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An Analysis of the Joint Board or Country Model as the Structural Basis for Effective Australian Local Governance

by

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Abstract

Australian policy makers continue to rely on municipal amalgamation as the main engine of structural reform in local government, despite strong evidence that it diminishes participation and representation without improving service efficiency. Several promising, but neglected alternative models of structural reform have been developed, including ad hoc resource sharing models, Regional Organizations of Councils, virtual local government, and agency models. In an encouraging response to the recent policy of enforced council amalgamations in NSW, the Shires Association of NSW (2004) has recently proposed a 'Joint Board model' of local governance and invited comment on this model. The present paper takes up this challenge and seeks to place the Joint Board model in conceptual context and evaluate its characteristics and simulated cost savings.

Key Words: Area integration models; Council amalgamations; Joint Board models.

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1. INTRODUCTION

Structural reform in Australian local government has been practiced at least since Federation and the predominant instrument of such reform has always been amalgamation (Vince, 1997). In recent years South Australia, Tasmania and Victoria have all undergone episodes of municipal consolidation of differing degrees of intensity (see, for instance, May, 2003) and a policy of enforced council amalgamations is being implemented in New South Wales.

NSW local government is currently grappling with the NSW state government's recent reversal of its longstanding policy of voluntary council restructuring. In the aftermath of the March 2003 NSW state government elections, the Carr government suspended the forthcoming local government elections and announced its intention to implement a program of wide-ranging structural reform, especially amongst non-metropolitan councils. The stated rationale for this policy reversal was the purported need to consolidate small and financially 'unviable' rural and regional councils into larger amalgamated municipal organizations (Carr, 2003).

In terms of its policy of local government restructuring, the NSW state government invited affected councils and organized local government to submit proposals aimed at improving the effectiveness of municipal service delivery. It

appointed three 'Facilitators' to examine local governance in certain selected areas of the state and report on the desirability of amalgamating small, predominantly rural and regional councils into larger municipal entities. These proposals, together with inputs from affected councils and other interested parties, were to be considered in a series of official hearings of the NSW Boundaries Commission. The outcome of these Boundary Commission deliberations was then submitted to the NSW Minister of Local Government for his determination. This process has yet to be completed, but has nonetheless already resulted in several forced municipal amalgamations, including southern NSW councils surrounding the ACT, the Clarence Valley, the Peel region, and the area around Albury on the Victorian border.

Continued heavy reliance on council amalgamation in structural reform programs is surprising for several reasons. In the first place, municipal consolidation is unpopular with both municipal and state electorates and thus imposes political costs on state governments that advocate and execute substantial council amalgamation programs. On *a priori* grounds one would therefore anticipate that state and territory authorities would be hesitant to embark on far-reaching amalgamation schemes in favour of less drastic methods of local government reform.

Secondly, any envisaged economic gains from amalgamation are likely to be extremely limited. For instance, despite extravagant assurances from advocates of the South Australian and Victorian council mergers, the economic results have been depressing. Whereas the Victorian state government claimed that its amalgamation program would yield direct cost savings of around 20 per cent, the net outcome has been only 8.5 per cent, most of which has derived from competitive tendering and not restructuring (Allan, 2003, p.75). In an analogous fashion, the South Australian authorities promised savings of 17.4 per cent, but only achieved a mere 2.3 per cent (Allan, 2003, p.75). Furthermore, it must immediately be stressed that these savings did not include the indirect costs of amalgamation, like reduced economic activity and falling employment in affected rural and regional areas. This should not have been unexpected: Existing Australian and international empirical evidence on municipal consolidation is unambiguous in suggesting that amalgamation is likely to realize net economic costs rather than economic gains (see, for instance, Dollery and Crase, 2004).

Finally, the notion that 'bigger is better' in Australian local government, which underpins the entire economic case for council mergers, is quite simply false (Bish, 2000). There is no systematic relationship between size and efficiency in

municipal service provision. Canadian economist Andrew Sancton (2000, p. 74) has summarized the essence of this argument as follows: 'There is no functionally optimal size for municipal governments because different municipal activities have quite different optimal areas'.

Notwithstanding its continued popularity with Australian state government policy makers, growing unease with the heavy-handed nature of municipal amalgamations and their disappointing results among the Australian local government policy community has lead several researchers to investigate alternative models of local government structural reform, including *ad hoc* resource sharing models, Regional Organizations of Councils (ROCs) (Marshall e*t al.,* 2003), virtual local government (Allan, 2001), and agency models.

In an interesting new development, Shires Association of NSW (2004) has recently proposed a 'Joint Board model' of local governance as a policy response to the forced amalgamation program adopted by the NSW state government. In a draft discussion paper entitled *A Joint Board Model,* Shires Association of NSW (2004, p.2) stated that 'the President and the Executive of the Shires Association have demonstrated a keen awareness of the need to retain economic local government activity to the fullest extent possible in country areas, and has

commissioned a paper to determine whether other solutions might possibly meet some of the needs of local government while being cognizant of the political imperatives of the state government'. Moreover, the Shires Association of NSW (2004, p.5) has 'drafted a "Joint Board" model in an attempt to stimulate thinking and exploration of further administrative and operational alternative'. The present paper seeks to take up this challenge and examine the characteristics of the Joint Board model developed by the Shires Association of NSW.

The paper itself comprises four main sections. Section 2 provides a synoptic outline of the proposed Joint Board model. Section 3 seeks to place the Joint Board model in historical and conceptual perspective and evaluate its main characteristics. Section 4 attempts to analyze of the validity of the simulations conducted using the numerical model of three small hypothetical councils developed in *A Joint Board Model*. The paper ends with some brief concluding comments in section 5.

2. THE JOINT BOARD MODEL

The Joint Board model was developed by the Shires Association of NSW as an essentially pragmatic response to the concerted efforts of the NSW state government to amalgamate a large number of small regional and rural councils more or less regardless of their individual performance and financial viability.

Seen in this light, the Joint Board concept represents a compromise measure that seeks to defend the interests of a large number of small councils that are affiliated to the Shires Association of NSW by presenting a cogent argument for their continued existence as independent democratic entities, whilst at the same time placating the NSW state government's desire to engage in drastic structural reform. It can thus be seen as a compromise measure between the ostensibly unsustainable *status quo* of numerous small existing councils in NSW and the disappearance of these local authorities into a series of large amalgamated municipalities as envisaged by the NSW Minister for Local Government.

In an effort to avoid the 'Armageddon' of enforced council amalgamation and to 'retain economic local government activity to the fullest extent possible in country areas', the Shires Association of NSW (2004, p.2) proposed the Joint Board model based on the retention of autonomous existing councils and their current spatial boundaries, but with a shared administration and operations overseen by a joint board of elected councilors from each of the member municipalities. In essence, constituent councils would each retain their current political independence, thus preserving extant local democracy, whilst simultaneously merging their administrative staff and resources into a single enlarged bureau, in an attempt to

reap any scale economies, scope economies, or other benefits that may derive from a larger aggregated administration.

In its justification of the Joint Board model, the Shires Association of NSW (2004, p.5) contends that are two basic features that must be considered by any alternative model to municipal consolidation:

- 'Removal of the freedom of choice for the provision of services (other than the calling of tenders or quotations where this is a legal requirement) so that administrative and operational tasks are performed on a shared basis that achieves economies over time'; and
- 'Reforms need to be achieved in the level of councillor representation by a reduction in the number of councillors'.

It is immediately apparent that these 'two significant ingredients' are artifacts of the proposals drafted by the three NSW state government Facilitators who drafted the various amalgamation reports for various defined areas of NSW rather than indispensable foundations for alternative models to wholesale amalgamation. For instance, in their respective amalgamation proposals to the NSW Department of Local Government (and subsequently to the NSW Local Government Boundaries Commission) all three Facilitators (Professor Daly, Mr Simmons and Mr Varden) argued that the number of elected councillors represented a significant cost in local

governance and that structural reform must thus reduce the absolute number of elected representatives thereby inducing cost savings (see, for example, Varden (2003). However, in fact the costs of representation represent a miniscule proportion of the total outlays of typical small NSW councils and thus a diminution of elected representation cannot generate meaningful cost savings. This is apparent from the simulation exercise conducted in *A Joint Board Model* (2004) document itself: A decrease in the hypothetical number of councillors from an initial 27 (prior to the formation of the conjectural Joint Board council) to a final 18 representatives results in net savings of $45,000 or a mere 0.16% of total revenue! It is thus evident that political considerations rather than economic logic dictated these two parameters of the proposed Joint Board model to the author of the *A Joint Board Model*.

Despite these constraints, *A Joint Board Model* represents a brilliant exercise in local governance modeling that will set a benchmark for similar analyses of Australian municipal affairs for years to come. The Joint Board model itself begins eleven 'structural considerations' that define the basis of the hypothetical new Joint Board council. In essence, three pre-existing councils (X, Y and Z) decide to 'consolidate' their current administration and operations, subject to each council retaining its original boundaries as well as its autonomy, independence and

separate legal status under the requisite state enabling act. The number of elected councilors would be reduced and better remunerated, but still elected separately for councils X, Y and Z. An 'overarching' Joint Board (or County Council) would be created with its own general manager and necessary staff to run the new entity. Each council would continue to receive its extant grant income, rates revenue, and other fees and charges, and contribute to the new organizational structure on a *pro rata* basis. Initially, 'each constituent council would continue to determine its own service standards, policies and planning instruments, but over time, they would be rationalised'. Similarly, 'each council [would] maintain its Management Plan, Long Term Financial and Rating Plan, but over time the management plan [would] be consolidated into one document, providing works and services as resolved by the council' (p.6). Finally, each council would retain ownership of its own assets, at least for an interim period.

3. AREA INTEGRATION MODELS

The proposed governance structure in the Shires Association of NSW (2004) draft document *A Joint Board Model* is by no means new in either Australian local government or the international literature. Indeed, the Joint Board model seems to represent an extension of the ancient English system of rural parish councils attached to the administrative apparatus of larger municipal corporations that was

first applied to Australian local government by Williams (1988), and then elaborated by Ernst and Young (1993) and Thornton (1995) as an 'urban parish' model in the context of the South Australian amalgamation program in the 1990s.

Governance models in the area integration tradition, including the Joint Board model, rest on two stylized (and by no means accurate) assumptions that present municipal policy makers with a dilemma. In the first place, it is widely believed that small councils usually facilitate effective representation, but are presumed not use the resources at their disposal in an efficient manner. On the other hand, large municipal authorities are deemed to diminish effective democratic representation and at the same time are assumed to typically employ resources relatively effectively. In contrast to amalgamation that deals with this trade-off by placing a greater priority on resource efficiency concerns than on questions of representational effectiveness, thus producing larger local governments, area integration models seek to 'break' the ostensible trade-off between democracy and efficiency by retaining at least some of the desirable democratic characteristics of small councils and agglomerating their separate administrative structures in order to capture purportedly efficiency enhancing attributes of larger municipal bureaucracies. Thornton (1995, p.1) argued that this is best achieved by area integration models that sever the 'traditional connection between physical function

and geographical boundary, thus capturing the best of all worlds: functional areas big enough to provide economies of (large) scale for the delivery of services and regional coherence, together with political areas small enough to provide intimacy of (small) scale for effective representation and sense of community'.

In sharp contrast to *ad hoc* resource sharing models and Regional Organizations of Councils, but in common with amalgamated councils, A Joint Board would appoint its own general manager, who would also act as general manager for all member councils. This surely represents the most important attribute of the Joint Board model and also constitutes its chief strength. Alternative models of local governance that retain the autonomy and independence of individual councils, like *ad hoc* resource sharing models and Regional Organizations of Councils, all suffer from the potentially disastrous failing that activities will not be adequately coordinated and integrated since they will be largely controlled by separate senior staffs, including separate general managers. Moreover, the natural inclination to 'protect one's own patch' on the part of independent management teams will tend to increase the probability of 'turf wars' between constituent councils and thus scarcely contribute towards long-run success. In contrast, it can be reasonably expected on *a priori* grounds that a single controlling general manager will not only ensure proper coordination and integration of service delivery, but also

remove any parochialism inevitably associated with several concurrent management structures.

A second critical characteristic of area integration models resides in the assumption that each council would largely preserve ownership of its existing assets. Accordingly, in the Joint Board variation of this kind of model, 'each member council would retain ownership of all assets, but over time, assessment of usage would determine economic viabilities with potential to dispose of underutilised assets' (Shires Association of NSW, 2004, p.7). Nevertheless, according to this conception of an area integration model, 'transfer of ownership to the Joint Board of assets such as office furniture, equipment, I/T, depots and motor vehicles would be required'. It has been argued that this attribute imbues the model with the decided advantage of reversibility (Thornton, 1995): If things go wrong, it is feasible to reinstate the earlier *status quo*.

Additional advantages ascribed to area integration models include 'increased accountability, public scrutiny and citizen involvement'; ready access to elected representatives; the separation of policy decision making from policy execution; realization of scale and scope economies; social cohesion deriving from small constituent communities; a 'balance between the social and economic dimensions

of municipal governance'; a higher degree of 'policy coherence' over a larger spatial area; greater regional participation; a 'respect for history of communities and preservation of sense of place'; and avoidance of the pooling of reserves and accumulated debts between 'provident' and 'improvident' member councils (Thornton, 1995). Moreover, under the Joint Board model every constituent council would continue to enjoy full autonomy; 'it would have the power to determine its range of works and services, and to determine its financial plans to provide the necessary funding' (Shires Association of NSW, 2004, p.7).

However, proponents of area integration models recognize various generic shortcomings. For instance, organizational complexity would increase substantially and ambiguity might arise over the appropriate institutional site for some decisions with system-wide externalities. Similarly, competing and irreconcilable demands by different member councils can induce conflict. Finally, there exists 'potential for problems of demarcation and definition between the wide area committee [or joint board] and the integrated local area councils' (Thornton, 1995).

4. ANALYSIS OF THE HYPOTHETICAL MODEL

An innovative feature of the analysis conducted in *A Joint Board Model* resides in the numerical example of three small hypothetical rural councils. On the basis of

the 'stylized facts' describing councils X, Y and Z (see Appendix A), the author is able to simulate various estimated efficiency gains and cost savings. These are summarized in Table 1 below. It is important to determine to what extent the hypothetical characteristics ascribed to X, Y and Z are descriptively realistic in contemporary NSW local governance. It is also crucial to ascertain the sensitivity of the hypothetical data to the estimates that are derived. Put differently, how robust are the conclusions if we modify the hypothetical data? These two problems are now examined in detail.

Table 1:Summary of Projected Annual Cost Savings

Personnel Costs		
Senior Staff	$560,000 pa	6% pf total personnel costs + on-costs
Other Staff	$440,000 pa	5% reduction in non senior management staff costs
Councillor Costs	$45,000 pa	Reduction in Councillor numbers by one third (9 councillors x $5000pa)
Other Major Costs		
Material & Contractors	$390,000 pa	5% of total material and contractors expenditure (via increased economics of scale)
Depreciation	$330,000 pa	5% of depreciation expenditure (via reduction in duplication of assets)
Total	**$1,765,000**	**Saving/efficiency gain of 6.5% of budget (total Revenue)**

Source: Shires Association of NSW (2004, p.11)

The Joint Board model describes the savings depicted in Table 1 as 'based on conservative estimates of potential efficiency gains that could be achieved under a shared service provision arrangement. Nevertheless, it is acknowledged that whereas 'this is a hypothetical case study making use of realistic council data however, only a detailed analysis using complete actual council data and including full knowledge of local circumstances, will produce reliable information' (p.11). It is evident from Table 1 that the model provides for savings in the range of 5-6% of

total income largely accruing in the areas of staff, councillors, materials and contracts as well as reductions in depreciation expenditure. The most impressive component of this model is that it reduces duplication in service delivery while maintaining independence over what services are to be delivered and how these services are to be funded. Accordingly, it is not surprising that the majority of the savings are achieved in the area of staffing and the 'rationalisation of plant' (p.12).

The model is based on savings after a three year period and thus does not consider the costs of actually implementing the Joint Board model, particularly the costs associated with combining the operations of the existing councils (i.e., integration of existing IT systems, communication (data/voice) between centres, training and relocation of staff, and any modification to buildings etc. to accommodate the new shared services) and the costs of any staff redundancies.

To assist in analyzing the reliability of the savings reported in the hypothetical model, the statistical data contained in Appendix A has been expanded from the three councils (X, Y and Z) in the original model to include actual information on four NSW councils (referred to as councils A, B, C, and D for anonymity) of similar size to the combined hypothetical council presented in the Joint Board model. We now examine the outcome of this analysis in terms of the categories included in Appendix A:

Staffing Costs – The Joint Board model provides for a total of $1m in staff savings for both 'senior management' and 'other staff' positions. This represents a reduction in the overall wage budget of some 11% and it is the largest single area of saving achieved in the simulation (i.e., staffing savings represent around 57% of the total savings reported by the model for X, Y and Z). By contrast, the information included in Appendix A on four actual NSW councils indicated that the average employee number of the existing councils (A, B, C and D) is 184 whereas the combined hypothetical council has 210 employees, thus providing an opportunity to decrease staffing numbers by 12% through reducing current duplication on becoming a Joint Board. In an analogous argument, the total average wages of the actual councils (A, B, C and D) is $8.1m whereas the hypothetical combined council has a wage bill of $9.1m. Therefore the achievement of $1m saving in the Joint Board model should certainly considered feasible.

Councillor Costs – It can be argued that the projected savings from the reduction in the number of councillors, as depicted in the Joint Board model proposal, fails to include the additional costs of funding the representatives on the Joint Board thus reducing the hypothetical savings to only $10,000 p.a. Moreover, the entire

savings in councillor costs is realised by the larger hypothetical council (Z) with the smaller councils (X and Y) potentially suffering an increase in representational costs. This situation is highlighted in Table 2:

Table 2:Analysis of Reported Savings in Councillor Costs

	X	Y	Z	Board	Total
LGRT Category	5	5	3	3	
Individually					
No of Councillors	9	9	9	na	27
Cost per Councillor [1]	5,988	5,988	9,128	na	
Cost per Mayor [1]	8,183	8,183	19,760	na	
Total Cost	**62,070**	**62,070**	**101,908**	na	**226,048**
Joint Board					
No of Councillors [2]	5	5	5	6	21
Cost per Councillor [1]	5,988	5,988	9,128	9,128	
Cost per Mayor [1]	8,183	8,183	19,760	19,760	
Total Cost	**38,120**	**38,120**	**65,398**	**74,525**	**216,163**
Savings (Extra Costs)[3]	**(892)**	**(892)**	**11,668**		**9,885**

Notes:
1. Councillor and mayoral fees are the mid point in the range as provided by the Local Government Remuneration Tribune.
2. Assumes each Councils has 5 councillors and board has 6 councillors paid at the category 3 level of remuneration (per LGSA model)
3. The cost of the board councillors are divided evenly between the councils

While the model (p.6) suggests that a council that currently has 9 councillors would decrease its numbers to 5 elected representatives, thus saving on the cost of four councillors per council, the Joint Board provides for membership to be made up of two councillors for each existing council. Moreover, the Board would have a chair and 'members of the Joint Board are appropriately remunerated with an additional fee and access to facilities as provided by the Local Government Act'. Given the population of the combined area, it is most likely to be in the same

remuneration category (as determined by the Local Government Remuneration tribune) as Council Z. As a result, the savings made by the smaller councils (X and Y) in reducing their councillor numbers by four is offset by having to pay their two representatives on the Joint Board an additional allowance which is considerably higher then their existing allowance as a result of the increased size and responsibilities of the Joint Board. Under this scenario, a reduction of at least 4 councillors is required by the individual councils to break even. The entire savings ($9,885) generated under this model is thus captured by the larger council (Z), with the smaller councils (X and Y) expending additional funds.

Material & Contracts – It is evident from Table 1 that the model provides for a 5% reduction in the combined hypothetical council's 'materials and contracts' expenditure as a result of increased economics of scale. While the model itself considers its own estimates as 'conservative', our analysis concurs with this view. Savings can be expected to be made in this area through achieving volume purchasing discounts (both in contracts and materials), an ability to provide services previously contracted out due to increased scale of operations, as well as achieving a flow on savings from the reduction and/or rationalization of the Joint Board's staff and plant fleet (e.g. less plant leads to less fuel and oil and associated materials being required). Our agreement with the conservative nature of the

savings attributed to material and contracts in the Joint Board model is support by the actual data from NSW council (A, B, C and D) in Appendix A. The average amount of material and contracts for these councils is some $500,000 lower than combined hypothetical council. Moreover, even this average figure is inflated as a result of council B's expenditure being around twice that of the other three municipalities (A, C and D). Indeed, excluding council B, the average sum spent by the remaining councils is around $1.8m lower than the combined hypothetical council in the Joint Board model.

Depreciation – The model makes the assumption that 5% savings can be achieved depreciation expenditure due to reduction in duplicated assets. Additional information is required to determine if this level of savings is achievable. A large proportion of most council's depreciation is in the area of infrastructure, such as roads, bridges, water and sewerage. These assets are not likely to reduced as part of the decision to form a Joint Board. In addition, the model prescribes that 'each council would have power to retain existing council chambers, meeting rooms, public halls, libraries, pools, etc., determine their use and delegate usage arrangements to the Joint Board' (p.8). Therefore only assets, such as plant and equipment, office equipment, and furniture and fittings, are likely to produce any possibility of generating savings in this model. A perusal of similar actual councils

in NSW indicated that this latter class of assets contributes around 25% of total depreciation expenditure. The hypothetical combined councils have an aggregate depreciation expense totaling $1,650,000. Thus the model's predicted savings of $330,000 on depreciation expenditure represents some 20% of this latter group of assets. While a 20% reduction in these classes of assets may be achievable through plant rationalization, etc., it is likely to be an optimistic target, particularly in the short term.

In conclusion, as the NSW Shires Association (2004) itself acknowledges, the only way to really determine the extent of the savings that can be made by the implementation of the Joint Board model is to conduct a detailed analysis of data from actual council structural change with full knowledge of implementation implications and other specific local issues. Savings estimates are likely to vary between groups of councils considering implementing the board model as a result of the diversity among councils and the different methods available for implementing the model. Given these qualifications, and following on from the discussion above, we argue that it would not be unrealistic for a group of local authorities adopting the Joint Board model to achieve savings in excess of 10% pa.

5. CONCLUDING COMMENTS

We are now in a position to draw at least some tentative conclusions regarding the Joint Board model advanced by the NSW Shires Association. In the first place, although the model is not new in concept, with a long line of antecedents in the form of area integration models, it nevertheless represents an innovative policy response to the NSW government's new policy of forced amalgamation. Moreover, the simulation exercise using three hypothetical small councils adds an interesting and useful dimension to the model.

The Joint Board model itself facilitates a split between the provider of services (i.e., the Joint Board) and the purchasers of services (i.e., the constituent individual councils) and can therefore assist in assessing additional alternative competitive providers that may arise in due course. Notwithstanding strong evidence to the contrary (Dollery and Crase, 2004), it also thus provides the institutional basis for potential economics of scale in service delivery. In particular, duplication in the back office area (IT, finance and HRM) as well as plant rationalisation provide the largest area of possible savings.

Several additional advantages are evident: The model is reversible if everything falls apart and there is not sufficient cooperation; predetermined service level

agreements can be formed between individual councils and the Board to ensure higher levels of services and to increase accountability; the model has the potential to remove the duplication between the respective councils with the board undertaking common task and functions; it provides the ability to quarantine finances and projects to ensure differential levels of fees, charges, rates, loan borrowings and services that can be maintained without the understandable fear of the largest centre dominating the projects undertaken and being able to relate fees paid to level of service which is not achievable under amalgamation with one budget and management plan; and it yields a regional focus on service where appropriate that is not readily available in smaller council operating individually.

However, the key success criterion for the Joint Board model seems to be the ability of the Joint Board and individual councils to cooperate and co-exist amicably and work together to satisfy each other's priorities and objectives. Without this level of cooperation, which is undoubtedly difficult to achieve in practice, the model will disintegrate. Other problems are also apparent: Individual council's set priorities, policy issues, fees and charges, but are at the mercy of the Board to determine the implementation program and to determine respective priorities among the councils; it provides a steeper organisational structure than smaller individual councils; the ability of individual council voters and councillors

to influence the activities of the Board may be questionable and thus accountability is further removed; and there is the potential for indirect economic and social costs, like local unemployment and local reductions in economic activity, to intensify if employees are redeployed to the largest council area.

APPENDIX A: HYPOTHETICAL STATISTICAL PROFILE

	X	Y	Z	Combined	A	B	C	D	Ave
Population	2,400	3,800	12,000	18,200	15,881	16,275	15,099	18,346	16,400
Area (Sq Km)	2,000	2,000	3,000	7,000	8,593	17,928	5,958	5,540	9,505
No. Councillors	9	9	9	21	12	12	10	11	11
Staff No. (FTE)	50	60	100	210	185	221	143	188	184
Road Length	950	850	800	2,600	1,786	2,638	1,773	1,351	1,887
DLG Category	9	9	11	11	11	11	11	11	11
Revenue $000									
Rate Revenue	1,800	2,500	6,100	10,400	8,717	14,549	8,318	11,435	10,755
Fees & Charges	400	1,400	2,000	3,800	4,215	5,233	6,464	4,683	5,149
Grants	1,200	3,700	3,200	8,100	4,432	6,103	5,231	4,666	5,108
Contrib & Donations	2,200	500	1,300	4,000	1,747	1,552	881	1,977	1,539
Other	150	200	700	1,050	1,285	793	1,518	1,386	1,246
Total Revenue $000	5,750	8,300	13,300	27,350	20,396	28,230	22,412	24,147	23,796
Rates/Total Revenue	31%	30%	46%	38%	43%	52%	37%	47%	45%
Average Rate $									
Residential	269	266	347	294	476	583	369	524	488
Business	309	505	1,456	757	2,232	1,563	1,527	1,180	1,625
Farmland	1,455	1,388	1,419	1,421	1,703	4,025	1,138	1,736	2,150
Mining	na	na	na	na	na.	na.	na.	na.	na.
Total Assessments (No.)	1,700	2,200	5,500	9,400	7,198	6,698	7,416	8,927	7,560
Rates per Capita $	750	660	510	570	549	894	551	623	656
Revenue per Capita $	2,396	2,184	1,108	1,503	1,284	1,735	1,484	1,316	1,451
Grants $000									
GP FAGs	500	1,000	1,400	2,900	2,149	2,088	2,181	1,673	2,023
ILR	460	560	750	1,770	1,256	1,768	1,203	1,052	1,320
Other	275	2,060	1,240	3,575	1,027	2,247	1,847	1,941	1,766
Total Grants	1,235	3,620	3,390	8,245	4,432	6,103	5,231	4,666	5,108
GP FAGs per Capita $	210	265	116	160	135	128	144	91	123
ILR per Km	610	620	700	649	703	670	679	779	699
Total Grants per Capita $	515	950	280	450	279	375	346	254	311
Grants/Total Revenue %	21%	44%	25%	30%	22%	22%	23%	19%	21%
Other Indicators									
Current Ratio	3.06	1.82	2.33		5.06	1.87	4.54	2.87	3.59
Capital Expenditure Ratio	1.10	1.10	1.10		1.25	0.94	0.98	1.19	1.09
Debt Service Ratio	5.34	3.46	5.62		1.28	6.44	-	4.48	3.05
Major Ordinary Expenditure									
Employee Costs $000	2,500	2,600	4,000	9,100	7,204	9,656	6,801	8,690	8,088
Expenditure %	42%	30%	30%	33%	34%	32%	33%	37%	34%

Cost per employee $	50,000	43,333	40,000	43,333	38,941	43,692	47,559	46,223	44,104
Material & Contracts $000	800	3,500	3,500	7,800	5,587	11,391	6,613	5,727	7,330
Expenditure %	14%	36%	30%	28%	26%	38%	32%	25%	30%
Depreciation $000	2,200	1,800	2,600	6,600	6,556	6,100	5,723	5,283	5,916
Expenditure %	37%	20%	22%	24%	31%	20%	27%	23%	25%
Total Expenditure	5,952	8,667	13,333	27,952	21,331	30,184	20,842	22,963	23,830
Other Information									
DAs Determined	18	60	250	328	172	226	233	630	315
Libraries	1	1	1	3	NA	NA	NA	NA	

Source: Shires Association of NSW (2004, p.9/10); NSW LGGC (2003); NSW DLG (2004).

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