Regional Development, Local Government and Territories, on 10 August 2022.

FA Grants across Australia will provide an estimated \$2.82 billion for 2022-23, which is an increase of 2.69 per cent over 2021-22. For South Australia, the total allocation is \$182.72 million—an increase of 1.49 per cent.

South Australia's allocation includes General Purpose Grants of \$135,138,065, an increase of 1.07 per cent from 2021-22, and Identified Local Road Grants of \$47,579,392, an increase of 2.69 per cent from 2021-22. The Identified Local Road component includes formulae-based funding of \$40,442,392 and \$7,137,000 for the Special Local Roads Program.

Minister McBain has also advised there was an underpayment of the General Purpose Grants of \$6,902,806 and Identified Local Road Grants of \$1,452,267 in the 2021-22 grants. Cash grants received by councils during 2022-23 will be adjusted accordingly in proportion to your council's approved 2021-22 distributions.

As has been the case in recent years, a portion of the 2022-23 FA Grants was brought forward and paid in April 2022. For 2022-23, approximately three quarters of the 2022-23 FA Grants was paid in April. South Australia received a total of \$136.7 million, which included \$100.96 million in General Purpose Grants and \$35.7 million in Identified Local Road Grants.

The brought forward payment was distributed on the basis of the approved recommendations for 2021-22 to give councils access to funds to help manage the cumulative impacts of the floods and the COVID-19 pandemic.

Tea Tree Gully Council has received a total of \$2,871,972, comprising \$1,712,888 in General Purpose Grants and \$1,159,084 in Identified Local Road Grants.

I am also pleased to confirm that the Commission's recommendations for distribution of the 2022-23 Supplementary Local Road Funding, provided to South Australia to address the inequity in South Australia's share of the Identified Local Road Grants, has been approved by Minister McBain. This funding will provide \$20 million to South Australia for 2022-23, including 85 per cent or \$17 million in formula grants and 15 percent or \$3 million provided to the Special Local Roads Program.

In summary, the total allocation to the Tea Tree Gully Council for the 2022-23 financial year consists of:

Estimated FA Grants for 2022-23

General Purpose Grant (GPG)	\$	2,306,094
Roads (Formulae Funding - ILRG)	\$	1,306,264
Roads (Special Local Roads Program - ILRG)	\$	*
Total Estimated Grants for 2022-23	\$	3,612,358
Add Adjustment for 2021-22 underpayment (GPG)	\$	117,997
Add Adjustment for 2021-22 underpayment (ILRG)	\$	47,263
Less Brought Forward Payment Paid in April 2022 (GPG)	\$	-1,712,888
Less Brought Forward Payment Paid in April 2022 (ILRG)	\$	-1,159,084
Remaining 2022-23 Cash Payable (rounded to the nearest dollar)	\$	905,646

2022-23 Supplementary Local Road Funding

Supplementary Local Road Funding (Formulae Funding)	\$	550,668
Supplementary Local Road Funding (Special Local Roads)	\$	**

* Moneys provided under the Special Local Roads Program (FA Grants) have been allocated for work on the following project:

** Moneys provided under the Supplementary Local Road funding component of the Special Local Roads Program for 2022-23 will be allocated shortly, for work on the following project:

The General Purpose Grants and the Identified Local Road Grants are determined using different assessment methods.

To determine the recommended allocation of General Purpose Grants, the Commission assesses each council's capacity to raise revenue and their expenditure need relative to the average across the State.

Greater funding is directed to councils with less capacity to raise revenue from rates (typically those councils with lower than average property values) or where services cost more to provide for reasons outside the council's control (typically those councils with higher than average expenditure needs).

The Identified Local Road Grants are distributed on the basis of road length and population, and—for rural councils—road length, population and the area of the council.

The Commission—consisting of the Chair, Mr Rob Donaldson and the Commissioners, Ms Wendy Campana and Mayor Erika Vickery—makes recommendations to me each year based on its distribution methodology. This methodology is reviewed regularly by the Commission. There have been no changes to the distribution methodology for 2022-23.

The FA Grants are untied and the funding for 2022-23 is paid in four quarterly instalments, with the first instalment recently paid on 16 August 2022 and further instalments to be paid in November 2022, February 2023, and May 2023. The Supplementary Local Road Funding for South Australia for 2022-23 was also passed on to councils on 17 August 2022.

It would be appreciated if you could forward this information to the relevant officers in your council. Should you have any queries regarding your council's grant, please contact Mr Peter Ilee, the Commission's Executive Officer, on telephone (08) 7133 1414 or via email to grants.commission@sa.gov.au.

Yours sincerely



Hon Geoff Brock MP
MINISTER FOR LOCAL GOVERNMENT

3 / 10 / 2022

Cc: ryan.mcmahon@cttg.sa.gov.au