

**LOCAL GOVERNMENT ASSOCIATION OF THE NORTHERN
TERRITORY**

**INTERIM SUBMISSION TO THE HOUSE OF REPRESENTATIVES STANDING
COMMITTEE ON ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION**

**INQUIRY INTO COST SHIFTING ONTO LOCAL GOVERNMENT AND THE
FINANCIAL POSITION OF LOCAL GOVERNMENT IN AUSTRALIA**

JULY 2002

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1. What is this report about?

This report acts as a interim submission from the Local Government Association of the Northern Territory ('LGANT' and/or 'the Association') to the Commonwealth Inquiry into Local Government and Cost Shifting ('the Inquiry').

It is an interim submission in that it is being done to meet the closing date for submissions, being 26 July 2002. The Association intends forwarding a supplementary submission in August 2002 following the receipt of a questionnaire (Appendix 1) it has circulated to members.

This interim submission addresses the terms of reference of the Inquiry. References in it will be expanded on in the supplementary submission.

Any reference to local government in this submission shall include a reference also to local governing bodies.

2. What are its main findings?

The main thrusts of the Association's submission are:

- there are 65 local governing bodies in the Northern Territory in receipt of Financial Assistance Grants which includes local governments and other organisations;
- local governments include six municipal and 30 community government councils; other organisations include 28 associations and one special purpose town;
- the ten largest councils in the Northern Territory are providing services to 160 000 residents with the 55 other councils providing for 31 000 residents and the remaining 6 000 residents being without a council (mining and tourist towns).
- the average population serviced by councils (other than municipal councils) is 670 persons which is why most of these bodies are classified under the Australian Classification of Local Governments as 'Rural Remote Small' or 'Rural Remote Extra Small'.
- Local governing bodies are widely dispersed throughout the Northern Territory, which occupies one sixth of the Australian land mass.
- local government is relatively 'new' in terms of its establishment in the Northern Territory with most councils established in the last two decades compared with the much longer history of the other States;
- local government boundaries cover only 1% of the land mass in the Northern Territory although 78% of the population resides in the areas administered by municipal councils;
- there are five regional groupings of councils in the Northern Territory;
- local government in the Northern Territory is responsible for a wide range of functions;

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- financial burdens have been placed on local government in the Northern Territory for services it delivers on behalf of both the Territory and Commonwealth governments;
- large Councils in the Northern Territory have capacity to meet their existing obligations whereas many of the smaller ones do not;
- structural reforms will be necessary in the future to combat the lack of capacity amongst councils for which long term funding will be required;
- few formal transfers of responsibilities have occurred to local government from other spheres of government with most transfers being 'subtle or partial';
- a large and varied number of functions are listed for potential further transfer to local government in the Northern Territory;
- local government financially supports Territory and Commonwealth functions and has been increasingly asked to support more functions;
- a range of functions best sit with local government and should be adequately compensated by other spheres of government; and
- the Association seeks change in the way Commonwealth Financial Assistance Grants are distributed.

Further evidence of these findings will be contained in the Association's supplementary submission.

3. What are the main characteristics of local government in the Northern Territory?

3.1 What is 'local government' in the Northern Territory?

'Local Government' in the Northern Territory comprises the 36 bodies that are constituted under the Northern Territory *Local Government Act*. These bodies are listed at Appendix 2. They comprise municipal councils and community government councils.

The main differences between the two types of councils are that community government councils have many of their powers, functions and electoral processes listed in a 'community government scheme' or constitution whereas provisions relating to such matters for municipal councils are recorded in the *Local Government Act* and subordinate legislation. In short, community government councils are allowed greater flexibility to determine these types of processes.

3.2 Why is there 'local government' and 'local governing bodies' in the Northern Territory?

The local governments are those mentioned above.

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The 'local governing bodies' includes all the 36 'local governments' as well as all those other 29 organisations (associations incorporated under the *NT Associations Incorporations Act* or the Commonwealth's *Aboriginal Councils and Association Act* or under other legislation – *NT Jabiru Town Development Act*) which are gazetted as 'local governing bodies' for the purposes of receiving general purpose and road grants under the *Local Government (Financial Assistance) Act*.

The reason there are differently constituted 'councils' in the Northern Territory is largely due to historical circumstances. Most 'councils' were constituted as 'associations' in the Whitlam government period of office in the 1970s when local community control was transferred from the Commonwealth. The then NT *Local Government Ordinance ('the ordinance')* was considered as cumbersome for establishing a local-decision making body. 'Associations' were easier to constitute, and therefore were established, in remote areas at the time.

It was not until 1978 (following self-government – and the end of 'Commonwealth rule' in the Northern Territory) that the *Local Government Act* (replacing *the ordinance*) was passed (and also providing for community government councils) and these associations were encouraged to become 'local government'. However, the transition from 'association' to 'local government' has been slow since 1978 as can be seen by the numbers of organisations that have taken it up in the last 24 years.

3.3 What is the composition of Local Governing Bodies in the Northern Territory and where are they located?

In all, there are 65 local governing bodies operating in the Northern Territory in widely dispersed locations (See Appendix 3). They comprise all the 'local governments' (of which there are 36) and all the 'association and other organisations' (of which there are 29) listed at Appendix 2.

3.4 How long has local government existed in the Northern Territory?

As can be gleaned from the above commentary local government in the Northern Territory is relatively new compared with other States (Melbourne City Council was constituted in 1854).

The first Council to be constituted in the Northern Territory and function effectively (there were periods of administration early last century) was the Darwin City Council in 1957. Other Councils were constituted much later, as Table 1 below shows.

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Table 1

Local Government Councils 'First' Constituted in the Northern Territory

Council Name	Year Constituted
Darwin City Council	1957
Alice Springs Town Council	1971
Katherine Town Council	1978
Tennant Creek Town Council	1978
Lajamanu Community Government Council	1980
Jabiru Town Council	1984
Palmerston Town Council	1985
Litchfield Shire Council	1985

Local government in the Northern Territory in some areas therefore, is very much in a 'developmental' phase because it simply does not have the history of local government administration as in other parts of Australia.

3.5 If not all local governing bodies are local government, how much of the Northern Territory is bounded by local government areas?

Only 1% of the total land mass (1 346 200 hectares or approximately one sixth of Australia) of the Northern Territory is part of a local government area. Unlike most other States, the Northern Territory is therefore, largely 'unincorporated' in a local government sense.

Association Councils do not have formal boundaries although in practical terms they administer an area or areas.

3.6 What are the distributions of population in local government areas?

78% of the Northern Territory's population of 197 590 persons resides in the local government areas belonging to the municipal councils listed in Table 2 below. All but approximately 6000 persons reside in areas administered by local governing bodies. Most of these persons reside in the mining towns of Nhulunbuy and Alyangula, the tourist town of Yulara and pastoral properties.

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Table 2

Distribution of Population in Municipal Local Government Areas and Elsewhere

Council or Town	Population	% of Total Population	Cumulative %
Darwin	72 582	37	37
Alice Springs	29 791	15	52
Palmerston	19 324	10	62
Litchfield	14 979	8	70
Katherine	11 399	6	76
Tennant Creek	3 956	2	78
Nhulunbuy (town)	3 532	2	80
Other Areas	42 027	20	100
Total	197 590	100	

(Sources: 2002 Northern Territory at a Glance, ABS Catalogue No.1304.7 & Local Government National Report, 2000-01)

The average population size administered by a local governing body in the Northern Territory (excluding the populations of the six municipal councils) is just 670 persons. The ten largest councils are providing services to approximately 160 000 persons and the other 55 councils are providing services to 31 000 persons.

3.7 What sources of funds are available to local governing bodies in the Northern Territory?

An estimate (\$37M) of the funds the Northern Territory Government has provided to local governing bodies in the Northern Territory during 2001/2002 is given at Appendix 4.

The Commonwealth Government contributed estimated funds to local governing bodies during 2001/2002 of approximately \$70-100M, the composition of which will be detailed in the Association's supplementary submission. These funds are largely for housing construction, Community Development Employment Projects, Financial Assistance Grants and other community services.

Local Governing bodies also raise revenues through rates and charges although the former tax is largely confined to municipal councils and a few community government councils. Aboriginal land constitutes some 50% of the Northern Territory land mass and being akin to 'community title' it does not readily lend itself to rating systems and hence, rates are not charged. Charges are nonetheless made; with some being similar to a 'poll tax'. The estimated

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revenue raised by local government during 2001/2002 through the imposition of rates, fees and charges is \$60-\$80M the composition of which will be detailed in the Association's supplementary submission.

3.8 What regional arrangements are in place for local government to work together?

Apart from LGANT organising three regional and two general meetings each year throughout the Northern Territory (where agenda relevant to local government is dealt with) there are a number of unincorporated groupings of Councils that have been working collaboratively together. These groups are listed in Table 3 below:

Table 3
Groupings of Councils in the Northern Territory

Region	Group Name	Council Names
West Arnhem & Darwin Regional	Top End Triangle	Jabiru, Coomalie, Gunbalanya, Warruwi, Minjilang & Pine Creek
Darwin	Top End Regional Organisation of Councils	Darwin City, Litchfield Shire, Belyuen, Palmerston, Cox Peninsula
Western MacDonnell	Western MacDonnell	Walungurru, Papunya, Ikuntji, Watiyawanu, Ntaria, Areyonga, Tjuwanpa, Wallace Rockhole
Katherine East	Nyirranggulung Mudrulk	Barunga Manyalaluk, Wugularr, GulinGulin Weemol

In addition to the above regional arrangements the Tiwi Islands Council commenced operations on 1 July 2001 after the Councils of Milikapiti, Nguiu and Pirlangimpi and the outstation of Wurankuwu on the Tiwi Islands were amalgamated into one organisation.

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4. What roles and responsibilities does local government perform in the Northern Territory?

4.1 What functions has local government undertaken for either the Territory or Commonwealth Governments?

Local government performs a wide range of functions in the Northern Territory as a sphere of government in its own right and also on behalf of the Commonwealth and Northern Territory Governments.

These functions can be essentially divided into five major areas of responsibility as depicted in Appendix 5. This appendix attempts to differentiate between what functions each sphere of government is responsible for, and whether local government receives grants or contract income from the Territory or Commonwealth Government to perform them.

The 'functions' of a local government councils are prescribed either by the *NT Local Government Act* (for municipal councils – see Appendix 6) or under an individual 'community government scheme' (for community government councils – see Appendix 7). Although the prescriptions in these documents allow for councils to perform functions some of them are clearly Territory or Commonwealth responsibilities (eg building regulation in the Northern Territory).

4.2 Have the Territory and Commonwealth Governments placed additional financial burdens on local government in the Northern Territory?

The main actions the Territory and Commonwealth Governments that have caused financial burdens on local government in the Northern Territory could be described as follows:

1 Not compensated local government enough for the services it performs on behalf of other spheres of government.

Example 1: Many rural and remote councils provide services for Centrelink which invariably requires the employment of full-time officers (due largely to the low levels of literacy and numeracy of clients). Contracts with this agency are only for part time employment. Centrelink also will not pay rent to Councils for premises used to run its community agent program.

Example 2: Airstrips are a Territory government responsibility yet local government is required to contribute to the maintenance and upgrading of them in remote areas. For coastal, island and remote inland councils they are a 'life line' and have to be provided.

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Example 3: Councils act as agents for the NT Power and Water Authority for water, sewerage and electricity services yet they are compensated at hourly rates, not at rates which provide sufficiently for employee on-costs.

Example 4: Some Councils have performed health services and have not received sufficient funds or support to deliver them and have therefore asked the Territory Government to take back the services. Upon being taken over, Councils have learnt that funds and other resources have increased for the services.

2 Introduced new services and not allowed for capital expenditure to support them.

Example 1: Councils have supported the employment of Aboriginal Community Police Officers by NT Police but have had to contribute to the cost of providing such officers with vehicles and housing in order to get the service.

Example 2: Some grants provided to Councils are for recurrent purposes only but to employ someone to deliver the service often requires the purchase of capital equipment, eg computers or vehicles which local government must pay for.

3 Reduced services or withdrawn them altogether after funding cycles have been completed (or due to financial constraints) leaving local government with the decision as to how they should be accessed or delivered.

Example 1: Generally, local government is the primary administrative body in most local government areas and for this reason is often approached to take on services or functions left undone or withdrawn by other spheres of government. If the demand for a service is strong it is often difficult for local government to refuse to provide it, eg childcare, meals on wheels, youth and recreation programs.

Example 2: Local governments provide night patrol services and are increasingly being called upon to handle more issues to do with public safety and behavioural management.

Example 3: As Territory budgets shrink or Commonwealth budgets disappear so do visits by officers from these governments to remote areas. In the past it was not unusual for towns to be visited by welfare officers. Now they only come in an emergency. This is also true of other services like environmental health and family support.

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Example 4: Strategic roads on Aboriginal land were earmarked for upgrading in 1995 and the project was to be completed over a three year period. The initiative was halted in 1996 and not completed. The roads have not been properly maintained and local government has had to contribute to cost of maintaining them.

Example 5: Councils have had to rehabilitate areas damaged by natural disasters without any compensation from either the Territory or Commonwealth Governments.

4 Introduced legislation or policies which has forced local government to increase its administrative costs or forced it to shift its expenditure priorities

Example 1: Local government has had to bear the cost of by-elections when members of councils have resigned from their elected positions because they have contested a Federal or Territory election. If the legislation allowed for an unsuccessful candidate to remain in office with local government the cost of by-elections would be unnecessary.

Example 2: Councils are experiencing cash flow difficulties with the administration of community development employment projects (CDEP) because they have to wait for funds to get reimbursed for any increase in the number of participants in the projects.

Example 3: Councils now have to produce more financial reports which has required them to have more sophisticated systems to meet compliance obligations. This has led to increased processing and costs.

Example 4: Environmental legislation to do with waste and weed management have required Councils to meet standards which will incur more administration and cost.

Example 5: In forcing local government into compliance regimes it sometimes has been at the expense of important local government practices like asset management, that is, external obligations have heavily influenced expenditure priorities.

Example 6: Australia Post (AP) determines the level of service it will provide in a remote area which, in many cases, includes mail deliveries once per week. If more service is required Councils invariably have to pay for it (usually in air freight charges) as well as distribute the mail on AP's behalf.

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Example 7: In more recent times Councils have had to focus more on activities relating to the environment, economic development and public safety due to public pressure (locally or elsewhere) or government policy.

5 Reduced the range and size of grants to local government.

Example 1: Library operational grants to local government have reduced and local government has had to make up the shortfall to maintain services.

Example 2: Operational and water subsidies to municipal councils ceased and have not been replaced.

Example 3: Grants for the maintenance of airstrips and garbage dumps are not paid to all local governing bodies in remote areas. Some get it and some do not.

Example 4: Grants have been provided for a myriad of purposes according to the policies of the Territory or Commonwealth governments of the day with local government having to decide what to do once the grants cease or reduce, eg meals on wheels, mentor programs, environment grants and grants for sport and recreation.

Example 5: Centrelink does not fund client services in some remote communities leaving Councils to have to provide them due to the demand for them.

Example 6: Grants for the provision of radio and television transmission have reduced and local government has had to fund these services in remote areas.

Example 7: Grants for housing in remote areas can vary considerably from year to year and Councils have often had to adjust their workforces and contract labour according to the level of grants provided. It would be better for local government if such funding could be provided on biannual or triennial basis

6 Not allowed for ongoing operational costs after providing funds for capital expenditure on services

Example: Grants provided to local government are sometimes for a capital purpose, eg purchase of a vehicle or construction of a building, yet funds to maintain them as assets have to be found from Council funds.

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- 7 **Not allowed local government to broaden its rate base through boundary changes and therefore incorporate more local government areas in the Northern Territory.**

Example 1: Boundary reform has been very slow to change in the Northern Territory. The Territory Government has, over many years, been reluctant to extend local government areas despite there being a strong case for doing so. This move would not only more equitably spread the cost of delivering local government services amongst a greater number of ratepayers but also potentially make more Councils viable and extend the local government system throughout the Northern Territory as is the case in other States.

The Association's vision, which takes into account this matter, is:

Our vision is the Northern Territory becoming the seventh State of Australia with local government jurisdiction over the entire landmass and providing an efficient and effective range of agreed services to the entire population. Councils would be operating with a high degree of autonomy and accountability to the community, employing skilled professional staff and with a high percentage of their income derived from local taxes and this supplemented by a reasonable percentage of the taxation revenue collected by other spheres of Government. Councils would be achieving a high degree of public support and operating with a minimal level of control by the Territory and National Governments.

A strong 'partnership in Government' would be developed with the new State Government and consultative processes with them would be a reality. Councils would have embraced the opportunities for improved service delivery and representation offered by information technology and a coordinated planning process would be operating with strong input to development control at the local level.

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- 8 **Prohibited local government from taking on certain responsibilities or stifled initiatives, which can improve efficiencies for local government.**

Example 1: Local government in the Northern Territory has long sought to have similar responsibilities to that of local government in the other States. One such responsibility is that of town planning, and with it the complementary responsibility of building regulation. The Association's policy states:

LGANT supports a staged devolution of responsibility to Local Government by the time of granting Statehood to the Northern Territory.

In remote communities on Aboriginal Land, Local Government exercises, with the approval of traditional owners, town planning functions. The *NT Planning Act* does not operate on Aboriginal Land unfortunately, it mainly operates in the local government areas of municipal councils.

Example 2: Although local government in the Northern Territory is relatively new, changes in legislation have, over the past twenty years, been laboriously slow. Clearly, legislation applying to local government is not a priority for Governments and so change is also slow to occur. By-law development for community government councils has been minimal despite it being a fundamental prerequisite for 'the peace, order and good government' of an area.

- 9 **Established processes, which disadvantage local government in the Territory particularly in relation to the distribution of Commonwealth Financial Assistance Grants.**

Example 1: An examination of Financial Assistance grants paid interstate to Councils with those in the Northern Territory reveals a stark imbalance caused largely by the per capita distribution of such grants. This is a process, which needs to change if 'relative need' is to be basis on which such grants are to be made in future. See Appendix 11.

11. **Caused local government to pay (and not compensate it) for housing, recruitment and other staff related costs when employing persons to run Territory or Commonwealth programs.**

Example 1: Councils often have to pay the costs of recruitment and housing in remote areas for personnel they employ to run Territory or Commonwealth programs. This is a major impediment to Councils taking on services they would

otherwise be willing to deliver.

4.3 What capacity does local government have to meet its existing obligations?

The larger councils in the Northern Territory are more likely to exhibit capacity to meet their existing obligations than the smaller councils. This is obviously because they have more resources to do them with, particularly in terms of human resources.

All councils in the Northern Territory have difficulties in competing in the labour market for skilled and experienced personnel. In rural and remote areas engineers are almost non-existent and accountants are hard to recruit. Some councils have large workforces (especially those that manage CDEP projects) of up to two hundred employees and yet they are unable to employ dedicated human resource personnel. Town Clerks often have to carry out a vast array of administrative responsibilities and in many instances have few skilled human resources to support them in their duties.

Apart from these predicaments councils also face high turnovers of staff. The cost of recruiting, training and retaining staff is high and continuity of effort can be problematical.

Add to this the inadequacy of telecommunications, computer networks, staff housing and access to information and the problems some employees have in handling cultural and linguistic diversities and you have a recipe for problem administrations. Fortunately, some of these issues will be dealt with over the next few years particularly with telecommunications.

A large factor inhibiting Aboriginal employment and effective participation as elected members is the low levels of literacy and numeracy in many towns where councils function. A huge boost in workplace literacy and numeracy along with changes in education to effect improved outcomes is vital if success is to be achieved in these areas.

Many Northern Territory councils have a long way to go to meet some of the standards currently being met by councils interstate. Many struggle just to meet the accounting requirements under the *Local Government Act and Local Government (Accounting) Regulations*. This is apart from more recent impositions to do with environmental management and social issues.

Training for elected members and staff needs to be better planned and executed particularly for rural and remote councils where delivery is often ad hoc and infrequently organized. Funds for these purposes are often held at the Territory or Commonwealth government sphere who determine its purpose and

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application. Often Councils are 'at the mercy' of the other spheres and must take 'what it on offer'. This could mean funds for capacity building one year and then nothing for the next.

Local Government is best placed to determine its own needs and therefore should have access to such funding 'as of right' rather than on the terms and conditions set by other spheres. Long term funding is required on core issues such as structural reform, recruitment of key personnel, elected member training, community education (not schools) and legislative drafting and interpretation if capacity is to improve.

It is inevitable that structural reforms of varying sorts will need to take place for local government in the Northern Territory. This is because many councils are simply too small, and do not have the resources (and will probably never have them) to reach the outcomes they are being asked to achieve. Their survival lies in future on their capacity to collaborate with their neighbouring councils to deliver services and maintain facilities collectively. Resources to complete these types of exercises will need to be a priority and available to local government in the future.

5. What responsibilities have been transferred to local government from other spheres of government?

It is difficult to identify many responsibilities that have been formally transferred to local government in the Northern Territory from other spheres of government. One that has been is the responsibility for advertising signs in municipal council areas. More evident is the 'partial' or 'subtle' transfer of responsibilities through legislation or even more, the practice of providing grants or contracts and attaching conditions. Such 'partial' transfers are listed at Appendix 5.

Local government has often been a willing partner in such transfers provided it is adequately compensated for its effort. The issue for many councils in the Northern Territory is not so much the lack of a desire to perform functions on behalf of other spheres of government. It is the concern that by performing them they will have to contribute to their cost or be left having to decide whether they should continue with them once there are no more funds forthcoming. The Association's policy in respect of service provisions for other spheres of government states:

LGANT does not support Councils collecting revenue or providing services for other spheres of government unless all the costs (including on-costs) involved are fully reimbursed.

Local government has long maintained airstrips in the Northern Territory on behalf of the Territory Government. For some time now funds have been

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depleting for this purpose to the extent that they are now only minimal. Here there has been a gradual shift of financial responsibility to councils. Even now, the Territory Government holds the licenses for several airstrips but now wishes local government to hold them without any transfer of funds.

One major service that local government has taken on in recent times is that of primary health care. This could range from the employment of a doctor to full carriage of a health clinic. A number of councils that have performed this service have had to hand it back to the Territory simply because they have not been able to make ends meet or because it added a layer of management responsibility they were not able to absorb.

The issue of responsibility for libraries has been on the agenda since the mid 1980s with the Territory Government operating a central processing facility for local government. Both the Territory government and local government fund the service and there is still debate about which sphere of government should handle libraries.

6. What responsibilities are under consideration for potential or further transfer to local government?

There are a number of functions the Territory Government has been considering transferring or further transferring, either by subtle or formal means, to local government including:

- ❑ Environmental health responsibilities under the *Public Health Act and the Food Act*;
- ❑ Libraries;
- ❑ Commitment to partnerships;
- ❑ Responsibilities under the *Information Act*;
- ❑ Swimming pool fencing (which could include partial building regulation);
- ❑ Airstrips and barge landings;
- ❑ Primary health care (doctors and health clinics);
- ❑ Community policing;
- ❑ Emergency services;
- ❑ Legal interpretation and drafting;
- ❑ Natural resource management;
- ❑ Public safety, including crime prevention; and
- ❑ Economic development including tourism, industry and regional development support.

Some of the above functions are already the responsibility of local governments in other States which, in part, confirms the statements made above about the

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'developmental' status of much of local government in the Northern Territory and comparisons with standards interstate.

7. What responsibilities has local government taken on due to other spheres of government not fully resourcing them?

As previously mentioned local government has had to deal with a host of services that are normally outside of its primary functions in towns and cities. Some of the responsibilities it has taken on because other spheres of government have not, or will not, resource them to the proper extent include:

Table 4

Territory or Commonwealth Responsibilities Financially Supported by Local Government

NT or Commonwealth Body	Service supported Financially by local government	Level of support
NT Police	Aboriginal Community Police Officers	Provision of vehicles, housing
Centrelink	Client support for persons receiving welfare assistance	Part or full salaries, office
Power and Water Authority	Provision of water, electricity and sewerage services in remote areas	Housing, recruitment, oncosts
NT Department of Infrastructure, Planning and Environment	Servicing of airstrips	Funds for maintenance and upgrades Licensing
Australia Post	Mail services	Delivery and postal services
Department of Family and Community Services	Family support services	Housing
Department of Telecommunications	Radio and television transmission	License fees, maintenance
Territory Health	Night patrol services	Salaries, housing
Correctional Services	Parole schemes	Salaries (supervision)

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All of the above responsibilities are a significant impost on the administrations of local government and their very nature makes it difficult for local government not to deliver them.

8. What responsibilities would best be the responsibility of local government?

Where services are best performed locally, then local government is the most appropriate sphere of government to handle them. There are many services that fall within this category, including those that belong to the Territory and the Commonwealth Governments. To some extent this is already happening, as is evidenced by the details in Table 4 above. Not all of these services could feasibly belong to local government, simply because they firmly belong to other spheres of government (eg, Centrelink). With these types of services the issue is more about compensation, not overall responsibility, that is, there needs to be a fundamental shift in financial resources if local government is to continue to provide them on behalf of these other spheres.

One service, airstrips (listed in Table 4) along with other services mentioned in this submission, do however, lend themselves to being the sole or primary responsibility of local government (including this Association) as they are in other States. They include:

- ❑ Town planning and building regulation;
- ❑ Airstrips and barge landings in rural and remote towns;
- ❑ Legal interpretation and drafting;
- ❑ Training for elected members of Councils;
- ❑ Recruitment of key personnel;
- ❑ Human resource management support;
- ❑ Family support services;
- ❑ Community education;
- ❑ Extending the boundaries of local government areas to include all of the Northern Territory;
- ❑ Assisting Councils to manage their physical environments;
- ❑ Formulating, implementing and negotiating partnerships and regional agreements; and
- ❑ Assisting local government in matters of structural reform.

All of the above services and activities need to be financed for local government to be properly resourced to handle them. At present there are under-funded. If the capacity of councils is to improve, particularly in remote areas, then resources have to be found to enhance them.

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4. What is local government's position in the Northern Territory to the Commonwealth Grants Commission's review of the Local Government (Financial Assistance) Act 1995?

The Association's position in relation to the review could be summed up in its policies, which states:

LGANT supports the allocation of Federal Assistance Grants (FAGs) to Local Government in the NT on the same basis as the Commonwealth provides funds to the Northern Territory Government.

LGANT supports access by Local Government to an equitable share of the general taxation revenue through an amended approach to the per capita formula to meet its roles and functions within the Australian Federal System.

In other words, the Association would rather FAGs were distributed to the States and Territories on a fiscal equalisation basis rather than a per capita basis. It considers that such a distribution, based on relative need, would provide a more equitable funding arrangement for local government in the Northern Territory. The Association considers it would enable local government to both build capacity and better meet both government and community expectations.