Ordinary Meeting

MM01
MM02

BUSINESS PAPER

Tuesday, 22 September 2026 at 7:00 PM

Griffith City Council Chambers
Phone: 1300 176 077
Web: www.griffith.nsw.gov.au Email: admin@griffith.nsw.gov.au

AGENDA

**ORDINARY MEETING OF GRIFFITH CITY COUNCIL
TO BE HELD IN GRIFFITH CITY COUNCIL CHAMBERS ON
TUESDAY, 22 SEPTEMBER 2026 AT 7:00 PM**

MEETING NOTICE

Notice is hereby given that an Ordinary Meeting of Council will be held in the Griffith City Council Chambers on **Tuesday, 22 September 2026.**

In accordance with Griffith City Council's Code of Meeting Practice and as permitted under the Local Government Act 1993, this meeting will be livestreamed via Facebook and a person's image and / or voice may be broadcast.

A recording of the livestream will be published on Council's website for at least 12 months after the meeting or for the balance of the Council term, whichever is the longer period.

Attendance at a Council meeting is to be taken as consent by a person to their image and / or voice being livestreamed.

All speakers should refrain from making any defamatory comments or releasing any personal information about another individual without their consent.

Council accepts no liability for any damage that may result from defamatory comments made by persons attending meetings – all liability will rest with the individual who made the comments.

No other recording by a video camera, still camera or any other electronic device capable of webcasting or recording is permitted without the prior approval of Council.

Mayoral Minutes

Scott Grant

GENERAL MANAGER

CLAUSE **MM01**

TITLE **Yiradyuri/Wiradyuri/Wiradjuri People - Native Title**

FROM **Scott Grant, General Manager**

TRIM REF **26/116214**

SUMMARY

Griffith City Council has received notice of a Native Title claim lodged in the Federal Court of Australia by the Southern West Yiradyuri/Wiradyuri/Wiradjuri People. The claim covers a significant area of southern and western New South Wales, including land within the Griffith Local Government Area. Council has obtained legal advice regarding the claim, its potential implications for Council and whether Council should become a party to the Federal Court proceedings. A number of councils across the Riverina and Murray regions are also affected by the claim. Following discussions coordinated through the Riverina and Murray Joint Organisation (RAMJO), the affected councils have agreed to establish a joint position and participate collectively in the matter. The purpose of this Mayoral Minute is to seek Council's endorsement to participate in that joint regional approach and authorise the General Manager to progress the necessary arrangements on Council's behalf.

RECOMMENDATION

(a) Note the Native Title claim by the Southern West Yiradyuri/Wiradyuri/Wiradjuri People and the legal advice received by Council in relation to the claim;

(b) Endorse Griffith City Council joining with the Riverina and Murray Joint Organisation (RAMJO) and other affected councils in a coordinated regional response to the Native Title claim, including Council becoming a party to Federal Court proceeding NSD1851/2025 and participating in joint legal representation and submissions as appropriate;

(c) Delegate authority to the General Manager to undertake all actions necessary to give effect to this resolution, including finalising arrangements with RAMJO and participating councils, engaging appropriate legal representation, lodging necessary documentation and representing Council's interests in the proceedings, with material developments to be reported back to Council as appropriate.

REPORT

Council has been formally notified of a Native Title determination application made on behalf of the Southern West Yiradyuri/Wiradyuri/Wiradjuri People. The application is before the Federal Court of Australia as proceeding NSD1851/2025 and was entered on the Register of Native Title Claims on 30 April 2026.

The claim covers a substantial area of southern and western New South Wales, including land within the Griffith Local Government Area. The claim does not automatically apply to all land within the mapped area. The application excludes various categories of land and waters, including valid freehold estates, certain leases, public roads validly granted or vested on or before 23 December 1996, and certain public works established before that date.

Council has obtained legal advice regarding the claim and the implications of becoming a party to the proceedings. Council has interests that may be relevant to the determination, including Council-owned land, Crown land managed by Council, public roads and Council infrastructure such as water, sewerage and drainage infrastructure, waste facilities, community buildings, sporting facilities and cemeteries.

The Federal Court proceedings will ultimately determine whether native title exists within the relevant claim area, the nature and extent of any native title rights and interests, and how those rights and interests interact with other existing interests in the land, including interests held by Council.

Importantly, Council becoming a party to the proceedings does not mean that Council is opposing the Native Title claim. Rather, participation provides Council with the ability to be informed of matters affecting the Griffith Local Government Area, provide relevant evidence and information concerning Council land and infrastructure, participate in negotiations and make submissions where Council's interests may be affected.

Council's legal advice also notes that while the State is expected to take the primary role in responding to the claim, the State may not hold all records and information relevant to Council's particular land interests. Participation therefore enables Council to ensure that information relating to land and infrastructure within the Griffith Local Government Area is appropriately considered.

Given the geographic extent of the claim, a number of councils across the Riverina and Murray regions are similarly affected. RAMJO has coordinated discussions between affected councils, and it has been agreed to establish a joint position and participate collectively in the proceedings.

A coordinated regional approach provides an opportunity for affected councils to share legal expertise and costs, minimise duplication, coordinate information and submissions and ensure that local government interests are appropriately represented throughout the proceedings.

Council's legal advice notes that Native Title proceedings can extend over a considerable period, with NSW claimant applications often running for between five and fifteen years. Parties should generally expect to bear their own costs. Accordingly, a collaborative approach between affected councils is considered an appropriate and efficient way of managing Council's participation.

Council has until 25 November 2026 to apply to become a party to the proceedings.
Given the potential implications of the determination for Council's interests in land and infrastructure, and the agreement between affected councils to adopt a coordinated regional approach, it is recommended that Griffith City Council participate in the joint response and authorise the General Manager to undertake the necessary actions on Council's behalf.

OPTIONS

OPTION 1

As per the Recommendation.

OPTION 2

Council may determine not to participate in the Federal Court proceedings and instead rely on the State of NSW to represent the broader interests affected by the claim.

Council's legal advice identifies a risk with this approach, as the State may not hold all records or information relevant to Council's specific land, infrastructure and other interests. If

Council does not participate, it would also have limited ability to provide evidence, make submissions or participate in negotiations concerning matters directly affecting Council.

Importantly, any Native Title determination affecting land within the Griffith Local Government Area may bind Council irrespective of whether Council participates in the proceedings.

For these reasons, this option is not recommended.

POLICY IMPLICATIONS

There are no identified direct policy implications arising from the recommendation. Council's participation is intended to protect its existing interests and ensure those interests are appropriately represented through the Native Title proceedings.

FINANCIAL IMPLICATIONS AND RISK

Council will incur legal and associated costs through its participation in the proceedings. The coordinated approach through RAMJO and other affected councils provides an opportunity to share costs and minimise duplication; however, the overall cost and duration of the proceedings cannot presently be determined. Council's legal advice notes that Native Title proceedings can extend for a number of years and parties generally bear their own costs.

Moderate Low Risk: Minor financial loss > $10,000 to $1 million.

COMPLIANCE / LEGAL / STATUTORY IMPLICATIONS AND RISK

The claim is being determined under the Native Title Act 1993 through Federal Court proceeding NSD1851/2025. Legal advice and claim documentation are held separately by Council. Participation will enable Council to provide evidence, make submissions and participate in negotiations concerning Council's land, infrastructure and other interests that may be affected by the determination.

Moderate Low Risk: Minor policy or regulatory breach resolved through amended practices.

ENVIRONMENTAL IMPLICATIONS AND RISK

There are no direct environmental implications arising from the recommendation to participate in the proceedings.

Minor Low Risk: Minimal environmental impact handled internally.

REPUTATION / COMMUNITY IMPLICATIONS AND RISK

Native Title is a significant matter for Aboriginal communities and the broader community. Council's participation should be understood as ensuring its interests are appropriately represented in the legal process and does not represent opposition to the Native Title claim.

Major High Risk: Extreme adverse public/staff reaction and/or major widespread negative publicity. GM or Council intervention required up to a month. Low staff morale.

SERVICE DELIVERY IMPLICATIONS AND RISK

There are no immediate impacts on Council service delivery arising from the recommendation. Participation will assist Council in identifying and responding to any potential longer-term implications for Council-managed land, roads, infrastructure and facilities.

Minor Low Risk: Nil impact to service delivery.

WHS / HR IMPLICATIONS AND RISK

There are no identified WHS or significant HR implications arising from the recommendation. Some internal staff resources may be required to locate historical land, tenure, infrastructure and other records relevant to the proceedings.

Minor Low Risk: No injuries/Nil impact to service delivery.

LINK TO STRATEGIC PLAN

This item links to Council's Strategic Plan item 1.2 Actively engage with and seek direction from our community and stakeholders.

CONSULTATION

Senior Management Team

Council has obtained legal advice regarding the claim and has participated in discussions coordinated through RAMJO with other affected councils. Those discussions have resulted in agreement to develop a joint position and participate collectively in the proceedings.

ATTACHMENTS

Nil

CLAUSE **MM02**

TITLE **Local Government Grants Commission - Submission**

FROM **Matthew Hansen, Director Business, Cultural & Financial Services**

TRIM REF **26/116259**

SUMMARY

This Mayoral Minute seeks Council's endorsement of a draft submission to the NSW Local Government Grants Commission on its proposed new methodology for allocating Financial Assistance Grants, and to delegate authority to finalise and lodge it before the closing date of 7 October 2026.

RECOMMENDATION

(a) Note the NSW Local Government Grants Commission's review of the methodology for allocating Financial Assistance Grants, and that submissions close on 7 October 2026.

(b) Endorse the draft submission at Attachment 1 as the basis of Council's response to the Commission

(c) Delegate authority to the Mayor and the General Manager to finalise and lodge the submission, including any amendments arising from information subsequently provided by the Commission

(d) Request that a copy of the final submission as lodged be provided to Councillors, and that the outcome of the Commission's review be reported to Council when the final methodology is determined.

REPORT

What the Financial Assistance Grants are

Financial Assistance Grants are untied funding provided by the Commonwealth to local government and paid to councils through the State. They come in two parts: a General Purpose Component and a Local Roads Component. Being untied, they can be applied to any lawful purpose, and for a council like ours they underwrite services the community expects but which do not pay for themselves.

For Griffith, the 2026-27 grant is $8,630,853 - $6,270,824 in general purpose funding and $2,360,029 for local roads. That represents around 18% of our general fund operating revenue once capital grants are set aside. For most metropolitan councils the same grant is under 1% of their revenue. The grant matters far more to councils like ours than it does to councils in Sydney, and that is precisely what it was designed to do.

The role of the Grants Commission

It is important that Council understands what is and is not being decided here.

The Commission does not decide how much money comes to New South Wales. The Commonwealth sets the size of the national pool, and the State's share of the general purpose component is determined on population. The Commission's role is to recommend to the Minister how the New South Wales share is divided among our 128 councils.

The Commission divides the pie. It does not decide how large the pie is.

That has a direct consequence for this review, and it is one I want to put plainly. The pool is fixed. Any change to the methodology that increases one council's allocation necessarily reduces another's. This is not a process in which every council can gain, and Council should not approach it as though it were.

The review and where it stands

The current methodology has been the subject of criticism for more than a decade. The NSW Independent Local Government Review Panel recommended in 2013 that grants be better targeted to councils with relative disadvantage. A further review followed in 2016. In 2024 Local Government NSW advocated for change as part of the Parliamentary Inquiry into council financial sustainability. In 2025 the Commission resolved to undertake a detailed review.

The Commission released its draft methodology in 2026 and has consulted across the State, including a session held here in Griffith on 14 September which I attended. Submissions close on 7 October 2026. The Commission will consider feedback through October and November, and the final methodology is intended to apply from 2027-28.

The Commission has been explicit that no decision on the final model has been made.

Council has been consistent on this

Council has not come to this position because of the review. We came to it before it.

On 7 May 2026 the General Manager gave evidence to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport in Wagga Wagga. He told the Committee that the existing formula was "not appropriate" and "not equitable," and that applying a single model across the State fails to recognise regional and rural Australia. Council's officers put to the same Committee that the sector needed the model rebuilt rather than "tinkered with on the margin."

The Commission's draft does substantially what Council asked for. Our submission says so.

I think that matters. Council is not responding to this review on the basis of what it might mean for us. We are responding on the basis of a position we put on the public record, before a Federal parliamentary committee, months before any of this was modelled.

The submission

The draft submission at Attachment 1 records Council's position as support with minor modifications. It supports the proposed balanced-budget model, the introduction of remoteness as a driver of expenditure need, the removal of cost drivers the Commission itself has said are no longer credible, and the shift to audited data sources.

Council is not asking the Commission to change the proposed model. The submission makes four recommendations:

1. **Implement the new methodology in 2027-28 without a phase-in**, or with one strictly limited in time. The existing "cap and collar" restricts how far a council's grant can move in any year, measured against what it was paid last year rather than what the model says it needs. Carried into the new model, it would defer the reform rather than deliver it.

2. **Publish each council's assessed entitlement before any cap or collar is applied.** At present a council receives one number and cannot tell whether it reflects the model's assessment, or a limit imposed on top of it. This recommendation costs nothing, applies equally to councils that gain and councils that lose, and is the minimum needed for any council to know whether the model is working.

3. **Use audited asset condition data in the local road's component.** The Commission has excluded road condition and usage on the basis that audited data is not available. Special Schedule 7, which every council lodges annually and which is audited, provides it.

4. **Recognise unsealed roads.** The draft treats a sealed street and an unsealed road of the same length as generating identical need. They do not cost the same to maintain. This recommendation is of far greater consequence to smaller rural councils in our region than it is to Griffith, and Council makes it on that basis.

Outstanding information

Council has written to the Commission seeking data that would allow the effect of the new methodology to be separated from the effect of the cap and collar. That information has not yet been received. If it arrives before the closing date it may warrant amendments to parts of the submission.

For that reason, and because the closing date falls before Council's next meeting, I recommend Council endorse the submission as a draft and delegate authority to finalise it.

OPTIONS

OPTION 1

Recommendations as written.

OPTION 2

Any other recommendation, noting the deadline for submission.

POLICY IMPLICATIONS

The submission is consistent with the position Council put to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport on 7 May 2026, and with Council's ongoing advocacy on the financial sustainability of regional councils.

Making the submission does not require any change to Council policy and does not commit Council to any course of action. The Commission's final methodology will apply from 2027-28 and will be reflected in the Long Term Financial Plan once determined.

FINANCIAL IMPLICATIONS AND RISK

There is no direct cost associated with preparing or lodging the submission.

Financial Assistance Grants represent approximately 18 per cent of Council's general fund operating revenue excluding capital grants, so the methodology governing their distribution is material to Council's financial position.

The principal financial risk is that transitional arrangements are applied which defer the effect of the new methodology over an extended period.

Serious Moderate Risk: High financial loss of $1 million to $15 million.

COMPLIANCE / LEGAL / STATUTORY IMPLICATIONS AND RISK

Minor Low Risk: Policy or regulatory breach has no impact.

ENVIRONMENTAL IMPLICATIONS AND RISK

Minor Low Risk: Minimal environmental impact handled internally.

REPUTATION / COMMUNITY IMPLICATIONS AND RISK

There is a risk that a submission from a regional centre is perceived as advocating at the expense of smaller neighbouring councils; this is mitigated by the submission's support for the recognition of remoteness, and by recommendation 4 on unsealed roads, which is of greater consequence to smaller rural councils in the region than to Griffith.

Minor Low Risk: Limited adverse public/staff reaction and/or negative publicity.

SERVICE DELIVERY IMPLICATIONS AND RISK

Lodging the submission has no immediate service delivery implications. Over the longer term, the certainty and timing of the grant affects Council's capacity to plan and sustain those services, which is the basis of the submission's recommendations on transition and on transparency of the assessed entitlement.

Minor Low Risk: Nil impact to service delivery.

WHS / HR IMPLICATIONS AND RISK

Minor Low Risk: No injuries/Nil impact to service delivery.

LINK TO STRATEGIC PLAN

This item links to Council's Strategic Plan item 2.3 Mayor and Councillors represent the community, providing strong, proactive leadership.

CONSULTATION

Senior Management Team

Mayor

ATTACHMENTS

(a)	Draft Submission — Proposed Methodology Consultation 2026 ⇩	11

Submission — Proposed Methodology Consultation 2026

NSW Local Government Grants Commission

Council Name: Griffith City Council

Contact Person: Matt Hansen, Director Business, Cultural and Financial Services

Email: matt.hansen@griffith.nsw.gov.au

Date: TBD

Summary

Griffith City Council **supports** the proposed methodology. The balanced-budget approach, the introduction of remoteness as an expenditure driver, the removal of discredited cost drivers, and the move to audited data sources are all material improvements on the current model.

Council's submission makes four recommendations. None seeks to reopen the model.

1. **Implement the methodology in 2027-28 with no phase-in, or a strictly limited one.**
2. **Publish each council's assessed entitlement before any cap or collar is applied.**
3. **Use audited asset condition data in the local roads component.**
4. **Recognise unsealed roads, which the draft treats identically to sealed roads.**

Council raised the same concerns with the current model **before** the Commission published any indicative figures. In evidence to the House Standing Committee on Regional Development, Infrastructure and Transport on 7 May 2026, Council submitted that the formula was "not appropriate" and "not equitable," and that the sector needed the model rebuilt rather than "tinkered with on the margin."

Council's position on the methodology is unchanged by the indicative outcome.

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1. Overall Position

Support with minor modifications.

Council supports the model itself. We are not asking for it to be changed. What we are asking for is about how it is introduced, what gets published alongside it, and one data source in the roads component.

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2. Alignment with Principles

Simplicity — strong support. The current model's six expenditure functions, five cost drivers, separate relative disability allowance and post-model adjustments cannot be explained to a council, an audit committee or a community. Reducing the model to inputs with material effect is the right objective. Council's evidence to the Federal inquiry was that "the more complex we make the model, the less impact each item has on the bottom line."

Consistency — support. Common statewide coefficients applied uniformly are a clear improvement on per-council allowances and special submissions.

Equity and fairness — support the model; the fairness constraint lies in the capping. A methodology that assesses relative need accurately and then pays something different does not achieve horizontal fiscal equalisation, however sound the assessment. This is addressed at sections 3 and 4.

Transparency and accountability — the methodology improves; the outputs do not. The draft model is more explicable than its predecessor, but councils will still be unable to reproduce or interrogate their own results. This is addressed at section 4.

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3. Practicality and Implementation

The cap and collar is the binding constraint on the reform

The proposed methodology will not deliver equalisation if the banding arrangement is carried into it. In 2026-27 the band permits a maximum increase of 6% and a maximum decrease of 4%, measured against **the prior year's payment rather than the prior year's assessment.** An error in one year therefore becomes the starting point for the next and compounds indefinitely.

The band binds across a large part of the sector

Analysis of the Commission's 2026-27 Schedule of Payments:

Table 1 — Councils at or above the +6% ceiling in 2026-27, by OLG group. Source: NSW Local Government Grants Commission, 2026-27 Schedule of Payments.

Cohort (OLG group)	Councils	At or above the +6% ceiling	
URS — small regional urban	**10**	**9**	**90%**
RAL — large rural agricultural	21	14	67%
RAV — very large rural agricultural	18	12	67%
URM — medium regional urban	17	6	35%
RAM — small rural agricultural	14	4	29%
Metropolitan	34	7	21%

Cohort (OLG group)	Councils	At or above the +6% ceiling	
Remote	6	1	17%
URL / URV — large regional urban	11	0	0%
All NSW	**131**	**53**	**40%**

- **Two in five NSW councils received a movement determined by the band rather than by their assessment in a single year.**
- **Griffith's cohort is the most constrained in the State**, at 90%.
- **All six councils held at the −4% floor are metropolitan. None are regional.**

The band's effects do not track relative need

Twenty of the thirty-four metropolitan councils sit on the $27.22 per capita minimum, where the band has no practical effect. Of the fourteen metropolitan councils that receive a needs-based grant, the 2026-27 outcome divides evenly:

- **At the +6% ceiling:** Hunters Hill, Mosman, Burwood, Lane Cove, Strathfield, Bayside.
- **At the −4% floor:** Blacktown, Fairfield, Hawkesbury, Wollondilly, Campbelltown, Penrith.

Council offers no view on the merits of any individual council's assessment.

The point is structural: **a mechanism that simultaneously constrains the Riverina, moves against several Western Sydney councils and moves in favour of several of the State's wealthiest local government areas cannot be evaluated by the sector, because the underlying assessments are not published.**

Convergence under the current band is measured in decades

A council at the ceiling gains 6% while the pool grows — 3.9% in 2026-27 — so it closes approximately **2% of its relative gap per year.** For a council whose assessment sits substantially above its payment, convergence takes decades. On Council's own figures the horizon is approximately thirty years.

The effect is illustrated below for a council initially paid 60% of its assessed entitlement. The chart is generic and does not depend on any particular council's figures.

Table 2 — Years for a council to reach its assessed entitlement under a transition cap, by starting position. Assumes pool growth of 3.9% per annum, the 2026-27 rate.

Currently paid	+6% cap	+8% cap	+10% cap	+15% cap	+20% cap
50% of assessment	**35 years**	18	12	7	5
60% of assessment	**26 years**	13	9	5	4
70% of assessment	**18 years**	9	6	4	2
80% of assessment	**11 years**	6	4	2	2
90% of assessment	**5 years**	3	2	1	1

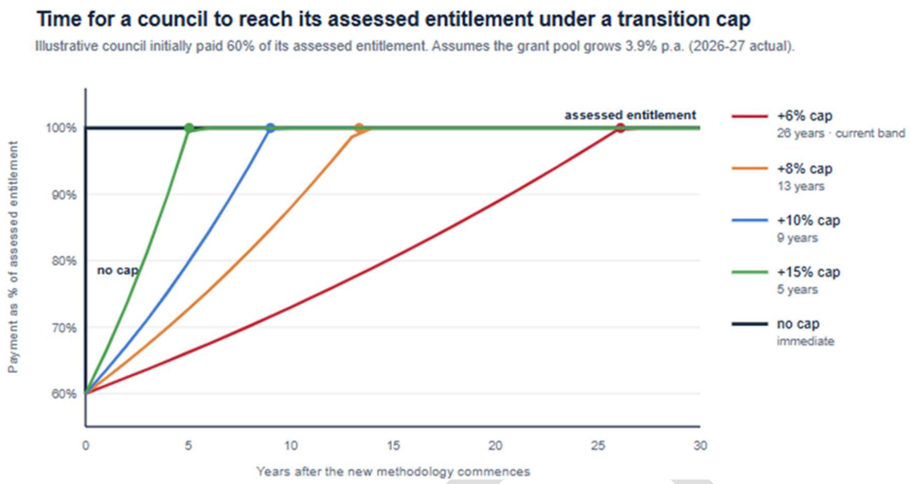

Figure 1 — Convergence under alternative transition caps.

The table makes the practical point. **A band at or near current settings would not transition councils onto the new methodology within any meaningful planning horizon.** For councils furthest from their assessment — which, on the Commission's own analysis, are disproportionately regional and rural — the methodology would not take full effect within the working life of the model, let alone within a council's ten-year Long Term Financial Plan.

Council notes that the choice is not binary. A cap in the order of +15% to +20% would deliver convergence within three to seven years for most councils while still limiting single-year movement. **If the Commission determines that some transition is necessary, the rate matters far more than the principle.**

Two further features compound this:

- The Relative Disadvantage Allowance is the only element currently sitting outside the band, and the draft methodology abolishes it. **If a band is applied in 2027-28 there will be no element outside it.**
- Advance payments already distort the relationship between entitlement and recognised income. The Commission itself has advised councils that the practice creates "unpredictability" and that "annual financial reporting can often be skewed."

The Commission has already demonstrated that a large adjustment is manageable

In August 2025 the Commission's Chair advised councils that it was **"no longer sustainable to protect those councils with greatest relative advantage,"** and resumed the negative floor. The effect was immediate and substantial — Council's own General Purpose Component rose 29.9% in 2025-26, from $4,524,574 to $5,875,507, without transitional arrangements and without apparent disruption to the sector.

A large single-year adjustment is therefore neither unprecedented nor destabilising, on the Commission's own recent practice. Council supports completing what that decision began.

Recommendation 1. Implement the methodology in 2027-28 without a cap, collar or phase-in.
Implement the methodology in 2027-28 without a cap, collar or phase-in.

If a transition is considered unavoidable, Council recommends it be set at a rate delivering convergence within a council's ten-year Long Term Financial Plan horizon - in the order of **+15% or higher** - and published with an explicit end date. On the analysis above, a band at or near current settings would not constitute a transition to the new methodology; it would defer it.

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4. Transparency and Clarity

The draft methodology is more explicable than the current one. Its **outputs**, however, will remain as opaque as they are today, and this materially limits the sector's ability to give the Commission useful feedback.

At present a council receives a single allocation figure. It cannot determine:

- what the model assessed its entitlement to be;
- whether a cap or collar was applied, or in which direction;
- how large the difference was; or
- whether a movement in its grant reflects a change in assessed need, a change in the pool, or the band.

Council does not know, as at the date of this submission, what proportion of its own indicative movement is attributable to the new methodology and what proportion is attributable to the removal of the band. Those are entirely different propositions and Council would comment on them differently. Without that separation, every council in the State is being asked to comment on a combined figure.

This is a disclosure problem, not a modelling problem, and it is inexpensive to fix.

The band preserves differences between councils that have nothing to do with need

There is a second consequence, and it matters more than the delay.

Because the band applies to **last year's payment**, two councils with identical assessed need but different starting points do not converge. Each moves within its own band, from its own base. The gap between them is preserved indefinitely, and it is preserved whatever the model says about their relative need.

The Commission's own 2026-27 figures show how wide the spread is. The General Purpose grant ranges from **$27.22 per resident to $4,197 per resident** — a factor of 154. Much of that variation is real and justified: need genuinely differs enormously across New South Wales, and a model that produced a flat per capita outcome would be the wrong model.

The difficulty is that no council can tell which part of its own position reflects assessed need and which reflects where it happened to sit when the band was first applied.

Griffith illustrates the point. Council received **$228.38 per resident** in 2026-27, against $239.98 for the average of its own OLG cohort and **$90.72** across the State. Council does not assert that figure is wrong. **Council asserts that it cannot tell** — and neither can any of the 130 other councils looking at their own.

That is a fairness problem as much as a transparency one. A council cannot plan against an allocation it cannot explain, cannot test whether it is being treated consistently with comparable councils, and cannot hold the Commission to account for a model whose outputs it never sees. Publishing the pre-band assessment resolves all three at once.

Recommendation 2. Publish, for every council and alongside each annual allocation:

a) the assessed entitlement produced by the model before any cap, collar or adjustment;
b) the allocation actually payable; and
c) the difference, identified as a cap or collar effect.

Council further recommends the Commission publish, with the final methodology: the model specification and coefficients; each council's modelled expenditure need and revenue capacity per capita; and the weighted State average financial need against which councils are assessed.

This does not favour any council over another. It applies the same way to councils gaining and councils losing. It is simply the minimum a council needs in order to tell whether the model is working.

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5. Data Sources and Indicators

Support for the use of ABS population and Aboriginal and Torres Strait Islander data, ARIA+, the Financial Data Return and Annual Permissible Income workpapers. These are nationally consistent, documented and auditable.

Road condition and usage — a gap with an available remedy. The draft excludes road type, condition and usage because "comprehensive, consistent and audited data are not available." Council accepts the constraint but respectfully disputes the premise.

Special Schedule 7 — Report on Infrastructure Assets is audited, lodged annually with the Office of Local Government by every NSW council, and reports asset condition and the estimated cost to bring assets to a satisfactory standard by asset class, including roads and bridges. It meets each test the Commission has set.

The issue this addresses is general. Pavement deterioration under heavy vehicles rises with approximately the fourth power of axle load, so road length alone cannot distinguish a lightly trafficked rural road from an industrial freight route. **Every council with a significant processing, mining, forestry or freight function is affected.** Griffith illustrates the point: Council maintains 0.83% of the State's local road network with 0.32% of its population, and manufacturing accounts for 19.4% of employment in the local government area against 5.5% across New South Wales, of which 84% is food and beverage processing.

Recommendation 3. Adopt Special Schedule 7 as an audited source for road condition in the local roads component, alongside network length and the regional cost index. Council offers its own asset data to assist the Commission in testing this.

Unsealed roads

This is the change Council is most concerned about, and it does not principally affect Griffith.

The current model recognised unsealed roads through the Relative Disadvantage Allowance. The draft removes that allowance and puts nothing in its place. Under the proposed approach, road need is length multiplied by a regional construction cost index — which means **a sealed street and an unsealed road of the same length generate exactly the same assessed need.**

They do not cost the same to maintain, and they are not maintained the same way:

- A sealed road is resealed periodically. An unsealed road needs recurrent grading and gravel resheeting, and the cost is driven by how often, not by how long.
- Unsealed networks are far more exposed to rainfall. A single wet season can consume a year's maintenance budget, and the damage recurs.
- Gravel has to be carted. Cost rises with haul distance from the pit, which is greatest for exactly the councils with the largest unsealed networks.
- The Rawlinsons index does not address any of this. It is a **building construction** cost index. It captures where a road is built, not what it is made of.

The councils carrying the largest unsealed networks are small rural councils, many of them in our own region. **They are the councils this reform is intended to help, and on this one measure the draft would leave them worse recognised than the model it replaces.** Griffith's own unsealed proportion is well below theirs. We raise it because it is wrong, not because it is ours.

The data already exists. Councils report sealed and unsealed length separately in the Annual Roads and General Return — the same return the Commission has nominated as its source for total road length. No new collection is required, and no council is asked to do anything it is not already doing.

Recommendation 4. Use the sealed and unsealed split already reported in the Annual Roads and General Return, and weight unsealed length to reflect its different maintenance cost. At minimum, the Commission should publish its analysis of why sealed and unsealed length have been treated identically.

Other data matters

ARIA+ application. Council seeks clarification as to whether ARIA+ is applied at local government area level or population-weighted within the area. For large areas with a single population centre the two produce materially different results, and the choice is not disclosed.

Operating grants and circularity. Council seeks confirmation whether the Financial Assistance Grant is itself included in the four-year operating grants average used in the revenue capacity assessment. If it is, a council's grant reduces its assessed need in subsequent cycles, and the assumption should be disclosed.

A data integrity example from the current model. Comparing Appendix A for 2025-26 and 2026-27, Council's Aboriginal and Torres Strait Islander measure is 6.6% against a State standard of 3.4% in both years, but the weighted disadvantage factor applied moves from 87.9% to 8.1%. On Council's reading this contributes to a fall of approximately 32% in total assessed expenditure allowance between consecutive years. Council may have misread the disclosure and has sought clarification. Whatever the explanation, Council could not have detected or challenged it from the information provided — which is the case for Recommendation 2 stated in concrete terms.

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6. Potential Impacts

Regional impacts. The draft redistributes toward regional, rural and remote New South Wales. This is consistent with the National Principles and with the Commission's own finding that metropolitan councils hold 66% of the State's population and receive 24% of the grant. Council supports that direction.

Equity impacts. Council does not oppose the grant floor proposed for the fourteen councils with an ARIA+ score above 6. Council notes, however, that it is funded by redistribution from councils receiving above the minimum grant — that is, predominantly from other regional councils, not from metropolitan councils sitting on the minimum. The Commission should state this explicitly, together with the quantum involved, so the trade- off is visible.

Financial impacts. Council notes only that the Financial Assistance Grant represents approximately 18% of its general fund operating revenue excluding capital grants, against under 1% for most metropolitan councils. In 2024-25 Council's general fund — the fund the draft model measures, water and sewer being excluded from both expenditure need and revenue capacity — ran a deficit before capital grants. We raise it for one reason. The Commission has set itself the objective of "equalising the financial sustainability of councils across the State." The general fund is where that disparity actually sits, and it is the fund this model measures.

7. Risks and Unintended Consequences

1. **Transition risk.** Addressed at section 3. This is the principal risk to the reform.
2. **Grant floor scope.** The options long list includes variants extending the floor to Remote, Very Remote and Outer Regional councils. Each extension increases the redistribution burden on remaining above-minimum councils. Council recommends the final scope be published with the quantum of redistribution it requires.
3. **Single-year road length data.** Network length becomes close to the sole driver of the local roads component. Council recommends a multi-year average or an explicit validation step.
4. **Change of basis for residential rating capacity.** Moving from land values to household income is a significant change. It will materially alter assessed capacity for councils whose land values and household incomes diverge, in both directions. Council recommends the Commission publish the sensitivity of the model to this change.
5. **Circularity in operating grants.** Addressed at section 5.

8. Suggested Improvements

1. **Implement in 2027-28 with no cap, collar or phase-in.** If a transition is unavoidable, set it to converge within a long-term financial planning horizon and publish an end date.
2. **Publish the assessed entitlement before any cap or collar, for every council, every year**, together with the model specification, coefficients, and each council's expenditure need and revenue capacity.
3. **Adopt Special Schedule 7 as an audited data source** for road condition in the local roads component.
4. **Recognise unsealed roads.** Use the sealed and unsealed split councils already report in the Annual Roads and General Return, weighted to reflect the different maintenance cost of an unsealed network.

9. Additional Comments

Outstanding information request. Council has written to the Commission seeking its uncapped assessed entitlement under the current methodology and associated model outputs, so that the effect of the new methodology can be separated from the effect of the banding arrangement. Council would welcome the opportunity to supplement this submission if that information becomes available.

Minimum per capita grant. Council has previously expressed a view on the 30% per capita minimum. Council acknowledges this is mandated by the National Principles under the Commonwealth Act and is not within the Commission's discretion, and does not press it here.

Council thanks the Commission for bringing the consultation to Griffith and for the willingness of Commission staff to discuss the model in detail.