

**Nhulunbuy  
Corporation  
Limited**  
ABN 57 009 596 598

PO Box 345  
Nhulunbuy NT 0881

Phone: (08) 8987 1933

Fax: (08) 8987 2451

Email: nhulcorp@bigpond.com.au

OUR REF: MH:TB:L7093

3<sup>rd</sup> July 2002

House of representatives Standing Committee on  
Economics, Finance and Public Administration

Submission No: ..... 6 .....

Date Received: ..... 5/7/02 .....

Secretary: ..... *Sev dell* .....

**The Secretary**

**Standing Committee on Economics, Finance and Public Administration**  
**House of Representatives**  
**Parliament House**  
**CANBERRA ACT 2600**

Dear Secretary

**Inquiry into Local Government and Cost Shifting**

I wish to make a short submission relating to the above subject on behalf of the Community of Nhulunbuy.

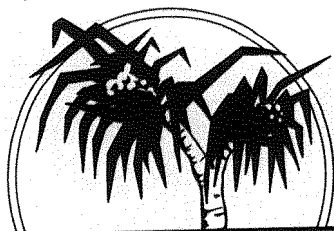
Nhulunbuy was a town built in the early 1970's by the mining company Nabalco Pty Ltd as a requirement of the Commonwealth Government. Various responsibilities were identified at that time including the management of the Town.

Nabalco Pty Ltd or its agent, in this case Nhulunbuy Corporation Limited, has the responsibility for providing the normal municipal functions with the ability to charge for such functions in a reasonable manner. Many years ago it was decided to generally adopt the N.T. Local Government Act as an operational tool. As such, rates are set dependent upon Unimproved Capital Values of land as provided by the Valuer General, with exemptions and waivers provided as indicated in the Act, in line with other towns throughout Australia.

There is, however, no external funding provided to this township in terms of Federal Assistance Grants, Road Grants or any other ongoing grant. On odd occasions, special purpose grants are provided for specific projects. An annual Special Purpose Grant is provided to the Cemetery Trust however, these funds usually only arrive after the Corporation has subsidised the Cemetery for much of the year.

A submission was made to the Grants Commission Review of the Local Government (Financial Assistance) Act 1995 but I doubt a small town such as ours would warrant specific treatment.

The Town has in fact over the year changed quite dramatically with the current population now split fairly evenly between Nabalco employees and their families and private or government employees and their families. The split at the time the town first opened was in the order of 90% Nabalco Pty Ltd and 10% private/government.



**Nhulunbuy  
Corporation  
Limited**  
ABN 57 009 596 598

PO Box 345  
Nhulunbuy NT 0881

Phone: (08) 8987 1933  
Fax: (08) 8987 2451

Email: nhulcorp@bigpond.com.au

Page 2

Much of this change has been brought about by both Commonwealth and Territory Governments making Nhulunbuy a Regional Centre to service the local Aboriginal Communities & Outstations.

The argument that Nhulunbuy Corporation Ltd does not receive the standard grants is based upon it not being a fully elected body and as such, the N.T. Government has refused to identify it as a "local governing body" even though it clearly carries out the majority of normal local government functions, as required for such status.

It is for this reason alone that Ratepayers of Nhulunbuy, who pay all the normal taxes as any other Australian resident, do not receive any rate relief in terms of grant funding. The N.T. Government, however, do use the 3,700 population figure of Nhulunbuy, in the calculation for its Grant allotment from the Federal Government, a system that many feel is totally unfair and immoral.

Further, because of the setup of the Town, which is on a Special Purpose Lease, as originally agreed, it is impossible to provide for full Local Government.

The Corporation therefore carries on providing the same functions without financial assistance. During the last couple of years the situation has worsened for Nhulunbuy residents. The introduction of G.S.T. meant that because the Corporation was not a local governing body all the general and garbage rates were subject to G.S.T. Again, Nhulunbuy residents are probably the only ones in the country who have to pay G.S.T. on their rates. The Roads to Recovery Programme was introduced – but not to Nhulunbuy – not a Local Governing Body – not therefore eligible!

So where does that leave Nhulunbuy in terms of Local Government and cost shifting? I guess this organisation does not really have a say because we are not Local Government. There again, I trust that no one will think that they can shift State, Territory or Federal costs or responsibilities onto this town or this organisation, certainly not without first conducting individual negotiations with the Corporation.

I would most certainly be available to expand on any of these issues should the Committee deem it appropriate.

Yours sincerely

**NHULUNBUY CORPORATION LIMITED**

M Hindle

**TOWN ADMINISTRATOR**