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SPORT & CULTURAL AFFAIRS

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The Secretary  
House Economics Committee  
Parliament House  
CANBERRA ACT 2600

House of representatives Standing Committee on Economics, Finance and Public Administration	
Submission No: .....	358
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Secretary: .....	

Dear Sir/Madam

Re: Committee of Inquiry into Local Government and Cost Sharing.

I wish to submit the enclosed questionnaire, which the Committee of Inquiry into Local Government and Cost Shifting distributed with the discussion paper *At The Crossroads*, and to make comment on a number of the issues which have been raised in the questionnaire and discussion paper.

The 'Finance and Cost Shifting' section of the questionnaire puts forward a range of suggested initiatives that could form part of an umbrella inter-government agreement on Financial Assistance Grants. Changes to the interstate distribution to redress current anomalies and the reduction of the minimum grant to provide additional funding to needy councils are policy shifts which would be welcomed in the Northern Territory. The disadvantages faced by rural and remote councils in their revenue raising capacity and in the delivery of cost effective services are significant and widely documented.

Support is also provided for Financial Assistance Grant funding to be delivered as tied grants to ensure that funds are spent on core local government services.

Those options put forward in the finance section of the questionnaire which suggest or imply direct funding from the Commonwealth to local government, and the by-passing of the Northern Territory Grants Commission (NTGC), are not supported. The NTGC keeps itself well informed of the living conditions and service delivery outcomes on all major communities in the Northern Territory through a regular cycle of visits. This is quite unique for a funding body. It should also be noted that the Commonwealth obtains the services of the NTGC at no cost, with all expenses being met by the Northern Territory Government.

The 'Infrastructure Funding' section of the questionnaire contains an option for the conduct of a national study into local infrastructure needs and funding. It is agreed that the need exists for such a study, however the option seems to imply that the study would be driven by the Commonwealth. The nature of the task suggests that a co-operative approach, involving all jurisdictions on an equal basis, would best ensure the necessary level of commitment and participation that would be required to achieve the desired outcomes.

The discussion paper on pages 23-27 raises the issues of 'Regional Co-operation' and 'Capacity Building'. These matters are also identified in the last section of the questionnaire. The discussion paper's policy proposals and statements in this regard are supported as they suggest similar approaches to those already adopted by the Northern Territory Government.

The Department of Community Development, Sport and Cultural Affairs is promoting regional development through facilitating broad community participation in the preparation of Regional Development Plans for each major region in the Territory. These plans address social, economic and environmental issues and serve as a basis for whole-of-government and whole-of-community Partnership Agreements. The agreements identify issues of concern, strategies for the achievement of particular outcomes and the responsibilities of the key stakeholders.

Capacity building, using community development processes, is a complementary activity to enable regional communities, particularly indigenous communities, to engage in partnership negotiations on equal terms with the government. A Regional Development Fund has been established to resource capacity building and regional development projects.

The development of partnership agreements to achieve more effective regional frameworks for service delivery is assisted where a legitimate structure of governance enables the views of the regional communities of interest to be more readily heard and understood. Structures of regional governance are currently being developed with local government bodies in several regions to achieve stronger representation and improved service delivery.

When senior department officials appeared before a hearing of the Committee in Darwin in October 2002, a case was made for the identification of a Financial Assistance Grant funding methodology that would provide additional resources to local government bodies in remote areas of the Territory delivering services to seriously disadvantaged Indigenous communities.

It is appreciated that this is a difficult task for the Committee because it has to consider issues on a national basis. However, the need for greater equity in the Commonwealth's distribution of Financial Assistance Grant funds to the States and the Northern Territory is the highest priority issue that this department wishes to bring before the Committee of Inquiry.

Thank you for the opportunity to respond to the questionnaire and to present these views.

Yours sincerely



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Executive Director  
Local Government and Regional Development

3 / March 2003