

Queensland Local Government Grants Commission

Western Queensland Alliance of Councils
Assembly 2023



Queensland
Government

The Commission

Commission Members

Paul Bell AM, Chair

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Janelle Menzies

Cr Kurt Rehbein

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Noelis Rheault, P/Project Officer

Peter Fletcher, Snr Project Officer

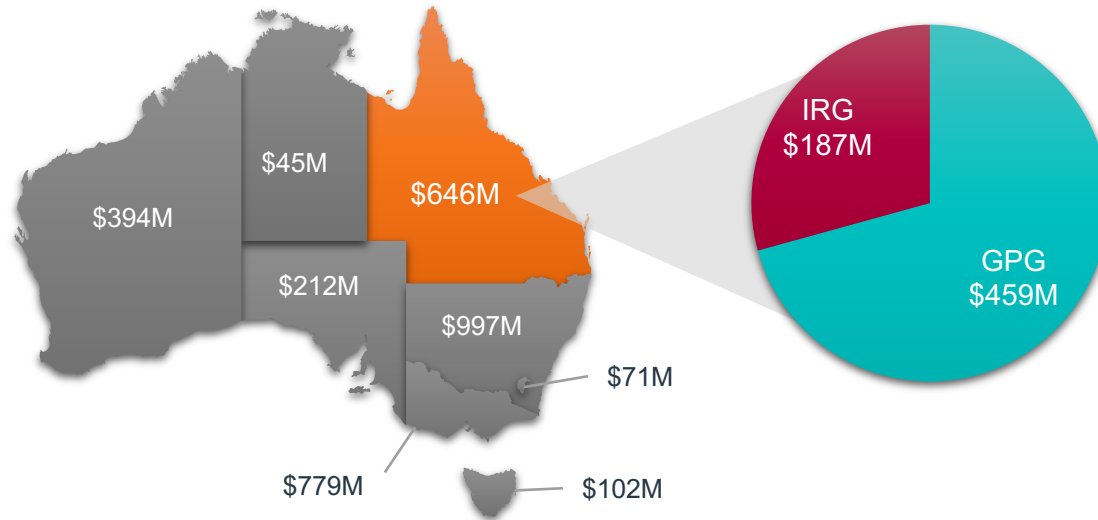
Presentation content

- The role of the Commission
- The funding pool for Queensland
- The National principles the Commission has to apply
- The recent Queensland methodology review case for change
- The overall impact of the new Queensland methodology

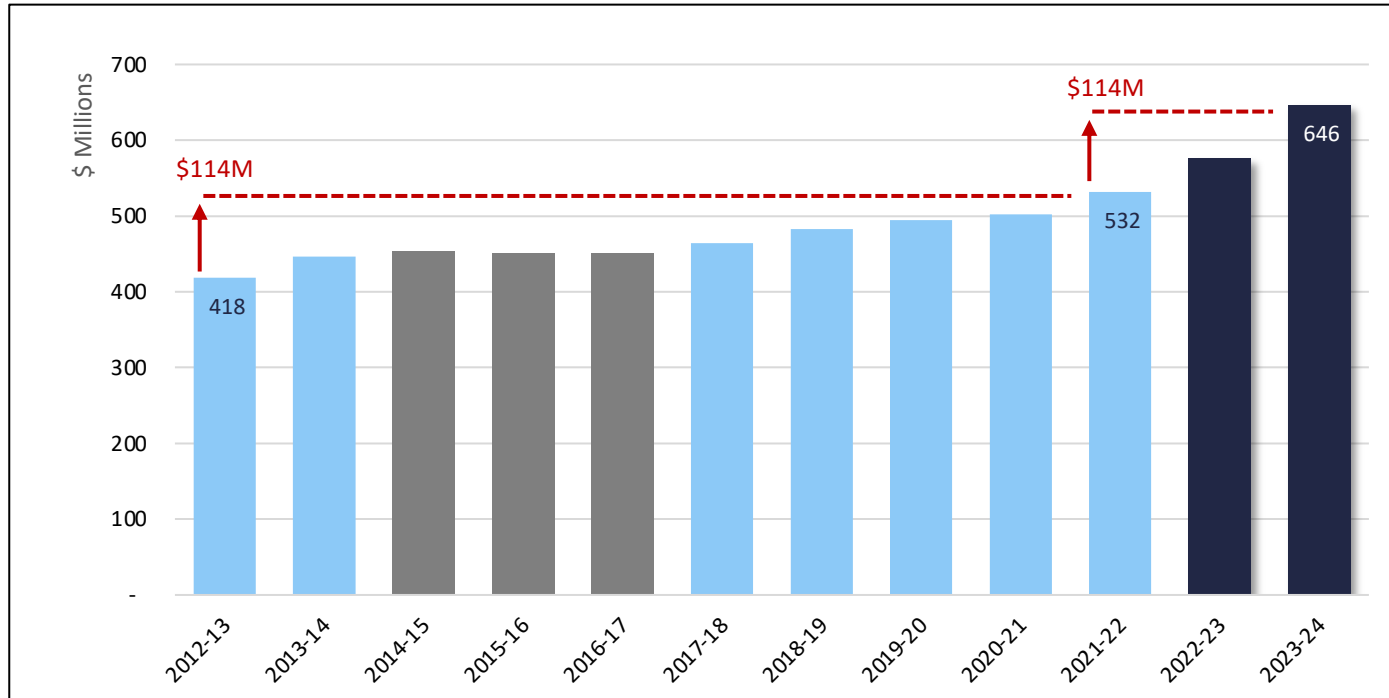
The Commission

- » Primary role
 - distribute the annual **Commonwealth Financial Assistance Grant** among Queensland's 77 councils
- » Members appointed by Governor-in-Council
- » Chairperson reports to State Minister LG (who reports to Cwealth Minister LG)
- » All funding is disbursed to councils
 - All expenses for the Commission and secretariat are met by the Queensland Government.

2023-24 Distribution (\$3.2B)



Queensland FA Grant since 2012-13



National Principles

(all State Grants Commissions must adhere to these)

1. Horizontal Equalisation (relative need)
2. Effort Neutrality
3. Minimum Grant
4. Other Grant Support
5. Aboriginal Peoples and Torres Strait Islanders
6. Council Amalgamation GPG

7. Identified Road Grant IRG

National Principles

Horizontal Equalisation

Aims to ensure that **each council...**

...can function by **reasonable effort**

...not below the **average standard**

...taking account of expenditure **need** &
revenue-raising **capacity**

...as far as practicable

National Principles

Effort Neutrality

- » A council's Grant must not be influenced by its policy decisions
- » 'Effort neutral' approach to assessing revenue capacity and expenditure need

National Principles

Minimum Grant

- » 30% General Purpose Grant – per capita basis.
- » Brisbane, Gold Coast, Sunshine Coast, Noosa, Ipswich, Moreton Bay, Logan, Redland, Cairns, Townsville & *Mackay*; *Bundaberg*, *Fraser Coast*, *Rockhampton*, *Toowoomba*.

General Purpose →



National Principles

Other Grant Support

- » Relevant grants considered as revenue

Aboriginal and Torres Strait Islander peoples

- » Recognises needs Aboriginal and Torres Strait Island peoples

Council amalgamation

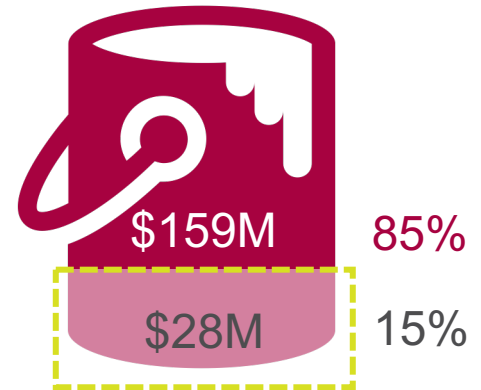
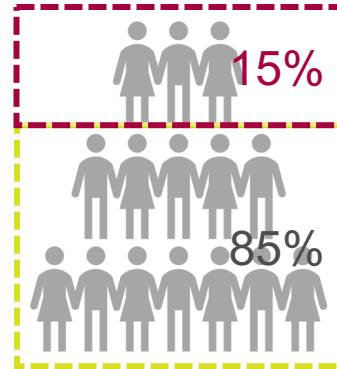
- » GP component
- » Amalgamated councils no less
- » 4yrs following
- » Qld 2008-2012

National Principles

Identified Road Grant

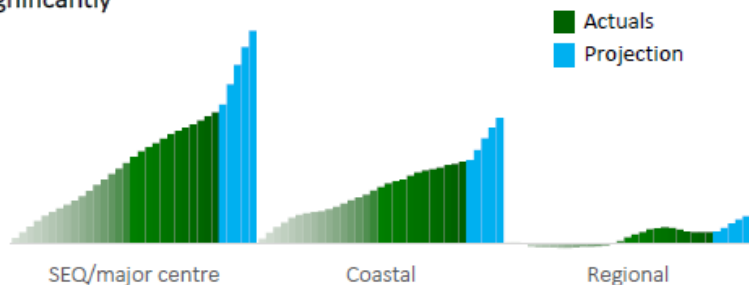
- » as far as practicable
- » relative need – roads expenditure
- » preserve road assets
- » relevant considerations
 - length, type & usage

Untied funding



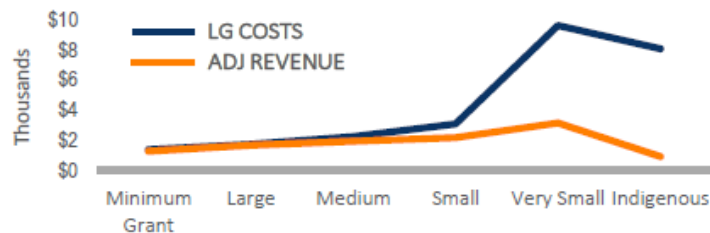
Drivers for change

The ability to provide equitable levels of service is impacted by population change - Queensland's population has changed significantly

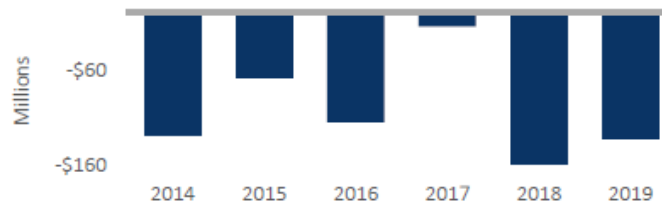


Councils with a population below 20,000 do not have the capacity to derive sufficient revenue to meet the cost base

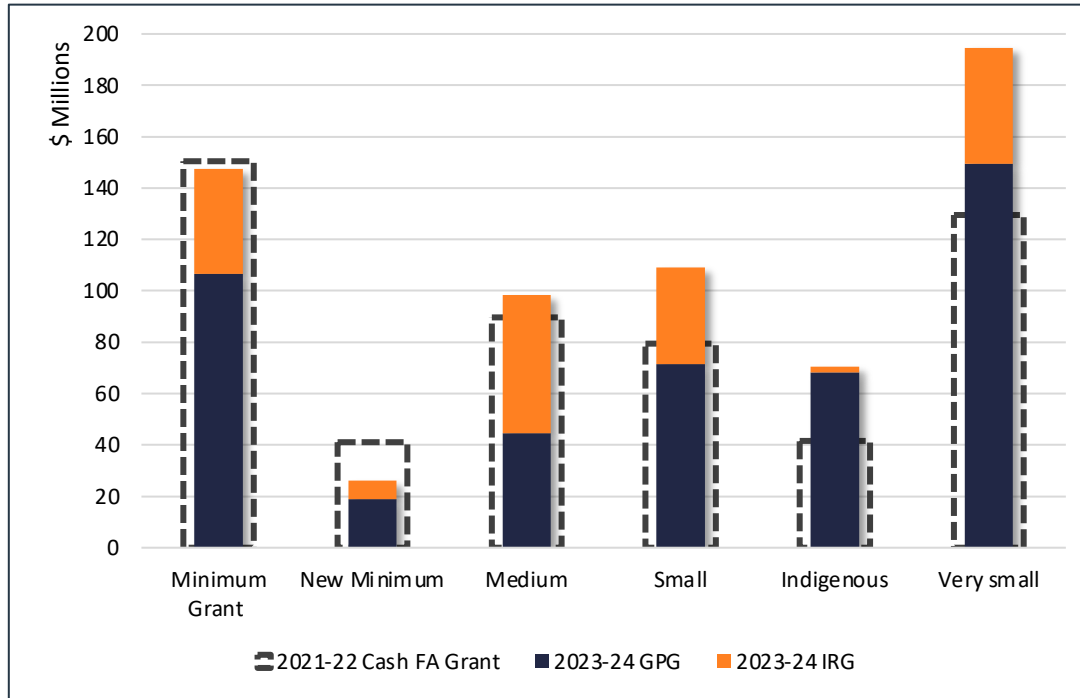
- Per capita revenue and costs diverge
- Constrained revenue raising capacity, estimated base cost of \$10m



This structural challenge results in significant operating deficits for smaller councils



2nd year of 3-year transition 2023-24



Annual Report

- » Further detail on the calculation and the data used is published in the Commission's Annual Report



Contacts

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