

Submission to the Inquiry into Local Decision Making

Terms of Reference

The Public Accounts Committee will inquire into and report on the implementation and future of the Local Decision Making (LDM) Framework, having particular regard to:

1. the progress, achievements, challenges and future potential of LDM implementation across the Northern Territory.
2. how to foster community and leadership interest in and commitment to new LDM agreements.
3. the impact of technology, Treaty, Truth-Telling and Voice on LDM development.

NTG Local Decision Making – Website statement

The NTG Local Decision Making website states that *“LDM is facilitating a new working relationship between Aboriginal communities and government agencies to support self-determination”*.

Northern Territory Government agencies will partner with Aboriginal communities to assist the transition of government services and programs to community control.

Local Decision Making is a 10 year plan that will provide a pathway so that communities can have more control over their own affairs, including service delivery based on a community's aspirations and needs.

Government and Aboriginal communities will be able to work together to develop policies and practices for service delivery, such as housing; local government; education, training and jobs; health; children and families; and law and justice.

Impact of Local Decision Making on Regional Councils

The critical question for regional councils is:

Where do Regional Councils sit in the NTG's vision for Local Decision Making?

The Terms of Reference for the Inquiry into Local Decision Making implies that the NTG does not see local government or regional councils as an independent, popularly-elected third sphere of government with its own statutory roles and responsibilities, but rather as another government-funded function of the Northern Territory Government.

The implication is that the NTG sees local government as just another arm of NTG service delivery and does not acknowledge the control provided through the system of local government already gives to Aboriginal people in their communities through their regional councils and local authorities.

Regulatory Oversight and Compliance

From the NTG perspective, regional councils should be well placed as service providers compared to many other remote Aboriginal organisations, as they:

- are heavily regulated with an onerous compliance regime under the *NT Local Government Act 2019* and its accompanying regulations;
- represent the whole community and not only single family or clan interests;
- have guaranteed long term funding; and,
- have considerable legal responsibility for the delivery municipal services to remote communities.

The level of due diligence with which the LDM staff carry out the assessment of both the governance and the long term viability of smaller Aboriginal organisations appears inadequate. This is particularly so in the case of those incorporated under Federal legislation. These small organisations are often not established or funded adequately to manage and maintain assets that are transferred from regional councils.

Regional vs Local Responsibilities of Local Government

Regional councils were established to address issues which are common to communities across their regions and not simply individual communities. The regional road system, for example, is managed by regional councils and compliments the NTG responsibility for main roads. This question of local vs regional is pivotal to understanding the future sustainability of the role of local government and regional councils in maintaining roads to communities and outstations.

If the NTG considers that small community based Aboriginal organisations, for example, are better placed to manage local roads, this will directly impact on the viability of regional councils in managing a regional road system. From a duty-of-care perspective the question arises as to where these small local

organisations will receive funding for road plant and equipment in the longer term given they are not eligible for Commonwealth roads funding.

While there is no issue in an Aboriginal organisations taking responsibility for a section of a region's road system they need to have guaranteed access to ongoing roads funding, for which only local governments are often the only eligible entities.

Impact of LDM on Regional Council Financial Sustainability

The model of local government adopted in 2008 by the NTG for regional councils denied them the rates base that local government enjoys in the rest of Australia. Generally across Australia 60-75% of local governments' total income is untied revenue from rates and charges but the Territory's regional councils' untied revenue is between 5-15% of total income.

This means that regional councils do not have the flexibility to address cash flow issues as they arise or plan for asset replacement, but rather they have a large proportion of their funding tied to specific project outcomes. This funding model has reinforced regional council dependency on agency and service delivery contracts for the other levels of government.

The imposition of Conditional Rating during the 2008 local government reforms as temporary, three year measure to allay the concerns of the pastoral and mining sectors that they would be subject to unfair rates has been rolled over now for another decade. This means that pastoralists, including major international pastoral, and mining companies pay less than 2% of the rates that the same companies contribute for similar holdings in similar country in northern Queensland and Western Australia.

This imposed dependence was already under threat as the Commonwealth particularly, and to a lesser extent NTG agencies, sought to shift costs and narrow margins for contracted service providers. However LDM, as it has evolved in the Northern Territory with its current implementation methodology, favours services being delivered by Aboriginal corporations and often excludes regional councils.

This significantly impacts on the financial sustainability of regional councils. Select tenders are used by the Department of Infrastructure Planning and Logistics (DIPL) and other NTG agencies. In some cases these deny regional councils the opportunity to tender for services they had previously provided. If this approach, of excluding regional councils, continues it will further undermine their fragile financial sustainability.

Acceptance of Regional Councils as Aboriginal Organisations under LDM

The exclusion of regional councils from the NTG's category of eligible Aboriginal organisations under LDM directly inhibits their competing for service contracts. However, to date neither staff from the Department of Families, Housing and Communities or nor from DIPL, have been able to provide any documented policy or statement by a NT Government Minister that this is the case.

The council where I have worked recently, although not considered as an Aboriginal organisation under current LDM policies, has an Aboriginal person as Mayor, all its councillors are Aboriginal, more than 70% of its staff are Aboriginal and by far the greater majority of residents and electors are Aboriginal. A local Aboriginal organisation also has an Aboriginal Board, but in contrast its staff are generally non-Indigenous and the beneficiaries of its operations are generally limited to a small number of Elders from a few clan groups.

What does "Government and Aboriginal communities will be able to work together to develop policies and practices for service delivery, such as local government" actually mean when the elected local government body for the region cannot be considered an eligible entity under LDM but a for-profit Aboriginal Corporation is directly approached by NTG agencies to deliver government services and infrastructure without any public tender process?

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