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

Submission No: 305

Date Received: 14/10/02

Secretary: .....

Ms Susan Cardell  
Committee Secretary  
Local Government Funding Inquiry  
House of Representatives Standing Committee on Economics,  
Finance and Administration  
Parliament House  
CANBERRA ACT 2000

Dear Ms Cardell

On Tuesday 8 October 2002 I appeared before the Standing Committee at its hearing in the Darwin City Council Chambers. My appearance was on behalf of the Northern Territory Government.

At the hearing I was asked a question by, as I recall, Mr Gary Nairn, the Member for Eden-Monaro, about the apparently large changes during the last two years in allocations made by the Northern Territory Grants Commission to various councils. The specific example mentioned was a substantial increase to the Yuendumu Community Government Council. At the time, I was unable to provide a satisfactory reply.

I would like now to provide a reply that may be of value to the Member and the Committee.

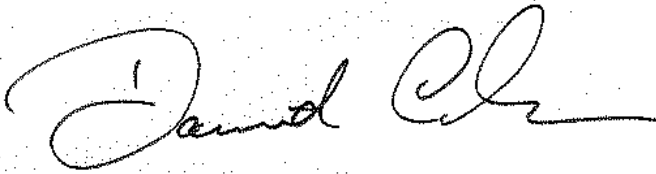
The NT Grants Commission incorporates a 'loss assist' factor into its distribution methodology to ensure that councils do not receive major changes in funding from year to year. This factor ensures that no council receives more than 5% less than it received in the previous year. The loss assist factor does not prevent increases of more than 5%. This has not caused any complaint.

The Commission has made a special case of Yuendumu this year. Yuendumu has taken on the responsibility for the delivery of services to the Willowra community following the removal of recognition as a 'local governing body' of the Willowra Community Inc. Thus, the grant to Yuendumu has increased in that it has essentially picked up the amount that had previously been provided to Willowra. This change has not caused a loss to any other council.

Willowra Community Incorporated actually lost its local government status the previous year. In the distribution last year the grant for Willowra was shown separately as a grant to Yuendumu. This year it was inclusive.

I apologise for the inconvenience. If you require further information please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Coles', with a long horizontal flourish extending to the right.

DAVID COLES  
Executive Director  
Local Government and Regional Development

10 October 2002