

The Estimates Committee of the Northern Territory Legislative Assembly convened at 8.30 am.

**In committee in continuation:**

### **MINISTER KNIGHT'S PORTFOLIOS**

**Mr CHAIRMAN:** I will call proceedings to order. Welcome, minister. I will invite you to introduce those who are at the table with you, and to also make an opening statement, if you wish, on behalf of your portfolio responsibilities within the Department of Local Government, Housing and Sport.

For *Hansard*, I just note that at the committee table is the member for Nelson, member for Arnhem, member for Port Darwin, myself, the member for Greatorex, and the member for Katherine. Minister.

### **DEPARTMENT OF LOCAL GOVERNMENT, HOUSING AND SPORT**

**Mr KNIGHT:** Thank you, Mr Chairman. I acknowledge the departmental staff here today: Mr Mathew Fagan, Director of Planning with the Department of Local Government, Housing and Sport; Eve Robinson, Executive Director of Local Government; Dr David Ritchie, CEO of the department; Mr Dwayne McInnes, Chief Finance Officer of the department; Mr Bill Stuchbery, Senior Director of Local Government; and Ms Meryl Gowing.

Mr Chairman, I would like to make some introductory remarks about a very busy department in the local government area.

The Territory government has taken decisive action to improve local government in the Northern Territory. Our reforms will help ensure local government is better equipped to face the challenges of the future, including financial sustainability of our councils and improvements in service delivery in our remote communities.

We have also taken the opportunity to work with the local government sector to refresh and modernise our 20-year-old *Local Government Act*. An incredible amount of work has been undertaken by our many local government stakeholders, including elected members and local government managers, who are rightly proud of what has been achieved over the last two years.

I am also proud to say the new *Local Government Act*, revised with substantial contribution from local government managers and our municipal councils, was introduced to the Legislative Assembly during the February sittings this year. It was debated during the May sittings with the Administrator giving his assent to the act on 23 May 2008.

Eight new prospective shires have been established and, following a national recruitment exercise, all new Shire Chief Executives and Directors of Corporate and Community Services have now been on board since the middle of March 2008. These new staff are now busily working on establishing the new shire councils so they can be ready for business on 1 July. Local government reform will ensure a foundation for much needed improvement in services and community governance, especially in terms of our bush communities. To assist in this goal, the government has, over the past two financial years, provided \$9.9m to assist the establishment of the new shires. These funds have been used to support the establishment of a new shared business system, known as ShiresBiz, and a shared information and communication infrastructure, known as ShiresNet, to help underpin the modernisation of local government in the Northern Territory.

Another key outcome is that the new shires are re-negotiating new agency agreements with both the Northern Territory and Australian government agencies for the delivery of services such as night patrol, child care, housing repairs and maintenance, power and water supply, sport and recreation, aged care, and Centrelink. In the past, councils have often effectively been subsidising the delivery of some these services - and we know about Centrelink services - to the detriment of core local government services.

A further key outcome is the program to transition local indigenous people into paid jobs in the new shires. The Australian government has provided \$5m in the current financial year, and up to \$10m for each of the two years to come, to be matched with NT operational funding to fund paid jobs in local government.

We are well under way in implementing the new local government. It has been an enormous effort involving many people. It has not been without any challenges and there will be new challenges every day.

It is important work and I am proud to have carriage of one of the most important structural reforms this government has undertaken.

Libraries play a key role in providing Territorians access to knowledge, resources, entertainment, and information technology. It is an environment as diverse as the Territory. Libraries assist in building communities by connecting people to information and each other. I am proud of the key role the Northern Territory Library plays in this regard, particularly in collecting and preserving our heritage in the Territory. Our library service has enjoyed a fantastic year of achievements. The most notable was receiving international recognition from the Bill and Melinda Gates Foundation's Access to Learning Award for our Library and Knowledge Centres Program, a program which supports remote community libraries. This year, I was also pleased to launch the Northern Territory Library Strategic Policy 2008-12 which defines the way in which Northern Territory libraries will progress into the future in enhancing the social fabric of the Northern Territory in providing the community with the opportunity of learning for life.

Cultural diversity is one of our greatest assets and greatly contributes to the rich and vibrant lifestyle we enjoy in the Territory. This diversity is exemplified in a few simple Territory statistics. For example, 34% of Territorians speak a language other than English at home; 31% of Territorians are indigenous; and 14% of Territorians were born overseas. I am proud to have responsibility for two excellent language services covering the breadth of the Northern Territory, with approximately 104 Aboriginal languages and 48 migrant and refugee languages. These two services, the Aboriginal Interpreter Service and the Interpreting and Translating Service NT, provide very important services, particularly in the knowledge that 21% of the people who speak English as a second language, or a third or a fourth, stated that they have very low English communication skills.

The Aboriginal Interpreter Service is eight years old and was set up to improve communication between the Aboriginal population and service providers in the Territory. The AIS has over 253 interpreters registered and over 60% have obtained accreditation with the National Accreditation Authority of Translating Interpreters, NAATI, at a para-professional level.

Never has it been more evident how important the AIS's role is. The main policy and program reforms currently under way, combined with the introduction of the Australian government intervention in prescribed communities, has had a significant impact on community members understanding all these changes simultaneously. The role of interpreters in this environment of change cannot be underestimated. I acknowledge the commitment from the AIS in the past year in proactively recruiting and training interpreters to respond to these increasing demands. The AIS's work has also been acknowledged from several external sources. In particular, the Australian government has allocated one-off additional funding to the AIS for the 2007-08 and the 2008-09 financial years, and Rotary Victoria has allocated funds to the AIS to develop and trial the first NAATI accredited test at the para-professional level in an East Arnhem Land local language.

The Interpreting and Translating Service is 20 years old and was established to provide interpreting and translating services in migrant and refugee languages. The service now has 120 interpreters/translators in the Northern Territory and 33% have accreditation or recognition with NAATI. It plays a vital role in providing interpreting and translating services to migrant and refugee families in the areas of accessing medical and legal services, and understanding welfare settlement programs. Service staff also conduct training sessions for a range of government and community organisations promoting awareness, understanding and acceptance of the cultural and linguistic diversity in the NT.

The top 10 languages demanded this year were Indonesian, Burmese, Vietnamese, Kirundi, Greek, Somali, Mandarin, Cantonese, Khmer, and Kiswahili.

A highlight of the year has been the Interpreting and Translating Service and the Aboriginal Interpreter Service co-locating officers and joining forces to share ideas, lend support, maximise NAATI training and accreditation support opportunities, and fostering collaboration with the language services. I am also pleased to say that the Northern Territory government has provided ongoing funding from the 2008-09 Budget onwards for: two AIS positions, one in the Darwin and one in the Alice Springs offices; training and accreditation costs with NAATI for both those services; and funding to assist in providing non-government organisations with free access to AIS registered interpreters.

Mr Chairman, a further portfolio responsibility is the Water Safety and Animal Welfare output, with the 2008-09 Budget providing \$2.7m for water safety and animal welfare. A key component of the Water Safety output functions relates to the administration of the *Swimming Pool Safety Act*. Since the act came into

force on 1 January 2003, over 12 500 pools have been inspected across all major centres in the Territory and over 5800 grants have been processed.

In June 2002, this government introduced the Five Point Water Safety Plan to help curb the Northern Territory's high rate of drowning. Included in the Five Point Water Safety Plan was the Water Safety Awareness Program for children aged six months to five years. The Water Safety Awareness Program, part of the five-point plan, entitles parents of children aged between six months and five years to up to five water safety sessions, including one resuscitation session and four practical water awareness sessions. Over 5000 children have been registered for the program since its inception, and the Water Safety Awareness Program has received many accolades, including being named as an example of National Best Practice in 2005 by the Royal Lifesaving Society. The program has also been recently modified to ensure the attendance of parents or carers to the emergency care sessions of the program. By ensuring that all parents, even those currently holding a resuscitation certificate, are involved it is hoped that, in the event of a water-related accident, a child or, indeed an adult, may be saved. Government has acknowledged the important role of this program and it will now be a permanent program available to Territory families.

The Northern Territory Water Safety Council is an important part of the Water Safety output. The role of the Water Safety Advisory Council is to provide: advice on water safety-related matters; identify gaps in existing provisions of water safety initiatives necessary for the prevention of drowning or near drowning in the Northern Territory; and coordinate, develop and implement a Northern Territory Water Safety Plan that focuses on water safety education, research, data collection and standards.

In 2007, the council developed a Northern Territory Water Safety Plan to assist in the prevention of drowning and near-drowning incidents. The plan provides a better coordination of water safety programs and identifies and builds partnerships on projects to address areas of need. The council is now further developing their Water Safety Plan, modelled on the revised National Water Safety Plan, and it is expected to be finalised by the end of 2008.

Another important part of this output ...

**Mr CHAIRMAN:** Minister, sorry, but opening speeches are not to be more than five minutes. You are a little over. Are you into your conclusion notes?

**Mr KNIGHT:** Yes, just about there. An important part of this output is Animal Welfare. Ensuring the safety and care of animals across the Northern Territory is a priority this government. I am dedicated to ensuring all animals, whether they be domestic animals, animals used for sporting events such as polo, horse racing, dog and cat shows, equestrian and rodeo events, as well as livestock, are appropriately looked after and treated in a humane manner that is both socially acceptable and in line with the *Animal Welfare Act*. The Animal Welfare Advisory Committee provides invaluable advice to me about animal welfare legislation and other matters relating to animal welfare.

Mr Chairman, I thank the committee for the opportunity to allow me to make introductory comments, and I will be available for questions and so will the departmental staff.

**Mr CHAIRMAN:** Are there any questions on the opening statement?

**Mr WOOD:** Mr Chairman, I thank the minister for his statement. I should make it perfectly clear that I think reform of local government was well overdue. There is no doubt about that. I believe the debate we have had is whether the process put forward by the government was the right process, and whether the community was fully informed of what was happening, and we will get into that during questions.

I would like to ask the minister: much blame has been put on local government for being dysfunctional. How much of that blame can be put back to the department itself in not being diligent enough to ensure some of these councils, for instance, did not get into the state of affairs they did?

**Mr KNIGHT:** I guess you have to look at what we actually have at the moment - local government councils prior to 1 July when it will obviously change. Many of these councils are very small, spread across vast areas of the Northern Territory. As you would well know, the reporting is there, it is quarterly reporting, and a lot of the time councils do get into trouble, and things happen in that period between reporting, and if people misreport, you can go for several months. I have been on compliance teams myself, going into communities, and it takes a while, and a lot of the time things can go bad very quickly. That, I guess, is dollars and cents stuff. I guess it is that management and that deterioration in planning that has happened with some councils over time. You have been around the Territory, member for Nelson, and you would

have seen successful councils, and very unsuccessful councils. They might be successful this year, and then next year they are not. When they crash, they crash very hard, and they take a long time to come back and the local people suffer.

This reform is about modernisation. It is about trying to make that incremental growth rather than that rollercoaster ride that most of those communities have been involved in. I know, through the debate in the House, that you have been critical of the compliance arrangements. They are there for a reason. Not to be a Big Brother or anything like that, but when these councils fall over, we get questions like this – why did the department not do something? That allows the department, the people that are tasked by the public to oversee that things do not go wrong, to have a chance of actually doing something about things. There is a balance there. It has been a difficult role for the departmental staff, and it has been a difficult role with the old framework of local government. It has been a very old vehicle to try to go down a very difficult road for all concerned - departmental, elected members, and staff. I believe the new local government framework is something that everybody will be able to use better and everybody will be accountable for.

**Mr WOOD:** Minister, has there been an equivalent reform of the department? This is a question. I am not making comments about people in the department. I am just saying, if you have reformed local government, does that necessarily mean that you have reformed the way the department operates?

**Mr KNIGHT:** I guess you are referring to in the future?

**Mr WOOD:** Well, now, because you are introducing a new system of local government. Has there been reform in the department to match that?

**Mr KNIGHT:** Yes, the landscape of local government is totally changed, and vastly changed and vastly improved, and we will have to be responsive to that. I will defer to the CEO who has control of the department.

**Dr RITCHIE:** David Ritchie, Chief Executive Officer. Just following what the minister was saying, the department has, over the years, been working within the existing legal structure. It was becoming increasingly evident that the system was probably contributing to the dysfunction. So, as a result of that, the department worked to produce the alternative, which is what we have, which has now formed the basis of the new act. With any change as fundamental as the changes we are implementing this year, there has to be a correlating change within the bureaucracy. Some of the outward manifestations of that change are that we have a change of people, we have new executive directors of local government, we have a new CEO of the department, and a new structure within that to do different things.

The primary difference is that the department is now being set up to enter an era when we are creating a support for regional communities based on a system beyond regulation. The new arrangements give much greater autonomy to shires. The systems have been created to make sure that the shires can operate at a scale where we can expect them to be able to achieve the objectives that have been set for them under the act. In other words, they are not set up structurally to fail. The scale of the shires, we believe, is right. The department has been set up to provide support for those shires through centrally maintained, high-standard business systems. In addition to that, the system provides the kind of links with other government objectives for economic development in the regions.

**Mr WOOD:** One more question, Mr Chairman. You also mentioned agencies and how agencies have not delivered to councils enough money to run those agencies. Again, in the business plans, there is talk about local government taking over agencies. It was not the council's fault that that occurred. It was government's fault that it allowed agencies to come in on a level of funding that was not sufficient to operate properly in those communities. It was easy to say that a council was dysfunctional, but in many cases councils did not have much option. If the Centrelink office was not going to open and they had to throw some money in there to make sure it was open for longer hours, that was something they had to live with. So, where can I see a guarantee that these agencies are also reformed in the sense they will make sure they provide adequate funding to these communities so they will not be a burden on local government funding?

**Mr KNIGHT:** I agree that has been the case. Agencies have had direct negotiations with individual community government councils, and they have been fairly direct in saying this is what you are getting, and if you do not like it, well, you are not going to get anything. This has been one of the reasons for moving to larger councils with more strength to negotiate, and that has been successful. I will defer to Mr Fagan in a minute to give you some examples. That is with that better bargaining power. In the past, there has been negotiations happening from a local government level, councils straight to the agencies, and they negotiate

with a whole range of agencies. In this reform, we have taken on that role on behalf of all the shires. In the future, I believe those shires will be able to undertake that very successfully themselves. They will, if you look at the size of the shires, be able to negotiate very strongly. I will defer to Mr Mathew Fagan to give some examples of how the negotiations have gone.

**Mr FAGAN:** Mathew Fagan, Director Planning and Transition. The major changes that have occurred in terms of the agency attitudes has been around the increased bargaining power of the shires. Previously, an agency may have been able to say to an individual council: 'We simply will not fund your community for this service; we will fund the other 62 or so councils, and you can miss out'. They have not been able to take the same approach with the shires because, obviously, if they left the whole shire out of the service delivery mix, that would be in breach of their service obligations.

So, to give you some examples, and there are many, but one might be Centrelink, the one that the minister has raised. This time last year, Centrelink was providing about \$1.9m in funding to local government councils, to community government councils, across the Territory to deliver Centrelink agency services. The arrangement that has been negotiated with the shires will see in excess of \$5m in funding to operate those same number of agencies across the Territory; so in excess of a doubling of the funding available for what is a pretty essential service to indigenous Territorians in remote communities. The examples continue across Australia Post, child care, aged care, employment services, and power and water and sewerage services. All of these areas have seen a major increase in funding coming through because of that bargaining power that the shires are able to exert.

**Mr WOOD:** I know there are many other questions, but I would like to ask in relation to that, in Litchfield Shire, it would not have negotiated about delivery services of Centrelink or a post office. People would lobby their federal counterparts to say there is inadequate funding. Why has it taken this change in the way local government is being delivered to bring on these changes when we are talking about government agencies, Centrelink, and Australia Post? Regardless of whether they have the bargaining power now, why was government not putting pressure on those agencies to deliver those services? Those services still have to go out to the small communities within those shires. What was the failing of government to not make sure those communities were given adequate funding for those departments?

**Mr KNIGHT:** We have had a change of government; maybe that was the reason. This matter has been around a long time. The member for Lingiari has long argued the case. I do not know. We get a change of government, we get twice as much money. Maybe that is the reason.

**Ms Carney:** It sort of happened.

**Mr KNIGHT:** It did. It was just like that, they listened.

**Ms CARNEY:** So, the next day, after August the whatever in 2001, it just happened. Unbelievable. Fancy that. All that GST money just came in that day.

**Mr KNIGHT:** It is good to get that money out to the bush where it is needed. I know myself, and other members of parliament, and certainly the federal member for Lingiari have been lobbying long and hard, and now you have these shires which are able to negotiate very strongly. That is the strength of unity.

**Mr WOOD:** I have a fundamental problem with what you are saying. I do not mind if we have more power to bargain with these agencies to get what we want. That is good. But if we lose sight of what local government is really about, and this is where it gets down to my philosophical disagreement with the government, that local government is about community. This is not local government. This is regional government. To have a council as big as Victoria, one loses the community. In all of this debate, there is very little about community. There are lots of things about efficiencies, and lots of things about increased funding. There are lots of things about that. On the other side of it, you do not give equivalent weight to what local government is really about, that is, local democracy and community. It is not even all about the elections and those sorts of things. It is about people belonging to an area.

I feel that you would have been better to call this regional government and forget the whole concept of local government if that is what you are trying to do. At least then you could argue that it is purely a financial change to what we are trying to do, we get more jobs, we get more agencies coming in paying the full amount of money - but we lose community. I cannot see, under your present model, that you have given community enough emphasis as part of the changes. I accept that maybe it has more lobbying power but, on the other hand, the downside is you have lost local government.

**Mr KNIGHT:** I do not think that is the case at all. We have communities across the Territory which are not in local government who have a sense of community. They are going to have that sense of community plus local government. At the end of the day, we want to ensure – this is our bottom line - people receive consistent services, high level of delivery of those services. That is the basis. However, we know - everybody knows who works out bush - that you have to have community participation, empowerment, and community pride to move ahead. That is why we have a government structure which goes right down to the grassroots.

I have worked out there. The former minister has lived all his life out bush. The minister before that, who started this off in 2002, knew that very clearly as well. I think that is achievable, but it will be up to those shires. Those shires can be centralist if they want to be. They can be decentralist if they want to be. That is their right; that is their ability to do that. I believe they will drive it from the ground up. However, I cannot dictate to them. That framework is there for delivery of those core services that we get knocked off about all the time for not doing it, and those communities have suffered year in and year out. We had to do something about that. We have done that; we have put the accountabilities in. We have put in a framework for better service delivery, and we have been able to attract more dollars into the bush. That, at the end of the day, has to be good.

**Mr WOOD:** Of course, it is good. Mr Ah Kit did, at least, find the right balance with 21 or 22 regions or councils. I believe that was a far better model that we should have gone to. That was more community. This is more mini-states nearly.

**Mr KNIGHT:** For a lot of things, member for Nelson, you are going to have your view and other people are going to have their view. At the end of the day, things have to change and, with all consideration taken, the government has adopted this model which it believes has taken all consideration into account. It has made this decision and I hope that you would now settle that. Okay? You have something there; it is going to happen. Let us support it. This does not mean it is all over. Local government is always there to be improved continuously. Those shires will, themselves, propose improvements to their governance structures, service delivery structures, and to their boundaries even, in the future. The finish line is not the 1 July. It is almost the start of a continuing improvement process.

**Mr WOOD:** Thank you, Mr Chairman.

**Mr CHAIRMAN:** Are there any further questions on the opening statement?

### **OUTPUT GROUP 1.0 – LOCAL GOVERNMENT**

#### **Output 1.1 – Local Government**

**Mr CHAIRMAN:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2008 as they relate to the minister's responsibilities within the Department of Local Government, Housing and Sport. I will now call for questions on Output Group 1.0, Local Government, Output 1.1, Local Government. Are there any questions?

**Mr CONLAN:** Thank you, Mr Chairman. Good morning, minister, good morning, everyone. Minister, I note there have been transfers of excess allocations to the tune of approximately \$118m granted to the department in the course of the last 12 months. Can you itemise where that money has been spent, how much has gone into Housing, and how much has gone into Local Government?

**Mr KNIGHT:** I will refer that to Mr McInnes. Could you provide some more clarity on that question, member for Greatorex?

**Mr CONLAN:** Okay. I have here a transfer of \$50m to the Department of Local Government, Housing and Sport on 12 December 2007. I can table that if you would like. On 16 May 2008, there was a transfer of \$68.814m to the Department of Local Government, Housing and Sport.

**Mr KNIGHT:** What are you actually referring to there?

**Mr CONLAN:** This is a transfer of excess allocation signed by the Treasurer.

**Mr CHAIRMAN:** Perhaps if they could just sight the documents to help them find the copy in their records.

**Mr CONLAN:** Yes, certainly. They just want to sight those documents.

**Mr KNIGHT:** I will seek some more clarification on that, member for Greatorex. Is that all right? Can we take that on notice?

**Mr CONLAN:** Certainly, take that on notice.

**Mr KNIGHT:** Well, we will get an answer for you, but if you have some other questions ...

---

**Question on Notice No 10.1**

**Mr CHAIRMAN:** If we do go on notice, and then if you have the answer by the end of the session, you can inform the committee. Member for Greatorex, please restate the question?

**Mr CONLAN:** Okay. I will ask the question just as I did originally then. I note there have been transfers of excess allocations to the tune of about \$118m which have been granted to the department over the course of the last 12 months. Could you itemise where that money is spent and how much has gone into Housing and how much into Local Government?

**Mr CHAIRMAN:** Minister, are you prepared to take that question on notice?

**Mr KNIGHT:** Yes.

**Mr CHAIRMAN:** I allocate that question No 10.1.

---

**Mr CHAIRMAN:** I am just concerned for the member for Greatorex's documents that they just ...

**Mr KNIGHT:** They are being shredded now!

**Mr CONLAN:** All right. They are copies.

**Mr CHAIRMAN:** Just keep an eye on where they are, member for Greatorex.

**Mr CONLAN:** Thank you. Minister, can you explain why this new local government, or these cheaper local governments, you might say, have recorded a \$12m blowout compared to last year's budget? Why is it expected to blow out by about \$20m by the end of this financial year?

**Mr KNIGHT:** The local government reform process?

**Mr CONLAN:** Yes, these new, less expensive local governments.

**Mr KNIGHT:** I will defer to Dwayne and to Dr Ritchie for a breakdown of that. This is very significant, never been done before reform. The government has progressively looked at need and filled that need in the reform process. It is very much a transitional process, with the establishment of these shires, and they have needed funds to make it happen. This is reforming 80-odd different councils across the Territory into, effectively, eight. It required resources, and we have not wanted to back away from our commitment for that. It has been encouraging that the government has supported that. Dr Ritchie, do you want to speak to that?

**Dr RITCHIE:** I will just ask Matt Fagan to explain the funding process for local governments, because it is not clear to me where the blowout has been, but if he goes through that then you can probe this. Thank you.

**Mr FAGAN:** The additional funding that has come to local government, aside from the increase in the agency funding which I do not think you are referring to - I think it is in relation to the funding from the Northern Territory government, is that correct?

**Mr CONLAN:** That is right.

**Mr FAGAN:** There has been an allocation of \$9.9m in additional funding over both this financial year and the next financial year to assist in the establishment of the shires. As part of any major reform you expect some transition costs. That is what that \$9.9m has gone towards. A significant portion of that has

gone towards the implementation of new business systems for the shire councils which should see a dramatic improvement in performance in reporting and financial management.

The other area of additional funding was a one-off \$5m in what is called a Transition Support Allocation for the next financial year. Of that, \$4.5m is going to the new shires. Aside from that, other than regular increases linked to CPI for operational grants and grants commission payments, there has been no additional funding coming from the Northern Territory government.

**Mr CONLAN:** Minister, why is it expected to blow out by another \$20m by the end of this financial year?

**Mr KNIGHT:** I do not know where you are getting your figure from.

**Mr CONLAN:** It is in the budget papers, minister, 2007-08 and 2008-09.

**Mr KNIGHT:** What figure are you quoting, member for Greatorex?

**Mr CHAIRMAN:** Perhaps you can show where in the budget papers.

**Mr CONLAN:** Well, I just did. Page 286 of this year's budget paper, and page 236 of 2007-08. You will notice that it is expected to blow out by \$20m by the end of this financial year.

**Mr KNIGHT:** It is certainly not a blowout, but we will get an answer for you. Mr Dwayne McInnes.

**Mr McINNES:** Dwayne McInnes, Chief Finance Officer. I do not have the budget paper in front of me but, essentially, the variation in the budget papers for the Local Government output is plus \$3.3m for the 2008-09 financial year. A number of factors make that up: funding under the *Closing the Gap* program increasing from \$1.2m to \$1.4m; 2008-09 also includes additional funding for \$5m for new shires to assist with establishment costs; there is an increase of \$10.9m of Commonwealth funding, which includes an additional \$600 000 for development coordinator funding; there is \$9m for CDEP's conversion to real jobs; and \$1.3m for network funding. The increase in 2008-09 is masked by one-off expenditure in 2007-08 not included in 2008-09. This includes \$1.4m expenditure carried over from 2006-07 into 2007-08; and \$4.95m for new shire establishment funds transferring from 2008-09 to 2007-08.

**Mr CONLAN:** Thank you. Minister, it was clear just by listening to the two gentlemen that there have been some blowouts in the ...

**Mr KNIGHT:** There have been no blowouts.

**Mr CONLAN:** I would have thought that perhaps you would have costed this out. Mr Fagan has illustrated that there has been.

**Mr KNIGHT:** No, I think you are getting a bit confused. We get a base budget each year which has been increasing for local government and, with this process, the government has allocated funds each year and so has the Commonwealth government. Money has come in and Mr McInnes has highlighted some of those funds which have come in, which were in last year for a specific purpose and are not in this year. Money that has been slotted in this year, I mean \$5m there, so there has been no blowout. It has been about ....

**Mr CONLAN:** So you are saying that we are right on track, right on track, not a dollar over?

**Mr KNIGHT:** Well, we are ...

**Mr CONLAN:** Not a dollar over. Is that what you are saying, minister?

**Mr KNIGHT:** You do not seem to understand, member for Greatorex, about the budget allocation process.

**Mr CONLAN:** That is why I am asking you to explain it.

**Mr KNIGHT:** Money comes in each year and when needs arise we allocate money to it. The government has been very proactive in this area to make sure that the shires are established correctly and so money has been allocated in this year to fill ...



**Mr CONLAN:** To fill the blowouts.

**Mr KNIGHT:** Absolutely not. Government was aware of the need to make this process work and has allocated funds each year. You are very incorrect in your statements about the figures. The government has allocated sufficient funds to make this transition happen correctly and get it right. That is exactly what they have done.

**Mr CONLAN:** Minister, can you answer that other question then? This whole process has gone to budget, but you are not a dollar over to roll out this local government reform?

**Mr KNIGHT:** It is an ongoing process and ...

**Mr CONLAN:** It is rolling out by 1 July, minister. How much over is it, if it is?

**Mr KNIGHT:** It is not over. We budget for the needs as they arise.

**Mr CONLAN:** Right. What have you anticipated for any blowout in the budget? Have you anticipated any blowout?

**Mr KNIGHT:** We have been given a budget to do a job, and we will expend that budget. At the moment, we have a number of areas for development coordinators. Whether that comes in on the dollar or not, the department has been given money from the Australian government to recruit development coordinators over this two years, and they have done that. Whether that comes in on the dollar or what, but there is no more money in the program. They have been given money for the ShiresBiz and the ShiresNet and other transitional costs. That is the money that has been allocated to the department to spend. They will not be going over that because that is all the money that is in there. You have to rely on the department to work within their budget. My belief is that will happen, and also that, I am sure, of the Chief Executive Officer.

**Mr CONLAN:** Minister, are you acquiring property from local government associations in breach of the just terms requirements of the *Self-Government Act*?

**Mr KNIGHT:** No.

**Mr CONLAN:** Okay. If it is determined that these acquisitions are acquisitions of property rights, have you tried to calculate what a compensation package will be worth? If not, why not?

**Mr KNIGHT:** Well, it is referring back to the first question. I do not believe we are.

**Mr CONLAN:** Do you realise that some communities will beg to differ?

**Mr KNIGHT:** I do, but some do not.

**Mr CONLAN:** Minister, I note that you are acknowledging, in part, the property rights of the association of Yirrkala by negotiating with them. Is that right?

**Mr KNIGHT:** Again, you fail to understand what is actually happening at Yirrkala. Neither the Australian government nor even the Yirrkala community have control or possession of any ...

**Mr CONLAN:** Minister, could you just answer the question? Are you negotiating the property rights with Yirrkala?

**Mr KNIGHT:** Let me finish. You fail to understand the basics of what is happening at Yirrkala. Neither the Territory government nor the community have control of any assets in that community.

**Mr CONLAN:** Madam Deputy Chair, could you direct the minister to answer the question, please?

**Mr KNIGHT:** No, no, let me finish. The Australian government has - there is a five year lease over that community so everything on that community belongs to the Australian government. Right? That is what is happening there. We are negotiating with the Australian government to get control and occupancy, to get a lease to operate there.

**Mr CONLAN:** So you cannot answer that question?

**Mr KNIGHT:** I will finish because I am just trying to explain what is happening out there. Our negotiations with Yirrkala are to come up with consensus so the Australian government has comfort in knowing that there is no dispute over assets there. There are tens and hundreds of millions of dollars worth of assets on communities which have been granted by the Territory government over the last three decades, or the Australian government. We are unwinding all this kind of mess of money and ownership and possession. That is what we have done. We have done it right across the Territory in hundreds and hundreds of communities. Yes, we have Yirrkala; we are negotiating with them about a joint position to go to the Commonwealth with. They do not own the assets ...

**Mr CONLAN:** So you are acknowledging that you are ...

**Mr KNIGHT:** No, I am not acknowledging ...

**Mr CONLAN:** You are not at all? You just said you were.

**Mr KNIGHT:** We are negotiating a position to go the Commonwealth. The Commonwealth owns the land there. The Commonwealth owns the assets for the next five years on that community. Do you understand?

**Mr CONLAN:** Okay, minister. I note that the Amoonguna matter ...

**Mr KNIGHT:** Exactly the same answer. The Commonwealth owns all the assets in that community.

**Mr CONLAN:** So are they hearing it as a Court of Original Jurisdiction then?

**Mr KNIGHT:** Pardon?

**Mr CONLAN:** Are they hearing it as a Court of Original Jurisdiction?

**Mr KNIGHT:** You tell me what they are actually claiming ...

**Mr CONLAN:** No, no. I am asking the questions, minister. Can you just answer them, please?

**Mr KNIGHT:** What is the question?

**Mr CONLAN:** The question is: I note that the Amoonguna matter is going to the High Court.

**Mr KNIGHT:** Yes.

**Mr CONLAN:** As you know, they have gone straight to the High Court over this.

**Mr KNIGHT:** Yes.

**Mr CONLAN:** Are they hearing it as a Court of Original Jurisdiction?

**Mr KNIGHT:** They are questioning the transitional processes which were shifting them from association to under the *Local Government Act*. That is a community that is challenging this process. I am comfortable and confident about our position. I will defer to my CEO. A few communities have challenged this process. Many more have been negotiated across the Territory very successfully, and we are going to move forward with it. I defer to my CEO.

**Dr RITCHIE:** Just a couple of points first. The *Local Government Act* does not acquire property other than on just terms, of course. There have been some assertions made that maybe it does. One of those is the Amoonguna case, which you referred to, which is before the court as we speak. I believe the two issues of acquisition of property and the negotiations at Yirrkala are quite separate. As the minister said, at Yirrkala we are in a negotiation with the community about having access to local government buildings that are currently owned by the Commonwealth by virtue of their five-year lease.

The details of the matters before Amoonguna need some precise answers. I will pass you to Mr Fagan.

**Mr FAGAN:** In relation to your question, member for Greatorex, one of the matters that the High Court will, no doubt, be considering next Tuesday is whether it is the Court of Original Jurisdiction. It is within the remit of the High Court to make that decision.

**Mr CONLAN:** You realise, Mr Fagan, if it is, that decision is final. There is no going back from that if it is the Court of Original Jurisdiction?

**Mr FAGAN:** Correct. Or it could determine that the Supreme Court is the appropriate court, or it could decide not to hear the matter at all.

**Mr CONLAN:** Absolutely, a number of options. So, if it is the Court of Original Jurisdiction, then are you concerned, minister, that that threatens to undermine the whole local government process?

**Mr KNIGHT:** I defer to Mr Fagan again. It is not my belief that it will be, as you were saying, a precedent. I defer to ...

**Dr RITCHIE:** First, in answer to 'Are we concerned?', we have the Solicitor-General's advice to government and the department, which is that that is not likely.

**Mr CONLAN:** That is a big gamble, I would have thought, with such a huge roll-out of local government reform and the amount of money involved in that?

**Mr KNIGHT:** That is incorrect, because you are asserting it will have roll-on effects ...

**Mr CONLAN:** I would have thought that a responsible government would at least take in all options, minister.

**Mr KNIGHT:** It is up to that community, but we are fairly solid with our legal advice on this: it will not affect the local government reforms. The shires will be established on 1 July and will come into effect. It will be a matter for Amoonguna, and that is it.

**Mr CONLAN:** Have you tried to calculate any compensation package that might arise from this?

**Mr KNIGHT:** We have received very strong legal advice that there is no case. You do not budget for these things. If you budget for these things, you would think you were not in a very good position. We have very strong legal advice that we are doing the right thing - and we are doing the right thing by that community. Dr Ritchie.

**Dr RITCHIE:** In the first instance, our legal advice is that it is not just a matter of probability. We are advised that the case at Amoonguna is not grounded in good law. Even if it did, and this is what your question is about, it does not unpick the whole of the local government reform. It will only affect that community in this case.

**Mr CONLAN:** You do not feel there might be a precedent there for other communities?

**Dr RITCHIE:** No. The nature of the tenure means that it does not apply to the other communities.

**Mr CONLAN:** Minister, the minister for Mines was pretty confident in his advice over the McArthur River Mine. It is a pity that his advice there was wrong. Do you not think it is a little arrogant to suggest that your legal advice is the only legal advice?

**Mr KNIGHT:** Government has to rely on the legal advice it gets. As the Chief Executive Officer said, it does not undo this local government reform. It is a matter just for Amoonguna. We are extremely confident with this legal advice that we have received and, again, it just applies to Amoonguna, and the local government reform will go ahead as planned.

**Mr CONLAN:** Just to clarify, minister, you have not calculated any compensation packages for Amoonguna, or any other communities that might be lodging the same?

**Mr KNIGHT:** Our advice is there is no case, and so there is no need to allocate any sort of funding for compensation. I do not think any government puts aside money for claims because you would not know what was coming up and what sort of amounts you would need to put away. So, no, we have not, because we are very strong in our legal position and it does not unpick the local government reform at all.

**Mr CONLAN:** Minister, why has the NT government selected the senior shire staff and has not allowed local selection?

**Mr KNIGHT:** The recruitment process for the CEOs and the Directors of Corporate Services was a national campaign. We are moving to quite high level positions here. Two of the CEOs were local. Michael Berto in Katherine was formerly with the Nyirranggung Mardrulk Ngadberre Regional Council and is now the CEO of Roper Gulf. It is good to have him on board. I believe we have a good mix of people coming in, bringing new knowledge, and we also have a lot of existing staff transitioning into these shires. I believe we have a good mix, and into the future we will grow our own. We will also get people coming in. Those people that come in, like ourselves, stay and become Territorians as well.

**Mr CONLAN:** How many extra jobs have you created as a result of these reforms?

**Mr KNIGHT:** In all areas, or ...

**Mr CONLAN:** Look, it is just a simple question. How many extra jobs have been created? You keep touting that we have created so many extra jobs. Well, how many have there been?

**Mr KNIGHT:** I will have to get back to you, and I will give you the reason. You look at night patrols. Now, we have some \$23m over two years coming to night patrols, a huge injection of additional money, which has required greater recruitment. So, with the additional Centrelink money, with the additional Australia Post money, we are recruiting more and more people every day. I guess that has been the difficulty in finalising the business plans, which I am sure we are going to move on to in the future, is that new money, new agreements are being signed almost every day, and new jobs are thus required. I can get you an answer as of today, but it will probably change tomorrow, because we will sign a new agreement, we will require an extra 100 staff across the Territory. I would have to take that on notice if you need that answer of how many new employees as of today.

**Mr WOOD:** Could I just ask, through the Chair, member for Greatorex, are we specifically asking for local government jobs, not agency jobs? Is that what you are after?

**Mr CONLAN:** Yes.

**Mr CHAIRMAN:** Right, the creation of new jobs in local government agencies as of today?

**Mr WOOD:** No, not agencies.

**Mr CHAIRMAN:** Not the agency. Local government agencies because of the shires ...

**Mr WOOD:** Or are you talking about Local Government being an agency?

**Mr CHAIRMAN:** No, the number of shires across the Territory, the number of local government associations being different entities and different agencies.

**Mr WOOD:** I was asking, member for Greatorex, if we were referring to the number of local government jobs in the new shires, not jobs in agencies.

**Mr CONLAN:** Yes, local government jobs in shires.

**Mr KNIGHT:** What I have consistently said is this reform with the shires will create more jobs in the shires. So, if you want to use my comments, we will give you the total number of people employed by these shires. They have not started yet too, that is the other factor in this.

**Mr CONLAN:** But they start next week or the week after.

**Mr KNIGHT:** It is a difficult thing to produce in that they have not started. My comments have been – they will create more jobs.

**Mr CONLAN:** Have you not gone through any recruiting process? Do you not have any idea how many people will be working in the shires?

**Mr KNIGHT:** There has been job matching from existing employees going into the new shire. We have seen the ads in the paper and a lot of people coming in. There will be a greater need to attract more people as well, and some of those recruitment processes have been done at the local level. If you wanted any sort of answer, you will not get a true view of it because much of the work does not start until 1 July and it is for the entire shire operations, just not the rubbish collection. These shires are attracting greater investment, greater services out there.

**Mr WOOD:** Member for Greatorex, can I piggyback on that?

**Mr CONLAN:** Yes, certainly.

**Mr WOOD:** Minister, that is one of the core issues we need to debate. Local government is about those particular services; that is what the core functions are. We need to know, without including CDEP, how many local government people will be employed in each shire doing those core functions. If you want to separate into how many jobs will be created by local government taking over agencies, that should be separate. Those jobs are not local government jobs. They are jobs done on behalf of Centrelink or Australia Post. In fact, they work for them; they do not work for local government. All the local government is doing is being an administrative means of attracting those people to the shire and making sure they are paid. We really need to be clear because the government has put out all these things about jobs, jobs, jobs. We need to know how local government itself is going to create more jobs in local government.

**Mr KNIGHT:** That has not been the statement. The statement has been that the local shires will create jobs, like the Northern Territory government creates jobs by running the economy effectively and creating the environment whereby jobs can be created. That is exactly what the shires are doing. They are a competent, credible administration management service delivery structure in which agencies can invest their money. I will just defer to Dr Ritchie.

**Dr RITCHIE:** The first point is that the core services, one of the principles of the local government reform is to ensure that shires, for delivery of their core services, create real jobs. The second point is the shires, in delivering, may choose to then subcontract that. In other words, to create local businesses which provide those services. They must be real jobs. So there is already a shift. A lot of those jobs in the past have been done by CDEP workers. That is not going to continue under the new arrangements. As far as the overall increase in employment as a result of the new shire arrangements, we can provide some more detail. Mr Fagan will elaborate on that split.

**Mr FAGAN:** I understand the nature of the question. Unfortunately, it is not a simple matter of comparing the number of jobs that were in those core services, or in those core services under the existing councils, and those that will be in core services under the shires, because, for many of the existing community government councils, they did not make a delineation between core service delivery and agency service delivery.

So, for example, they would be funded to employ an essential services officer using Power and Water funding, and that person would then perform a range of what you might call core local government services as well. So the shires, for the first time, will be making a clear delineation between those jobs that are in those core services – roads, rubbish, reserves sort of jobs – and those that are in the agency services. It is not a matter of comparing apples with apples, unfortunately, in terms of a comparison.

What we can say is that in the core services area we expect there to be an increase of around 400 positions between this financial year and the next financial year across the Territory. And, in many, an increase of a much larger measure in terms of the services the councils deliver on behalf of the Northern Territory government and Australian government agencies.

I should say too that those people are employees of the local government body. They are in no way an employee of the agency that is funding the council to provide that service. All of their employment relations are with the shire not with the agency.

**Mr WOOD:** I understand that. However, we need to be clear as to the promises of local government. There certainly may be great advantages in bargaining power and being able to bring those agencies on board. However, we have to keep a bit of a hold on some of our great statements. One of the problems we have had with local government is delivery of local government services. Litter was all over the place, roads had potholes in them, and ovals are not covered with grass. It is fine to have these agencies, and this is what I felt to be the problem before, if we are not delivering on core functions, forget the agencies, because we are not doing our job. We are getting the glossy bit up there, for sure. We get money from the

Commonwealth, but that is easy. But how can we develop work in our own area and provide local government services – there is a question I will probably ask later – but that, I think, is where we should focus and we can have a look at the other areas later.

**Mr KNIGHT:** Yes, we went through this in the parliament, with your concerns about the level of prescription within the legislation about delivering core services. These councils will be very accountable, right through to the development of the regional management plans which will be tabled in the parliament, about core services. That has been one of the central tenements with the reform to make sure people do the basics and then the other stuff they do with the rest of their time. Basically, you are right. We have to pick up the rubbish first.

**Mr WOOD:** The rest of their time? They will not have a lot time for doing their core functions properly.

**Mr KNIGHT:** You would agree that it is about doing those basics and getting that right. Having the rubbish cleared and having the grass mowed does change a community. It gives them a lot of pride. If we can do that it will have other effects. In the past, you have admitted, and we acknowledged, that those councils have subsidised the agency operations with their core services money. We do not want that to happen. We have attracted more money into the agency contracts, and we have put prescription and accountability on the delivery of core services.

**Mr WOOD:** Sorry, member for Greatorex, you continue and I will get back on.

**Mr CONLAN:** Certainly. My original question was how many extra jobs have been created, minister? Through the Chair, Mr Fagan, you suggested that there would be 400 jobs. They are not extra jobs?

**Mr FAGAN:** No, additional jobs.

**Mr CONLAN:** So 400 extra jobs as a result of local government reform?

**Mr FAGAN:** Many more than 400 additional jobs - 400 additional in the core service area of local government.

**Mr CONLAN:** Good, right, okay.

**Mr WOOD:** Can I just follow up on that?

**Mr CONLAN:** I just wanted a simple answer, that is all. Sorry, member for Nelson.

---

#### **Answer to Question on Notice No 10.1**

**Mr KNIGHT:** Madam Deputy Chair, the Chief Financial Officer has an answer to the question that we took on notice. Would you like that now or later?

**Madam DEPUTY CHAIR:** We might as well do it now.

**Mr CONLAN:** Which question was that one? There were a couple. The \$118m?

**Mr KNIGHT:** Yes. Mr McInnes.

**Mr McINNES:** Member for Greatorex, in reference to your earlier question on the transfer of allocation, I will address that in two parts. One is the December transfer of \$50.9m. That transfer was for the entire department. Of that, only \$1.2m was for Local Government, and that was made up of the \$1.2m for the *Closing the Gap* program. The second part of that question was for the transfer of \$68.8m. Again, that is for the entire department. The Local Government portion of that was \$6.4m. That is broken down to \$1.5m for the pool at Taminmin, and \$4.95m shire establishment costs transferred from 2008-09 to 2007-08.

**Madam DEPUTY CHAIR:** Excuse me, Mr McInnes, can I confirm that is the answer to question on notice No 10.1?

**Mr McINNES:** Yes.

---

**Ms CARNEY:** Can I ask you to repeat the first part of that answer?

**Mr McINNES:** Of the \$50.9m or the ...

**Mr CONLAN:** The December transfer or the ...

**Ms CARNEY:** You referred to two figures. One was the \$50m, one was \$70m or so.

**Mr McINNES:** The other one was \$68.8m, yes.

**Ms CARNEY:** Could you talk about the \$50m? Could you repeat that one?

**Mr McINNES:** The \$50m, sure. The \$50.9m is the entire appropriation transferred to the department, not just to Local Government. The Local Government portion of that was \$1.2m, and that relates to \$1.2m dedicated to the *Closing the Gap* program.

**Ms CARNEY:** Thank you.

**Madam DEPUTY CHAIR:** Any further questions?

**Mr CONLAN:** Would you be able to table the breakdown of that?

**Mr KNIGHT:** We can write it up for you if you need it.

**Mr CONLAN:** That would be great, thank you. Minister, can you tell the committee how the local government changes will affect outstations and the associations which provide services to outstations?

**Mr KNIGHT:** The local government reform incorporates 98% of the Northern Territory now, as opposed to 5% of the Territory. As you would be aware, under self-government, the Northern Territory took control of 68 Aboriginal communities. The rest were looked after by the Commonwealth government and they funded those organisations through - I am not too good on this - prior to ATSIC, I think it was DAA which actually delivered services to those outstations. When ATSIC came into being, 16 or 17 years ago now, they had a range of programs. One of those was the CHIP program. That incorporated capital infrastructure and municipal services, and ATSIC funded either community government councils or resource centres, which are association councils, to deliver those services in particular, but a range of other services as well.

This reform incorporates those outstations under the *Local Government Act*. There is a handful of Aboriginal resource centres that have not been rolled into the local government - they are separate entities. That is just the corporation. Some of those association councils were converted into community government councils. They will be dissolved on 30 June and they will, in effect, disappear and be incorporated in the shire. There are other association councils which are resource centres which have not and will not be. For the first 12 months, they will continue to subcontract from the Northern Territory government to provide those municipal services.

What changed with the signing of the memorandum of understanding with the federal government was that, originally, there was about \$17m which used to come in to be delivered through ATSIC and then the ICCs for municipal services for outstations across the Territory. Now we have negotiated \$20m a year for the next three years. It is that same program, and that will be delivered by both shires for those outstations that have come in from the transition of those associations which come under the act, and then also direct funding to a handful of resource centres to deliver to outstations as well. Then, over this next 12 months, the Northern Territory government will develop an outstations policy for where we go forward.

**Mr CONLAN:** Over the next 12 months?

**Mr KNIGHT:** Over the next 12 months, the government will develop an outstations policy, which is much needed, to clarify where this government goes with outstations, and also, the Australian government is considering where it sees the outstations going.

**Mr CONLAN:** So, in effect, there is no outstation policy as yet, once these reforms come into place?

**Mr KNIGHT:** There is an MOU in respect of who has responsibility for the outstations. Outstations have been a responsibility of the Commonwealth government. Now they effectively come in through the NT

government. We have to have a position on it because all, but one, are coming into a local government area now.

**Mr CONLAN:** I find it a bit extraordinary that you have known for 18 months that you are rolling out this reform, yet you have not formulated a policy for outstations, minister?

**Mr KNIGHT:** We started this process nearly two years ago ...

**Mr CONLAN:** Exactly, even worse.

**Mr KNIGHT:** Let me finish. We started this process nearly two years ago. In the meantime, the intervention rolled into town and the world changed. What happened out of that was the Australian government now contracted the Territory government to provide those municipal services and to take responsibility for service delivery for those communities which, before, under the *Northern Territory (Self-Government) Act*, we did not have responsibility for.

**Mr CONLAN:** The intervention will continue. So, if the intervention is the problem, how then do you develop an outstations policy?

**Mr KNIGHT:** With the intervention, it changed the responsibility from the Commonwealth government to the NT government. That is what it did. Now we are developing a policy for the ongoing recognition of how the NT government sees those outstations. What the intervention actually did was give that responsibility over to, effectively, local government and now we have to take that on board.

**Mr CONLAN:** Minister, what was your outstation policy before the intervention? Did you, in fact, have one?

**Mr KNIGHT:** We did not have responsibility for them.

**Mr CONLAN:** So you did not have a policy at all for any outstations with the local government reform process?

**Mr KNIGHT:** We did not have responsibility for them. The Australian government had the policy on outstations.

**Mr CONLAN:** So, why then, when the intervention happened nearly 12 months ago, did you not develop an outstations policy? It was very clear from the start where the responsibility lay for outstations.

**Mr KNIGHT:** As you would be well aware, there are hundreds of outstations, 600-odd outstations, in the Territory. We want to make sure that we get out to talk to people about where they see their future. Many of us here would realise the diversity of outstations. If we had done that in 12 months, you would have criticised us for doing it too quickly.

**Mr CONLAN:** That is speculation. We may have.

**Mr KNIGHT:** It is a mammoth undertaking to not only get out to those places, but to be able to get the message across, let people absorb what is going on, and there is all this peripheral change going on around them. I believe it was a very prudent step, to not only flag an outstations policy, but also put a process in place into the future where we will be consulting, and give certainty to service provision by contracting those resource centres to provide the service for the next 12 months.

**Mr CONLAN:** So, essentially, under the local government reform rolled out by the Northern Territory government, people in outstations will be without running water, running toilets and basic services for at least another 12 months until you develop your outstations policy?

**Mr KNIGHT:** I am not sure what sort of language I am speaking here. As I explained, outstations receive now and are serviced by resource centres. Some of those resource centres will be dissolved on 30 June and that service will then become shire service to provide and they will provide it. Some of the resource centres will not be dissolved and they will be contracted to provide that service. So, the service the outstations are receiving now will continue from 1 July to be delivered.

**Mr CONLAN:** But still, there will be no outstations policy by the Northern Territory government for at least another 12 months?



**Mr KNIGHT:** The policy does not prohibit the delivery of service.

**Mr CONLAN:** It does not matter. The question is that there will be no outstations policy for at least another 12 months?

**Mr KNIGHT:** We will not develop a policy unless we do the proper consultation.

**Mr CONLAN:** All right then. Minister, will you make the new shires responsible for the governance of these outstations?

**Mr KNIGHT:** Like I said, all but one is not in a local government area. Those people will vote in the election. They can stand to be members of either the local management board or the shire council themselves. They are involved in the local government. They are citizens of the shire, and all but one is not.

**Mr CONLAN:** Minister, how will these shires raise money to pay for the operation of these outstations that your government said it would support?

**Mr KNIGHT:** The shires get funded to provide that service from the Australian government now. The shires have been contracted by the Australia government to provide that service.

**Mr CONLAN:** So through Commonwealth money?

**Mr KNIGHT:** The Commonwealth has responsibility for them under the *Northern Territory (Self-Government) Act*.

**Mr CONLAN:** Regardless of an outstation policy which you are rolling out?

**Mr KNIGHT:** There is a *Northern Territory (Self-Government) Act* which says the Commonwealth has responsibility for the outstations. They have contracted, quite rightly, the Northern Territory government and the shires to provide that service because ...

**Mr CONLAN:** But you will be taking control of the outstations, I am led to believe, over the next 12 months with your outstations policy?

**Mr KNIGHT:** What gave you that sort of understanding? The outstation policy is ...

**Mr CONLAN:** I must be misinterpreting what you are saying then. Can you please explain?

**Mr KNIGHT:** You can have a policy of something without taking control of it.

**Mr CONLAN:** Right. So the question then is, minister, how will those shires raise money to pay for the operation of those outstations?

**Mr KNIGHT:** They will be contracted from the Australian government, as I said, under the MOU to provide those services.

**Mr CONLAN:** So, again, Commonwealth money?

**Mr KNIGHT:** Well, they have responsibility for it.

**Mr CONLAN:** You do not need to get upset. It was just a simple question.

**Mr KNIGHT:** Well, it seems hard to explain. I will write it on bit of paper if you want. Again, the Commonwealth has responsibility for those outstations and thus they have to pay for the service. They have contracted us to do it - quite rightly.

**Mr CONLAN:** Okay. My last few questions relate to the outstations policy. Do you have a precise date that you will be taking these outstations over and when that policy will be finalised?

**Mr KNIGHT:** I guess you did not ask that question of the Deputy Chief Minister in relation to Indigenous Policy. The outstation policy is being developed by the Minister for Indigenous Policy. I have quite clearly

answered about our local government services, and the municipal and essential services, which contracts with local and the Australian government. If you want that question answered, you should have asked the Minister for Indigenous Policy who has carriage of the policy ...

**Mr CONLAN:** You have been very fluent about the outstation policy up until now, until someone whispered in your ear, and all of a sudden, it is the responsibility of the Deputy Chief Minister.

**Mr KNIGHT:** I am trying to be constructive, member for Greatorex.

**Mr CONLAN:** Why did you not say that at the beginning? Clearly, you did not understand exactly where it fell within whose portfolio responsibility. Essentially, on what day do you take these outstations over and when will the policy be finalised or finished? You do not know, because that is the responsibility of the Deputy Chief Minister.

**Mr KNIGHT:** I will speak about the local government responsibilities. Those services for those outstations which are covered by resource centres have been dissolved. We take responsibility for service delivery from 1 July. Those other resource centres will be subcontracted to provide those services to those other outstations. So, being subcontracted by the Commonwealth government to provide services to outstations that they have responsibility for is, effectively, 1 July.

**Mr CONLAN:** Okay. I am not sure how you are going to answer this now that you have realised you can handball it to the Deputy Chief Minister. One of your spokesmen said in an article: 'Over the next 12 months, the government will develop a new policy framework in line with the Northern Territory assuming responsibility for outstations from the Commonwealth'. If it is going to take 12 months to develop this policy, what are you going to do for these outstations in the meantime?

**Mr KNIGHT:** These outstations will receive the same level of service that they do now in the future. As I said, the Commonwealth contractor who provides the service now, through its subcontractors, either the resource centres or existing community government councils, those services will be delivered either by a shire, or by a resource centre. In respect of municipal and essential services, which is a Commonwealth responsibility, local government will be delivering those to most of the outstations.

**Mr CONLAN:** Under the local government reform.

**Mr KNIGHT:** Under the local government reform, and those outstations are part of the reform, they are part of the shires, all but one is, and they are citizens, they are part of those shires.

**Mr CONLAN:** How will the outstation policy affect the services provided by the shires?

**Mr KNIGHT:** I do not know.

**Mr CONLAN:** You do not know?

**Mr KNIGHT:** We are delivering services. That is our business ...

**Mr CONLAN:** No, once the outstation policy comes into effect, how will that affect those services provided already by the shires?

**Mr KNIGHT:** We have been contracted for the next three years to provide those municipal and essential services to those outstations and that will continue.

**Mr CONLAN:** Okay, all right. A simple question: so, at this stage, we do not know on what day the outstations policy will be rolled out? You just gave a ballpark figure of about 12 months.

**Mr KNIGHT:** You should have asked the Minister for Indigenous Policy, not me.

**Mr CONLAN:** You only just realised that, didn't you, when someone whispered in your ear?

**Mr KNIGHT:** I am trying to be constructive.

**Mr CONLAN:** You are very vocal and very determined ...

**Mr CHAIRMAN:** With respect, member for Greatorex, the minister clearly was answering what was within his portfolio responsibility, which is Local Government and outstations and the provision of local government-type services. In terms of the policy that is being developed, when you asked purely about the policy, on the first occasion you asked that, you were informed by the minister that the policy was not developed, or being developed, by his department. He was simply looking after the local government aspects.

**Mr CONLAN:** Thank you, Mr Chairman, but I beg to differ, because I mentioned the ...

**Mr KNIGHT:** Reflecting on the Chair.

**Mr CONLAN:** No, not all. I mentioned about outstations well before the minister got a tap on the shoulder saying 'it is not your responsibility' ...

**Mr CHAIRMAN:** Yes, the outstations and delivery of services.

**Mr CONLAN:** ... of the policy roll-out. Nevertheless, that is okay. That will conclude my questions on Output 1.1. Thank you, minister.

**Mr CHAIRMAN:** This is a convenient time to have a short recess. We will come back to continue questions on this output.

---

The committee suspended.

---

**Mr CHAIRMAN:** The committee will come to order, please. We are currently considering Output 1.1, Local Government. Have you finished your questions, member for Greatorex?

**Mr CONLAN:** Yes, thank you.

**Mr WOOD:** Thank you, Mr Chairman. Minister, I will go through some questions I know have been looked at in parliament but I still think they need looking at again. I just need a clarification on who decided on the number of shires, and what was the reasoning behind having nine shires. The reason I ask that is because, in your adjournment debate, you spoke about the previous CEO who, I think you said ...

**Mr KNIGHT:** Who? The previous CEO?

**Mr WOOD:** This is in your last adjournment debate on 12 June. You basically said, as the Executive Director of Local Government, Department of Local Government, Housing and Sport, Nick – referring to Nick Scarvelis – has led from the front to provide government and staff with a strong vision of how local government can be better structured to improve governance accountability, delivery of local government services, etcetera. Minister, I raised a similar question with the previous minister, asking whose idea this was in the first place and he basically said it was his. I am just trying to find out where this concept of nine shires actually originated?

**Mr KNIGHT:** It is a consideration of advice from a whole range of different people. At the end of the day, that number was arrived at, given all the consideration of a whole range of factors. Ultimately, it would have been a decision of Cabinet resolving that that was what they were going to have. You take everything into account and you arrive at something. Obviously, you do not agree with that, but, respectfully, that is your position. Ultimately, a number had to be settled on and, with all the very good advice that was taken in, that number was arrived at.

**Mr WOOD:** Minister, then what was the basis of the nine shires? Why so big? Why not the 22 shires that Minister Ah Kit decided would be suitable?

**Mr KNIGHT:** Any decision that is made, either by the minister or senior staff, or even by the Cabinet, they take all current considerations on board and then they arrive at a decision. I guess, with all the best intentions, they did that. We believe that that is the correct number, and we believe that that gives them the best opportunity for success based on multiple areas of advice.

**Mr WOOD:** They had to be based on something. You could not say, 'Pick a number, any number, that will do'. There had to be some reasoning behind that number of shires, whether it was population, whether

it was areas that fitted lines on a pastoral map or something, or roughly in line with ATSI boundaries, or the Department of Health's regional boundaries, or something. There must be something, some reason.

**Mr KNIGHT:** I will defer to Matt Fagan, but all those and more. It is not one thing; everything gets taken into consideration and given a different weighting. Matt Fagan might have some more advice for you.

**Mr FAGAN:** The information that was compiled in relation to the size and shape of the shires is reflected very much in the Local Government Advisory Board's terms of reference. In there, there is a list of in excess of 30 considerations that the Local Government Advisory Board was to take into account in giving its advice to government on the size and shape of the shires. As the member for Nelson is aware, the shires did change their shape as a result of the advisory board's advice to government. Those things covered population, financial sustainability, asset base, service delivery, issues such as the locality of various service delivery points, the existing local government and NGO and other service delivery arrangements, future population growth, the mix of indigenous and non-indigenous people in the shire area; the expected funding from agency services as well as core Local Government services over the short, medium, and long term. The relationship with the cultural and other relationships between different groups of people, particularly indigenous groups of people, are about a third of the considerations that were taken into account, but they are listed in those terms of reference for the advisory board.

**Mr WOOD:** Thank you. Minister, I have the terms of reference here for the Local Government Advisory Board. Are you saying that this advisory board was set up and was working before the numbers of shires were agreed to, or was the number of shires agreed to by the government first?

**Mr KNIGHT:** I defer to Mr Fagan.

**Mr FAGAN:** The process was that an indicative set of boundaries was put out by the government at the beginning of 2007. The advisory board was set up at that time, and it was within the remit of the advisory board to, for example, advise government that the number of shires should be different. It had that ability if it so chose. However, the decision of the advisory board was to stick with the same number of shires as was in the indicative boundaries, but to propose some changes to the shape of those shires. I know, for example, that Mr Ray Woolridge, who was on the advisory board, advocated that there be a smaller number of shires, in fact. He was proposing that there be one Katherine region shire, and that was debated at length by the advisory board.

**Mr WOOD:** My concern was that the community was not involved. You set up a local advisory board, minister, which comprised one only representative of local government. You had a Local Government Managers Association, not representing local government per se, and you had Dr David Ritchie, a member of the department. You were limited in the number of people who were actually involved in local government. For the community itself, there were no public meetings in relation to shire amalgamation; it was just a decision made. Except for talking about indicative boundaries - which is really playing around the edge, they did not reduce or increase number of shires - there was no real community discussion about how many shires they should have.

Why I raise that is simply because it is an important issue, not only because Mr Ah Kit recognised that we probably should have 22. This working paper by Dollery, Byrnes and Crase, which came out last year from the University of New England, looking at an analysis of the new perspective of amalgamation in Australian local government, certainly raises a lot of doubt as to the wisdom of large councils, which has been the 'in' thing for some states like New South Wales. Queensland has tried to do it, but their amalgamations are not as big as our amalgamations. I was over there recently and they were saying how terrible they were. I said: 'Well, you ain't seen nothing yet'. They still have 75 councils; we have eight or nine covering a fifth of Australia. My concern is: was there enough open debate about this whole basis on which you came up with nine shires?

**Mr KNIGHT:** Member for Nelson, the subject of local government reform has been around for a decade that I know of. This has been kicked around and kicked around, and wanted to be talked about, and talked about and talked about. There has been a great deal of contribution from the public, from the players over the decade, that I know of ...

**Mr WOOD:** Not on the numbers.

**Mr KNIGHT:** That historic information has been there for a long time. The government had that information, had that input, over a decade of kicking it around from the previous government as well - when the previous government dabbled in this area. Ultimately, the government put out some indicative

boundaries. They went out for public consultation. An advisory council was set up. The advisory council proposed bigger councils but, ultimately, they recommended to the minister that number, and that went to Cabinet and was approved.

**Mr WOOD:** I think you are sliding over what I am asking. Of course there has been plenty of discussion, but the foundation this local government reform is based on - an enormous change. It is based on having nine only shires, but two of them at least cover the size of Victoria plus more. So I would like to ask, what weighting was put on the logistics of operating a local government that is 20% bigger than Victoria, which the Barkly is, and MacDonnell has communities which are 1000 km apart, the same as from Darwin to Tennant Creek. Lajamanu to Tobermorey Station is about 1000 km. It might be fine to put them in one big area because that is the population, or we can get more agency money, etcetera. But, I will get back to what I said at the beginning: where is the community when Tobermorey Station is one side of the Northern Territory and Lajamanu is on the other and they are all in the one council? Are we not really kidding people that this is local government, and why did we not, in fact, start off saying this is regional? At least Jack Ah Kit, minister Ah Kit, put that down in his original proposal, because surely this is not local government.

**Mr KNIGHT:** It absolutely is local government. It is delivering those local government services. The Territory is very different. You go to Western Australia and you see some similarities to what we are actually proposing here.

**Mr WOOD:** That is about two councils.

**Mr KNIGHT:** Yes. And they are actually looking at what we are doing here, as perhaps a future for them. You should not compare Victoria with the Northern Territory.

**Mr WOOD:** No.

**Mr KNIGHT:** I could go across a whole range of other areas where you could compare things, and it is not apples with apples. It is very different here. If you have shires with only 4000 people, you probably would not get a small country football side with as many members as that, as compared to what we are taking into a whole shire area. It is local government, and local government is very clear in the constitution, the way that we treat it across nationally. It is clearly local government. It is different here in the Territory, as so many things are different in the Territory, but that foundation is certainly there. I do not know if anybody else here has some comments about that?

**Mr WOOD:** You might say it is not that important, but the word 'local' is local. Any normal person you say to, who do you play for, your local football team. They do not play for a team that is as big as Victoria. My local football team is the community I belong to. I believe the fundamental mistake that is made here, is that the economic rationalists have come in and said this is the size that will work for getting more agency money, creating more employment, all great things. I am not saying they are not right. But, if you lose the idea of local, then you have lost local government. It might provide local government services, but it is still meant to be - the services are, that is a sort of a generic name for the type of services that local government delivers, but local is about your community, and there is not enough emphasis in anything I have read about 'your community'. By making them so big, I think we have moved away from local government and created a different form of government altogether. I think the government would have been better at least to have put that as the model, and it would have been a regional council.

**Mr KNIGHT:** Well, I guess we have to disagree. I suppose you are alluding to that loss of ownership, that local identity, but the Lajamanu Swans will still be there and they will still have a great deal of pride in their community. I will use Lajamanu for an example. They are in the VRD catchment area, but they wanted to go with the Central Desert with their other Warlpiri kinsmen. Obviously, they are the top end of the Tanami and other Warlpiri communities are in the southern end. They felt that that was the way to go. I would see those places being decentralised. I believe that is the way to go, and that is the way a lot of the operations of the shires will evolve into those things. It is up to those communities to put a culture within those shire operations, but it will not affect the Lajamanu footy club, or ceremony, or any sort of identity of those places now. You must admit, the continuity of services to be delivered, the higher level planning and accountability had to be there because, in the past, it has been shocking.

**Mr WOOD:** Minister, I understand all that, but I hear the economic rationalists many a time and what happens as a result of the economic rationalists having the big say is the equally important part of local government, the democratic side, the community side, which you cannot put dollars on, because that is what local government is about. You will keep the footy team; that is fine. Litchfield Shire probably has a

netball team at Humpty Doo and a netball team at Howard Springs, but it is Litchfield Shire and people feel they belong to that area. It is very difficult for me to say, if I live at Lajamanu I am part of the Tobermorey Basin community, because it is 1000 km away. I do not feel I belong to Tennant Creek, but that is the distance you have. I do not feel I belong to the community at Tennant Creek. These are the sort of distances we are talking about. People need to understand, we are looking at big distances in these shires. I think that is why Mr Ah Kit picked 22. He could see the balance between what you are trying to achieve and also allow a community to exist. Here, unfortunately, we have gone for the big picture. The little picture has been left aside.

**Mr KNIGHT:** I disagree with the economic rationalist point of view. This government has been focused on these reforms to make sure there are efficiencies, there are accountabilities. What that means in plain English is that the rubbish gets collected. A council that has responsibility for collecting that rubbish every day of the week and every month of the year is doing it. That is what it means to the individual, to the community, and that is what we have been about. I will just defer to my CEO who might have some comments.

**Dr RITCHIE:** Member for Nelson, you have used a couple of terms. One is 'local' and 'community', and I understand that you believe that the size of these shire areas somehow means that those terms no longer apply. The term 'local government', what local government is, is a third tier of government. The new act delivers that to the whole of the Territory where they did not have that before. So the words 'local government' go together. It is about access to democratic institutions that are the same as the rest of the Australian population, which they did not have before.

The second term you used is 'community'. The Territory is very different from the other states in that one of its strengths is that community is a framework of ties, kinship ties, related practices, shared understandings of the world. In fact, this is true for the Territory perhaps more strongly than a lot of other jurisdictions. I believe it is quite clear that, even over the very vast distances of the Territory, those kinds of networks based on kinship, a shared cultural kind of beliefs do apply. So the term 'community' is still a useful term even in an area the size of, say, the Western Desert Shire.

**Mr KNIGHT:** We recognise there has to be a local identity and input and delivery of services. That is why we have established these local management boards. We have also established those offices in those local communities where they exist at the moment. They will play a greater role and those communities can use that. That local management board is a platform for a regional voice. This is a great opportunity for those local communities to have their local issues, their local voice heard at a higher level.

**Mr WOOD:** I might go into the boards a bit later, thank you. Another question: the Prime Minister, Mr Rudd, he was not the Prime Minister then, Mr Snowdon and Senator Crossin all supported plebiscites and they were opposed to forced amalgamations. Why did not local government have plebiscites?

**Mr KNIGHT:** No-one asked for them.

**Mr WOOD:** I do not know whether they were offered them under your government. I will repeat. Mr Rudd, Mr Snowdon and Senator Crossin all supported plebiscites. That government has been in since December. Why were the councils not given the opportunity to have a plebiscite?

**Mr KNIGHT:** That was an initiative of the then Prime Minister.

**Mr WOOD:** It may have been. These are the three Labor people who said it then. I am asking why we did not get a plebiscite.

**Mr KNIGHT:** Obviously, going back to where it all came from, it was a proposal by the then Prime Minister, John Howard, to stir up trouble in Queensland. It was a matter for him and a matter for them. I mean, if we had a plebiscite for everything we did, member for Nelson, it would be a ridiculous situation where every move of government would have to go to some sort of national plebiscite. It is a ridiculous argument. Government is elected by the people of the Northern Territory to advance the Northern Territory. That is what they do and they get their chance to make judgment of that at elections that come in the future.

**Mr WOOD:** Are you saying we have had a lot of plebiscites?

**Mr KNIGHT:** Well, how many have we had?

**Mr WOOD:** I am putting the question to you. You are the minister. You just made the statement that ...

**Mr KNIGHT:** You are saying that we should have plebiscites for ...

**Mr WOOD:** No, I am not. I am referring to the ...

**Mr KNIGHT:** Plebiscites for schools, plebiscites for a whole range of things.

**Mr WOOD:** Hang on. No, no. You dismantled a sphere of government. Right? Well, you did. It is a sphere of government. It is an independent one, except you have the powers to do it. But the three members of the Labor Party said they supported plebiscites in relation to the Northern Territory reform. They opposed forced amalgamations. I would have thought, at the very least, if the government believes in an open, transparent dismantling of an existing local government form that they would have asked the people what they thought.

**Mr KNIGHT:** As far as their position, that is really a matter for them. People have the opportunity under the *Electoral Act* to seek a plebiscite. Nobody did. Again, it is an obligation of a government. This government has shown leadership in this area. Other previous governments have, I guess, balked on that and we are left with those same conditions. I just do not think that we can continue to say: 'No, let us have another chat about it'. So, we cannot ...

**Mr WOOD:** I did not say that.

**Mr KNIGHT:** Well, you have said: 'Yes, I support reform but, let us go and do this'.

**Mr WOOD:** No.

**Mr KNIGHT:** We had to show leadership, we did show leadership. I would hope that now that you know it is going to come into effect, that you would support it, and that you would be constructive in the ongoing evolution of local government in the Territory. It has been a huge step forward, I believe. It has raised the level of local government in the Territory and, nationally, recognition of the Territory now is much greater.

**Mr WOOD:** The difference with any sort of plebiscite is that local government was made up of elected officials. It is an elected government. If you dismantle an elected government, the least you can do is ask the people who elected that government what they think. They are still duly elected forms of government. They are not something that the government should be able to just go, 'Ta, ta.' To get rid of those councils required a serious approach in the form of: 'What do the people think who elected those councils,' and that is where the big gap in this whole debate is. You will probably end up with a good system. I am not saying that this system in the end will fall apart. Only time will tell. You will get what you wanted, but it is very important in relation to democratic processes, especially where you are dismantling democratic councils. That is part of the reason we fought hard against some of this stuff in the Litchfield Shire. You should at least come out to the people and ask: 'What is your opinion?' and that did not happen.

**Mr KNIGHT:** We acknowledge that there was a very bad situation within local government generally out bush, and if we did not change, things would not change. This government had to show leadership in that area. There has been a debate, a consultation, and comment on this very subject for many years. People have expressed views. They expressed views at the beginning of this process two years ago; they expressed views the 10 years before that. There have been advisory bodies throughout this two-year period which have moulded and adapted to what we have today, starting on 1 July. Things had to change and I believe that is what we have.

**Mr WOOD:** My argument will be the end does not always justify the means. It is a bit like the argument that Mussolini got the trains to run on time but that does not mean that his system was the right system to do that. Anyway, I am not trying to compare you with Mussolini. I am just saying that, sometimes governments look at the end product ...

**Mr KNIGHT:** You got your ...

**Mr WOOD:** Well, sometimes governments look at the result they want and forget the process to get there. I will move on to advisory boards. Minister, are the advisory boards - because there were three of them - still operating and, if so, for how long?

**Mr KNIGHT:** The Local Government Advisory Boards?

**Mr WOOD:** There are the three - the north, south and the big one. Are they still operating?

**Mr KNIGHT:** We had our last meeting – lost track of days – Tuesday. Those boards have done a great job. It has been a very rocky road for everybody concerned. I congratulate those people who came onto those boards. They showed a lot of courage and provided invaluable advice to government on a way forward and the best possible result that they saw. Obviously, they have played an integral part in the way to move forward – yes, they have.

**Mr WOOD:** Could you say whether Mr Pat Dodson is still employed by your department, or is still under contract, and how much that contract was worth?

**Mr KNIGHT:** I will defer for the exact finish date of Mr Dodson's contract.

**Mr FAGAN:** My understanding is that his contract was to coincide with the final meeting of the advisory board, so the contract will end at the end of this financial year.

**Mr WOOD:** What was the contract worth?

**Mr KNIGHT:** The contract for Mr Dodson's company was \$118 000 for this financial year.

**Mr WOOD:** So the contract went longer than that?

**Mr CHAIRMAN:** Minister, sorry to break in. Has your department finished with those documents you received from the member for Greatorex? He is keen to get them back. I understand what it is like, if you have one copy of something and they do not come back, they can very easily disappear.

**A member:** I do not think it is the only copy.

**Mr CHAIRMAN:** His only copy. Thank you.

**Mr KNIGHT:** I am just ...

**Mr CONLAN:** I will wait for them. They will still come within the time.

**Mr WOOD:** What exactly was Mr Pat Dodson's role?

**Mr KNIGHT:** He chaired the Northern Territory Local Government Advisory Board, and had a role in providing advice to the minister through that committee. He has attended a large range of meetings across the Territory, and travelled to communities where required as well. Basically, he chaired the meeting and he also provided advice to the minister.

**Mr WOOD:** My concern was that there was a meeting at Taminmin High School Library which was packed to the rafters. That meeting said, basically, Litchfield people opposed the local government reform. My concern was, did Mr Dodson relay that message back to the government? I think if he had, it may have foreshortened all the pain that we had to go through to achieve what eventually happened, that was a stoppage of the reform process in the Top End.

**Mr KNIGHT:** I was not minister at the time, so I could not comment on what he said to the previous minister.

**Mr WOOD:** How many public meetings did Sheila O'Sullivan facilitate at?

**Mr KNIGHT:** I will defer to the CEO.

**Mr FAGAN:** Less than five.

**Mr WOOD:** And how much did it cost to employ her?

**Mr KNIGHT:** \$61 000 to SOCOM.

**Mr WOOD:** That is not bad for a meeting. Did she do other work besides facilitate meetings?



**Mr KNIGHT:** I will go to the CEO.

**Dr RITCHIE:** Her company, SOCOM, was employed for six months for public relations advice and coordinating of those public meetings. So, it is advice and the set up of the meetings.

**Mr WOOD:** Well, minister, the meeting at Taminmin High, I say, would have been a shambles. My understanding of reading the CV of Sheila O'Sullivan is that she might have expertise in education. I do not think she had expertise in local government, except for where she actually lived. She was also a fairly active member of the Victorian Labor Party. When this person was picked, was there a political reason as well as so-called expert reason for this lady being selected?

**Mr KNIGHT:** Absolutely not. Sheila is a very qualified public relations consultant. She has done a lot of work in Victoria with local government. She is very well qualified, a very competent person. I believe we received some good advice from her. I am very well satisfied about her consultancy, and certainly she has done a lot of good work interstate.

**Mr WOOD:** Well, if you attended the Taminmin meeting, I think you would say that that was probably one of the worst meetings you could attend. From a perspective of how the meeting was run is that her job was to convince us that local government was good, the changes are good. I would have thought it was her job, and that is why I asked if there was a political side to her employment, whereas her job should have been, basically, asking the people at that meeting what they wanted and that did not occur.

**Mr KNIGHT:** She was engaged as a communications person. She is very well accredited in that area. I was not at that meeting. She is a very well qualified person. She was engaged to do a job and she did it.

**Mr WOOD:** Was there any report back from that meeting that the people opposed the reform process? I mean, we have these meetings, they are supposed to come back to the government and say people are objecting to it.

**Mr KNIGHT:** I was not minister at the time. I am not aware of that. I will defer to Mr Fagan.

**Mr FAGAN:** Yes, there were reports from every one of those public meetings, extensive reports, and they were fed through to the minister.

**Mr WOOD:** In relation to transition committee meetings, do we have an average attendance per transition committee? Do we have those sorts of statistics?

**Mr KNIGHT:** I will defer to Matt Fagan.

**Mr FAGAN:** The minutes of most of the transition committee meetings were placed on the Internet and that has an attendance list for those meetings. The numbers were variable, as you would expect, given different shapes and sizes of shires, and different numbers of community government councils within each shire structure. An average may have been around 20 people at those meetings who were sitting around the main table, and perhaps another 10 or 15 staff members and others. The Transition Committee membership proper was predominantly made up of elected members of existing councils, and then their staff would also attend.

**Mr WOOD:** Minister, why were those meetings not public, like really public, not where you had to get permission?

**Mr KNIGHT:** Those people who were on those committees needed to kick around a whole range of ideas. It was a credit to them that they put aside their local parochialism and looked at the region they were trying to form a shire in, so it is a great credit to them. Some of that happened under the previous arrangements. You and I went to one of the meetings when we were invited.

**Mr WOOD:** I got booted out of one.

**Mr KNIGHT:** You and I went to another one and we got to speak as well. Forming a regional shire, a body, sometimes you have to put aside your local parochialism. You do need to make comments sometimes in private. I think it was a good idea.

**Mr WOOD:** What is private about discussions over amalgamations of councils?

**Mr KNIGHT:** When you are considering a whole range of things about who goes where and what happens and all those considerations, you do need something like that. You have one view about the way this reform should have been done, and the government, with a whole range of information, decided to do it another way.

**Mr WOOD:** Put it this way, minister, the reason we have public meetings and the reason so many people attend them, is because that is the only opportunity for the community to have a say. I felt the fault with the whole process was that you selected people, even elected members, that is fine, but the community, you are changing their system of local government. They needed to be involved from day one. Not run by the department, not run even by elected members; where you had open forum on what style of government you would have.

Your government made the decision over capping rates. Your government decided to change the rating system in Litchfield Shire. Your government did not ask the people of Litchfield Shire or Coomalie Council whether they wanted their rates capped, whether they wanted the rating system changed. It was just done.

The big complaint I had was that the public, the community, the ones who pay the rates, the ones who will be the recipient of local government services being delivered to them, was not given an opportunity to have their say, unless – and I am not putting myself up as an important person - but I went and arranged those meetings because I could see this system going along a timetable that your government had set out way down the track and said you were going to stick to it. I could see all this happening in front of our eyes where we would only have a say after it was too late.

Would you not accept that your government did not do enough to actually ask the people themselves, not elected members, not the government department, but the people who would be the receiver of these changes, you did not ask them enough?

**Mr KNIGHT:** I would not accept that. That is your view. There were people coming to me, members of the parliament, offering their views. All of those things were being fed back to the minister's office and to government. There were other avenues which people chose to use to get information back. We had the advisory council and the transitional committees providing advice. There was a whole range of advice being provided back to government.

Also, there were matters evolving. Those bodies that were ultimately developing what it would look like were working down that path. There were questions before those bodies which were out there in the public. People wanted answers but they were taking time to get answered because they were under consideration by the committees and the advisory council. The meetings that you called went over those, but they were still being worked through with those advisory structures we did have in place. That goes on top of the history of discussion about local government reform going back decades.

**Mr WOOD:** Minister, you put in the transition changes, or your government did, on 4 September 2007 - that is when it was assented to – which gave the government the power to change all of this. The people in Litchfield Shire did not see this until September 2007. So you are already making changes to local government without the people knowing what is going to be in the guts of their new council. And again, I think, this was just rush, rush, rush. Why did this get changed so much in the second draft? Because it was so faulty and people did not know what was going to hit them. The government did not call a public meeting to discuss a preliminary business plan, something that affected every person in the shire, and in unincorporated areas, very personally, especially when you have to pay rates and when your rubbish is picked up and all that sort of stuff.

So, minister I do not agree with you. The department had a goal, and the really important things like community consultation were just smoothed over, and the proof of the pudding is that when we held public meetings lots of people turned up because they were interested.

Minister, in relation to the business plans, there is only one business plan on its second draft, except for the Top End but we will not count that, and that is the Barkly Shire plan. Were not all business plans supposed to be back by May? What has happened to all the other business plans?

**Mr KNIGHT:** The shire business plans are under development. These plans reflect the service delivery plans; that is a core part of them. As you would be aware, one of the biggest hold ups with the development of these plans – so, you had a first draft that came out. It was a first draft, a first cut. But since then, we have received additional funding, and a large amount of funding - Mr Fagan will be able to give us a breakdown of that. For example, CDEP, in the last month, \$60m had been given to the shires for

CDEP to work into their budget, and that is just one agency. We are still waiting today, which is a normal process - you have been in local government, you know what happens. You wait for the agency contracts to come. That is still happening. Now, the legislation prescribes it has to be up by the end of July. I think that they will be up there well and truly before then. There are several plans that will be put on the website in the next week or so. The big hold up has been getting those Commonwealth agencies to give letters of offer to the shires. The plans are predicated on service delivery plans, which are predicated on receiving those grants, because there are employees, a whole range of things. I will defer to Mr Fagan on this one.

**Mr FAGAN:** Essentially, what the minister has said is the major reason for the hold up. Despite undertakings from agencies that, as part of the reform, they would get funding offers to the shires in March and April, unfortunately, for a range of reasons that has not occurred. One of the reasons provided by the agencies is that, with the change of the Australian government, there was a new budget and agencies were not aware of exactly how much money they would have for the next financial year. We are in the situation where the shires were in a position to put out their plans and their budgets in May. But, unfortunately, they are still in the process of receiving letters of offer from agencies. Some of these areas, such as the minister has indicated, are very large portions of their budget, involve large amounts of operational funding, and large numbers of staff. That is the reason it has been prudent for the shires to wait until those major funding sources are finalised before they complete their second draft.

I can also say the usual practice is that a council will have its budget prepared by 31 July to take into account the fact that many of these funding arrangements are not concluded, unfortunately, until the very end of June. The effort to get the budgets out in May was, in some ways, a Herculean task and not one that is put on to councils on a year-to-year basis. It is definitely the case that the majority of the shire plans will be out by the end of this month, which will be a good month ahead of the deadline that is set out in the act.

**Mr WOOD:** Minister, I understand that. However, I focus on the economic side of what we are doing. This is the Barkly Shire second draft. It has a lot of good detail in it and some good changes like horticulture and stores that come out ...

**Mr KNIGHT:** Say that into the camera, please.

**Mr WOOD:** I do not have a problem. You can read some sensible approaches to it where they say they 'may' be something council could take up, and that was my argument. In previous business plans, you said they 'will' have them and I believe that was a mistake.

Be that as it may, this has come out as a draft, so there must be another one if this is a draft. At the end of this month, the democratic process of local government dies until the next election. Surely, that again shows you that the system is not weighted strongly enough about democratic processes. Elected members of councils should be having a say in the structure of this particular document. The final version of this, if it is done after 1 July, will not be looked at by any democratically elected council.

Minister, why do you not defer the concept of starting off these new shires without an elected body? In other words, start the new shires off when an elected body is elected. You are going to have three months - or maybe four, because there is no definitive date about when the next council election will be - when there will be people making decisions about the people's business plan who are not elected. Surely, that is a fundamental fault in developing a plan that is the people's plan. This is going to affect the people in the Barkly or wherever.

**Mr KNIGHT:** The people, through the transitional committees, have had input into the development of that plan. There are transitional arrangements from 1 July through to the date that has been proposed, which is 25 October, for the shire elections and one municipal election. Those transitional arrangements replicate what is there at the moment. Those elected members, by and large, of those community government councils now will become the interim local management board providing advice and, then, membership from that will be on an interim shire council committee which will provide advice and work in partnership with the shire managers which we have appointed at the moment.

So, we do have some input from the local level and certainly in the development of those. The elected council will come in on 25 October. That is a working document, as you would be aware. Money comes in all the time, and plans are looked at all the time. The level of scrutiny, accountability and sophistication of these plans is far above anything we have seen before in the remote and regional areas. This is a very sophisticated document that practitioners can use - and very accountable. Money is coming in all the time. Those plans will come into effect on 31 July. Again, when the new council is on board, they will look at it in

October, they will look at in January, they will look at it through the year to ensure that it is working well. If they get new grants, they will put them into the plan as well. There is going to be local input into those ongoing plans in the transitional period and, then, we will have a fully-elected council come 26 October.

**Mr WOOD:** Minister, I was accused of nitpicking when I raised this issue; that was a response from the Chief Minister. I would have thought that having a period of time for an elected body, for a new council that is not represented by elected people is just simply a no-no. In Queensland, with the amalgamations, it went from old councils to new councils overnight. In other words, the old council existed until a new council was elected, and there was a date on which they would take over - not very difficult to do. Surely this government could make a decision that we either bring forward the elections, which is probably not possible because now it is so late to do it, or allow the existing arrangements to occur until, and your transition committees still exist, made up of elected people. A really important thing: you said they were mainly elected people. They will not be elected now. They do not have any power; they do not have any legitimate basis for what they are there for. They did when they were elected, and you will not have that in the next few months.

Surely, it would be better to leave the councils stay as they are for only three more months, and then conclude with those councils after a new body is elected. If you are serious about the democratic processes that are required, you would do the same as what Queensland did. If you are serious about it, you make sure there is no gap between the department, who are un-elected, the CEOs and the Director of Corporate Affairs are un-elected. With the transition committee, it would be made up of un-elected people making decisions. Now, it might sound efficient and it might sound good, but surely the fundamental principle of representative government making decisions about their own future, their own budget, is something that is fundamental, and surely the government, if it believes in that, would not do what it is doing at the present time.

**Mr KNIGHT:** In a minute I will defer to Dr Ritchie or Mr Fagan about other reasons why it was delayed until October. Those truly elected council members who are there at the moment, who would have continued for another 12 months, will be involved in our transition governance arrangements. The people who are sitting on those councils, who were elected by their communities, will be in those transitional arrangements. So they are truly representative of those communities.

**Mr WOOD:** Not any more. If I do not win at the next election and I am still on some body, I am not the elected representative on that body, I am just Joe Blow.

**Mr KNIGHT:** No, that is not the case. They were elected to represent their community, okay. Now, they will be there in those interim arrangements to represent their community. So they have been given the role, they have been given the job of representing the views of their community. They will do that in those transitional arrangements. I will defer to Dr Ritchie.

**Dr RITCHIE:** Going to an earlier answer, what we are doing with this local government reform in the Northern Territory is creating something entirely new. The examples in other states are just redefining boundaries, and so are just a different way of working the same system. What we are doing is something completely new. The whole logistics of that change demand a different approach. But, to reassure people in the new shire areas, the shire chief executives and shire managers are bound to work with these interim committees that are, in fact, made up of the members of the previous local government councils. They have to manage the business of the shire in partnership with the community members, consult with elected members representing communities prior to decisions being made, and to provide feedback to the communities on any decisions that are made and that will impact on the lives of the people in that area. There are quite tight controls over what can happen and what kind of decisions can be made in this interim three months. So it is not that there is a kind of an unfettered power given to individuals in that period.

**Mr WOOD:** Minister, it does not get away from the point that no one is duly elected any more in that three month period. The other councils are finished so there are no elected members; you have not replaced them with an elected body. Could you just simply answer the question: why cannot we have a crossover from one council to another? I know Dr Ritchie said that this is not quite the same as in Queensland. I beg to differ. The principle of an elected body is exactly the same. Whether it is a different style of council does not matter. The bit that is the same is that we are electing the councillors. They elect them in Queensland; they elect them in the Northern Territory. Why cannot we extend this period up to the point when those elections are held or when the new councillors will come in to actually control the new council? Why cannot we continue the existing council set up until that date, so we do not have this period where, though there might be some guidelines, there is actually no-one representing the people in these

areas, from the local government prospective, who has been democratically elected to say anything on their behalf?

**Mr KNIGHT:** I beg to disagree. Those members who are currently on those councils are democratically elected.

**Mr WOOD:** Not after 1 July.

**Mr KNIGHT:** And we are utilising democratically-elected people in our interim governance arrangements, at the board level, at local level and at shire level. They are elected people on those interim arrangements.

**Mr WOOD:** I am glad you did not go ahead with the Top End Shire because if you thought the French Revolution was bad, it would have been bad if you decided that you were going to run Litchfield Shire purely by departmental people and a transition committee that was not elected. It goes against the principles of democracy.

**Mr KNIGHT:** We have democratically-elected people there at the moment and we are utilising those people.

**Mr WOOD:** They are not after 1 July.

**Mr KNIGHT:** Look, you are referring to the Top End Shire, but in that situation you would have those existing ...

**Mr WOOD:** Hopefully, I am protecting the democratic rights of all the people in the Territory.

**Mr KNIGHT:** Those democratically-elected people who are there now are going to continue on in a role very similar to what they are doing now, providing advice about the running of the shire, in a four month period. This is historic reform. As Dr Ritchie stated, this is a whole new local government. This is going from 5% to 98%. This is going from these 200 person councils to getting some decent size, some efficiencies out there. So ...

**Mr WOOD:** There is that word again – efficiencies.

**Mr KNIGHT:** Well, absolutely. Efficiencies mean better services.

**Mr WOOD:** That is right, but not at the expense of democratic processes. It is important.

**Mr KNIGHT:** Well, I disagree.

**Mr WOOD:** Well, I would love to try ...

**Mr KNIGHT:** We have elected members there now ...

**Mr WOOD:** For an elected person to say that is terrible.

**Mr KNIGHT:** We have elected members there now, elected by their communities, and they will be on those transitional arrangements. They will be doing their job right through that process.

**Mr WOOD:** I think that is shameful, absolutely shameful, for an elected government to provide a different level of democracy to another level of government. Minister, I move on. Can you tell us how much Collins Anderson cost to develop these business plans and how far in the business plan process did they actually do their job? I notice some of these business plans, the second ones, do not have Collins Anderson's name on them?

**Mr KNIGHT:** Dr Ritchie.

**Dr RITCHIE:** The total expenditure in 2007-08 for Collins Anderson has been \$29 250.

**Mr WOOD:** So that is for all the business plans and for any meetings he would have had with the transition committee?

**Dr RITCHIE:** That is the total expenditure, yes.

**Mr WOOD:** And why did he not continue on? I think the last one actually would have been the preliminary Top End Shire one, that has his name on it. I notice the next one from the Top End Shire had no name on it. Who put the second versions together?

**Mr FAGAN:** The second drafts of the plans have largely been put together by the incoming shire CEOs and Directors of Corporate and Community Services with support from the Australian government funded development coordinators that have been allocated to each shire.

**Mr WOOD:** Minister, have transition committees stopped meeting? If you get on the webpage, except for the Tiwi Islands Council, and then maybe one other that had some minutes in February, there are no minutes on the local government page. I am talking about for 2008.

**Mr KNIGHT:** Yes, I will just defer, but there is still ...

**Mr WOOD:** We are in June.

**Mr KNIGHT:** Those transition committees have done an absolutely great job, and I have been invited to a few dinners of theirs, so they certainly ...

**Mr WOOD:** They must love you.

**Mr KNIGHT:** They have evolved into that shire, thinking about collaboration and certainly getting their own identity as any of the organisations. Dr Ritchie.

**Dr RITCHIE:** Member for Nelson, they have been meeting. We have received minutes from those committees. Some of them have been uploaded but it is just a case of there being a backlog of them being uploaded onto the web.

**Mr WOOD:** Minister, it is a bit hard to do my job if I am trying to find out what people are thinking. I can read the minutes up until January or December. To only have two sets of minutes to look at, is not good. That was the idea of the government setting up that webpage so one could keep up with what was occurring. I only have the minutes of the most recent ones at Tiwi Islands. I try to read them so I am keeping up to date with what people are saying. I hope the department can bring those minutes up to date as quickly as possible.

**Dr RITCHIE:** Yes, the minutes are available from us, and they are in the process of being loaded onto our webpage.

**Mr WOOD:** Minister, there was much said about increasing road fund money for the shires. One of the reasons we were going to go down this path was that we were going to attract more money. Certainly, when the Top End Shire brought out its preliminary business plan, there was a page in here which spoke about that in 2007-08 they were expecting - and this is under their assumptions - that they would get total additional funding being sought, this is for road maintenance by the NT government, was \$5.2m. There was some FAGs money there. There was also a one-off road funding upgrade being sought of \$10m. That was in September 2007. You have to remember that the government was telling us all the benefits of local government reform and how they get this extra money. You then get the December version of the Top End Business Plan and those two figures, if you look down where those particular sections are, that fell off. That \$15m disappeared. Would I be a reasonable enough person, even though I am not too great on the economic side of things, to say that the \$15m has not arrived, and the reason is that you have now said you will not transfer roads to local government for the next five to 10 years is simply because that extra funding that you were hoping to get has not happened?

**Mr KNIGHT:** No, that is not correct. I will defer to Mr Fagan who has been right across this from the very start.

**Mr FAGAN:** The first figure that you referred to, the \$5m from the Northern Territory government, was to accompany the transfer of roads that are currently maintained by the Northern Territory government to the shire council. The Top End Shire Transition Committee was very active and very vocal that that amount of money was not sufficient to maintain the roads that were proposed to be transferred from the Northern Territory government. It put its case to the minister. Subsequently, a decision was made that those roads would not be transferred, that there would be a process over a five to 10 year period of really examining the

condition of those roads and the amount of money available for their maintenance and upgrade before any transfer took place. So, subsequently, it was not the case that that \$5m was going to be transferred to the shire in the 2008-09 year. That is the reason that that amount was taken out of the plan and taken out of every other shire plan as well ...

**Mr WOOD:** Can I just interrupt, minister, for a second. Just a point of clarification: this line says 'total additional funding being sought by the Northern Territory government, \$5.2m'. Is that wrong?

**Mr FAGAN:** There seems to be the wrong conjunction used in that sentence. It was 'from' the Northern Territory government not 'by' the Northern Territory government.

The other amount of money was not \$10m for the Top End Shire alone ...

**Mr WOOD:** I know that. I did not mean that.

**Mr FAGAN:** It is additional money that the Northern Territory government is seeking in roads funding from the Australian government. That process is still ongoing and the Northern Territory government is seeking some outcomes. I note there were some outcomes in the budget that has been handed down by the Australian government. It is a complex situation in terms of roads funding. The eastern and southern states argue for a formula that is based on movements because that is a formula that suits them. The Northern Territory government seeks funding on the basis of road length, the requirements for upgrade, and the essential need for good roads between remote communities. We are still working through that process.

**Mr KNIGHT:** Can you also make comment about the budgets for the shires and about FAGs?

**Mr FAGAN:** It is the case, too, that in the budgets for each of the shire councils, for the first time in the history of local government in the Territory, the shire councils in the bush are budgeting to spend all of their Financial Assistance Grants roads money on roads. Previously, the smaller councils, because of the large proportion of administrative costs that they had in their overall operations, dipped into the roads money to fund their administration and to fund other services. It will be the case that the shires will spend all of their roads money on roads.

**Mr WOOD:** I will get away from what I was looking at, but it may be an opportune time to talk about that. I know the Northern Territory does not get much money, and I do not want to go through too much about the process, but the government in selling this told people we are going to get lots of extra money for roads and, when it comes to local government, funding from the Commonwealth, it should be clear that you can argue until the cows come home, you will not get any more money than the formula says unless the government gives you some outside help, because the states will not allow that formula to change. That formula is based on population, not on horizontal equalisation. For the government to say that there will be advantages in reform, and one of those advantages will be to attract money and, two weeks from the day that the councils officially start, that money is not forthcoming, surely, you have told people a little – I am not saying it was a fib, but you have set them up saying one of the advantages of this will be extra road funding.

We have a Labor government now. There was a lot of argument in parliament about the previous Roads minister in the Howard government: 'Oh no, he said, I have not made any promises'. Obviously, Labor has not made any promises either, and with the cuts to some of the funding, I am just wondering how these councils will survive with maintaining roads only based on a pretty small amount of money that they will be given for roads?

**Mr KNIGHT:** I will defer this to Mr Fagan in a minute. The council will look after those roads that they get paid for now. Any roads that do come across, for DPI roads I guess, will be taken across at the right amount. South Australia put up a strong argument for its road network. I think they attracted an extra \$30m ...

**Mr WOOD:** A grant, not continual funding.

**Mr KNIGHT:** Yes, a grant. They got more money into their road network because they put up a strong case. That has been the problem with local government in the Territory. It really has been deficient in the way that it is presenting itself to the rest of Australia and the federal government. We have 5% of the land mass, with 63 little councils all over the place. How could the Roads minister say: 'Hey, we need more money for roads'? They say: 'What is this situation with local government which normally delivers roads?' We just heard from Mr Fagan that, now, with the efficiencies, roads money will be spent on roads. I will defer to Mr Fagan for more comments.

**Mr FAGAN:** In terms of the amount of money being spent on roads, there will be millions of dollars of additional money spent on roads through the shires because they are not able to dip into their roads money for other purposes. So, it is the case that there will be a large amount of additional roads expenditure in the 2008-09 year.

**Mr WOOD:** I did try to read through the Barkly lists of where they are going to spend their money. It is not that easy to try to work out exactly how much money they are going to spend. They talk about revenue growth, and I presume this is the money that they are going to get in this year, \$7.7m. What concerns me is that, if built into that money is the existing money to look after existing roads, right, that is what the minister said, and then the government decides to hand back, in five to 10 years, all the other roads, and if there is only money coming from rates and from the federal government's normal FAGs money, where are they going to find this money to maintain those roads unless the Northern Territory government continually gives them operating grants to maintain those roads?

**Mr KNIGHT:** Mr Fagan could probably answer this about where the money comes from.

**Mr FAGAN:** The Northern Territory government currently receives roads funding that would usually go to local governments in other jurisdictions.

**Mr WOOD:** How much, minister? What is that amount at the moment?

**Mr FAGAN:** I am hesitant to give you a figure off the top of my head without referring to the papers. If you like, we can get that figure for you. It is an amount that goes to the Department of Planning and Infrastructure for those roads. We would have to obtain the exact figure for you. It is many millions of dollars that it receives, specifically for local roads or roads that would be, in normal circumstances, administered by local government. So it is a matter of transferring that money that would otherwise go to local government from DPI across to the shires over that five to 10 year period. At the same time, the shires are putting their case to the Australian government for a different roads funding formula that brings additional roads funding to the Territory.

**Mr WOOD:** I will ask a silly question then. You are getting sufficient money from the Commonwealth to run those local roads that they do not run now. Why cannot you simply give that money to those councils to run those roads, or is there not sufficient money?

**Mr KNIGHT:** You are asking us to be prescriptive. You did not like us being prescriptive before. I think those local councils want to negotiate those roads. It was one of the core issues around the Top End rural negotiations. It was about roads. I believe that is the process we need to take when the shires and the councils can get on board and they can assess their road network. It will be a negotiation, and I believe those councils will want to negotiate, road by road, shire by shire. It will not be cost shifting, I can guarantee you that.

**Mr WOOD:** No, I did not say it was cost shifting. You are saying that you have X amount of dollars to look after all these roads that normally would be run by local government, but they do not get that because they are not incorporated areas. Now we are incorporating that area. What is the problem with saying, we maintained those roads before for \$25m or something, we will give that local shire the \$25m? Or was there not enough money in that pool to do all those roads?

**Mr KNIGHT:** I believe it is quite rightly a matter that the shires would want to negotiate over ...

**Mr WOOD:** I am not against that. You are saying we are putting this off, we are trying to get more money, but you are actually already maintaining those roads. The Northern Territory government is maintaining those roads now. Looking at it simplistically, if you have the money to maintain them, why do you not just hand that money over to the shire? It is coming from the Commonwealth, is it not, the money for those roads?

**Mr KNIGHT:** Mr Fagan.

**Mr FAGAN:** The debate really centres around the standard that that road should be at. So, whereas there may be sufficient funding to keep the road at a particular standard, shire councils tend to advocate that the standard should in fact be higher than it currently is. On a road by road, shire by shire basis, they will want to put a case that a Grade 3 road should actually be a Grade 2 road, and therefore there should be



additional funding for that road. It is really about information and infrastructure planning as much as it is about the funds themselves.

**Mr WOOD:** Can I say, perhaps, that the distinction we are not making is between maintenance of roads and capital works on roads. That is another issue. Look, we could go on to roads for a long time. I will try to move on. Minister, in relation to people employed, there was this article in the *NT News* quoting Australian Services Union Industrial Officer, Lucio Matarazzo, who said that the agreed workplace principles were worth little as they were not enforceable. He was referring to a number of people who were set to lose quite a substantial amount of money in wages; also, one person would lose their home. Lucio Matarazzo was on the advisory board, or still is on the advisory board. Were the issues in the paper at the present time debated or discussed by the advisory board and, if so, what was the response from the government?

**Mr KNIGHT:** I will refer to Dr Ritchie, but we have agreed on some principles. They are very solid principles which I do not think people are disputing. That was about the continuation of conditions. So, in this unravelling of thousands of local government employees under a whole range of different working conditions and entitlements, we have agreed on a set of principles to transition us through this first 12 months. There is a handful of people in those thousands of people who we have transitioned that we are still negotiating with. I will defer to Dr Ritchie for specifics.

**Dr RITCHIE:** In answer to your question, the principles that were agreed were discussed at that advisory committee. They are in place, and the *Local Government Act* as it is now passed, ensures that all those rights accrued to pre-existing employees are carried across with them when they take up employment with new shires.

**Mr WOOD:** Minister, through you, this statement in the *NT News* says, in relation to this worker in the East Arnhem shire, that she is set to lose about \$16 000 a year in wages. It says her new employer, which I presume is the shire, will not transfer her accrued annual leave, sick leave and long service leave entitlements. If that is correct, does that not go against the principles?

**Dr RITCHIE:** Without knowing any of the details, all I can do is repeat that the principles that have been agreed and backed by legislation says that the new shires must accept all the liabilities of the previous community councils. That cannot happen. If that is purportedly happening to an existing employee, then that matter will, of course, be sorted out as we go forward.

**Mr WOOD:** I will raise a couple of other issues. On 17 June, the *NT News* had a report under a heading 'Chaos reigns as local government reforms affect jobs'. In this case, it is purported an essential services officer with Power and Water was offered a job as a gardener. I must admit that I do not think that is a downgrade, being a gardener myself, but I understand what he is feeling. It says a plumber was offered \$44 000 to stay in a remote community when he could earn twice that elsewhere. And a single mother, Janeeta Connolly, 38, who was previously the office manager at Gunbalanya council, will be forced to move after not getting a job with the new West Arnhem Shire. Minister, would you at least take up those particular matters and see whether there is any truth in what the *NT News* has written, and perhaps report to the parliament later to say whether the principles which have been put in place have been breached, or if there is another story to the story that is in the *NT News*?

**Mr KNIGHT:** Dr Ritchie.

**Dr RITCHIE:** Just to elaborate on my previous answer, member for Nelson, these principles are ones that have been agreed by government. The responsibilities of existing shires are also in the *Local Government Act*. The department expects to be held accountable to make sure that the government's policy and laws are acted on and put into effect. So, yes, any of those examples, as they come up, will be investigated and dealt with. The bottom line is that any staff who are transitioning across to the new shires are guaranteed, for the first 12 months, the same terms and conditions unless they agree to something different.

**Mr WOOD:** Okay. Minister, in relation to management and where they are based, could you say how many of the senior management for the Victoria Daly Shire are not based in the shire?

**Mr KNIGHT:** It is a fairly specific question. Mr Fagan.

**Mr FAGAN:** It depends on your definition of senior management as to ...

**Mr WOOD:** Those directly working for the Victoria Daly Shire, like the CEO.

**Mr FAGAN:** The CEOs and Directors of Corporate and Community Services and some other staff of the Victoria Daly Shire will be based in Katherine, as is the case currently, for example, with the Nyirrangguling Community Government Council. Although it operates in an area that is outside of the Katherine Town Council boundaries, all of the senior staff of Nyirrangguling actually live and work out of Katherine because it is the logical service centre.

**Mr WOOD:** Minister, I was the acting Town Clerk at Nguiu. I did not work in Darwin. I had faith, I presume, in working with the people I worked for. Why is not the senior management of the Victoria Daly Shire living and working from Port Keats, which is the major town of that shire?

**Mr KNIGHT:** When you were the Town Clerk it was a very different local government, and it is a very different local government now. We have moved to a new form of local government, which obviously takes in larger areas, than the community level where you were situated. You managed a range of services in your role. We will have community services managers doing a very similar, if not exactly the same, role that you did in your community. The senior and executive management in the regional centre in Katherine, but certainly, those middle level managers doing the same job that those current Town Clerks, CEOs, whatever they call themselves in particular communities, are doing that role at the local level. There has been a need for some senior executive management to oversee the whole of this area. But, at the local level, there are community services managers working with local people to deliver services as you did.

**Mr WOOD:** That is right. I represented the entire shire, whether it was small or large. These CEOs are the chief executive officers of the Victoria Daly Shire. They are not the chief executive officers of Katherine. Port Keats is a large community. Surely, if I lived at Port Keats and I was watching things happen, I would say: 'We have been snubbed. Port Keats is not good enough for us to have the CEO live here'. That is a shame. If you really think of local government, and if you think that is important, you should be basing your senior people in the most populated area so they are in view of what is happening in their community. I know you can say that they can fly in and fly out, and all that sort of stuff. But there is nearly a symbolic reason for putting people in there: that you have faith in those communities. To me it sends out a signal: oh, Katherine has a nice swimming pool and has lots of things, movie theatres, and it is a different sort of town, and Port Keats is not good enough for us.

Surely, minister, there could have been a requirement that, if there is a large town in a community, that is the base for the people who you are paying lots of money to - that is the place where they could stay, to show people that they are actually fair dinkum about what you are trying to do.

**Mr KNIGHT:** If you want to use the Victoria Daly as an example, that is a shire which has two distinct areas, through the VRD and through the Port Keats/Daly area. In a range of considerations by people, including the transition committee, Katherine was the choice. There are real issues about staff housing at Wadeye. We are very aware of that. Katherine has some merit. Wadeye has merit, Yarralin has merit but, in the consideration of all that, Katherine has been chosen as the most logical place to have the headquarters. However, there are large functioning local government service centres in Wadeye, in Peppimenarti, in Palumpa, and in Daly, so those local people will have those middle level managers in those communities to work with.

**Mr WOOD:** It is a bad mistake; it is not sending out the right signal to those people. Minister, how many jobs have moved out of the shires into other areas because of the management systems that you have put in place? Has the Barkly Shire lost numbers of people to Alice Springs because of the systems you are putting in place? Has Tiwi Island Shire Council lost people from the Tiwi Islands because they are now required to work in Darwin? Has there been a loss of jobs from that point of view?

**Mr KNIGHT:** As a general rule, there are those services which have not been set up in the regional centres, or even in Alice Springs, such as the senior accounting which was always outsourced 90% of the time. However, I will defer to either Dr Ritchie or to Mr Fagan on that. Most of those jobs were contracted out anyway to Deloitte or whoever.

**Mr FAGAN:** Overall, in each shire, the number of jobs has increased as part of the shire reforms, as was discussed earlier. In terms of some of the financial and administrative functions that have been centralised, the numbers of people are relatively low. Three or four people who will be performing administrative and financial functions for the Barkly Shire would be based out of Alice Springs to perform some of those functions. There will still be a number of financial and admin functions performed out of Tennant Creek but, in the overall mix, the number of employees has increased in each shire.

**Mr WOOD:** What I was getting at was say, in the case of Tennant Creek, are you taking people out of that small community, which relies on people being employed as part of their economy, to Alice Springs? Sometimes we have an argument in parliament about whether you should bring certain people out of Alice Springs to live in Darwin. In Tennant Creek, even though the shire might have more, have they actually physically lost some of their employees out of that community?

**Mr KNIGHT:** I do not think that is the case. I ran into a gentleman last night from DPI who was complaining that the shire had actually gobbled up some of their employees and taken them into the regions to work for the shire. Mr Fagan, do you have anything further to comment?

**Mr FAGAN:** In the great majority of circumstances and, unless it has been mutually agreed otherwise, people have not been taken out of the centres. Their job may have changed, the nature of their job may have changed, but it is without a doubt that the shires' biggest challenge is actually going to be finding people to fulfil all the functions that they have. It is not a case of them having to shed staff at all.

**Mr WOOD:** Minister, there is an article in the *Centralian Advocate* about the Santa Teresa store. Basically, it is saying that the community-owned store at Santa Teresa will be taken over by the new shire in less than three weeks. I noticed that the Barkly Shire, for instance, under the second draft of their business plan, does not involve itself in community stores any more. I have not seen the second draft for MacDonnell Shire Council, so I am presuming that will probably be the same thing. Why is the new shire intending to take over a store at Santa Teresa?

**Mr KNIGHT:** We have made it very clear that, by and large, the shires will get on with their local government business. You would be well aware that, across the Territory, in all those different communities and the organisations, there has been a myriad of commercial operations and core services, a whole range of things happening. We have been negotiating across the whole Territory about the moving out of those commercial operations.

The store did operate under the council. It currently does. It is my understanding that it is the intention of the shire to hand it over to the community. However, in the transitioning of those commercial operations from underneath local government into properly structured business entities, we have a duty of care to the shareholders, ultimately, who will own that, and also to the employees, who are currently local government employees, that that business is viable, it is sustainable. It has been difficult to unravel whether the council is supporting the store, or whether the store is supporting the council. It has been very complex. My understanding is that there is an intention that the store will be handed over to a community in a properly constituted entity, and that they understand the viability of that business.

So, there is a whole range of businesses, a whole range of entities across the Territory, sorting them all out, and we have a few that we are still dealing with.

**Mr WOOD:** I do not know whether it is follow up question on that, but what is the relationship then between people like ALPA and Outback Stores in relation to the issue you were just talking about? This comes also from a public meeting I had in Alice Springs about amalgamations - the business plans originally talked about community stores - where I think a person from your department said: 'That is not really the case'. Do you have some sort of guidelines in relation to community stores saying that they will be run by private industry? It could be Outback Stores, it could be ALPA, it could be whatever, and it will not be a function of local government?

**Mr KNIGHT:** I understand we do. Dr Ritchie.

**Dr RITCHIE:** The general answer is that there was money made available, \$0.5m made available, to assist in the transition process from viable commercial operations, such as community stores, and the Santa Teresa one is a good example, into stand alone businesses. That process is at various stages in various communities.

**Mr WOOD:** All right. So, regardless of what is in the *Centralian Advocate*, people from Santa Teresa will be assured that they are not going to lose their store?

**Mr KNIGHT:** I have made public comment about this, that that is a transitional arrangement, we have a duty of care. If we just said, 'Here you go, see you later,' we would get banged up for, one, 'you gave it to the wrong people - the wrong people, the shareholders; and, two, it has fallen over because it was not viable and people have lost their jobs. We have a duty of care. We have done the responsible thing. We have provided money to go through the accountability to make sure it happens. I have been on the public

record as of a couple of days ago stating that it is a transitional arrangement and it will go back into the control and ownership of the community.

**Mr WOOD:** Okay. Minister, Daly River, or Nauiyu, is actually a little different to a lot of other places because they own the land, it is not Aboriginal freehold land, it is separate, it is a different title. If they did not want to belong to the shire, can they legally opt out?

**Mr KNIGHT:** Well, you understand it but I will let everybody else know. That property at Nauiyu, which incorporates the community as you see it, is owned by freehold to the church. They lease it to the Land Trust – a change of circumstance, I suppose – and currently the Land Trust leases it to the Nauiyu Nambiyu Community Government Council, which arrangement expires at the end of this month. I am not too sure about that lease but it just has been rolling over year by year. They are the ownership arrangements. This is unpicking a whole range of circumstances across the Territory. There are probably 60 to 70 houses in that community, funded either by the Territory government or by the Commonwealth government; there are shops, stadiums, airstrips - there is a whole range of things. So it is a very unusual situation down there.

I have been there and met with representatives from the Land Trust and the church. They realise the unusual nature of that, and that all local government wants to do is provide services. It does not want to own anything. It needs to be able to have free access and use of certain parts of it, such as the depot, and parts of the council building so they can store records, or they can lock things up so they can protect moveable assets. That is what local government wants to do. Having talked to Fr Maurie, he realised if local government cannot do that, the church will have to do that.

It is an unusual situation and this is the complexity of this reform. It has not been easy and it has not been a normal situation community by community. We are working with them and they have engaged. We have provided a consultant for the Land Trust and we are negotiating with them on some interim arrangements. At the same time we are doing this, they are also building up their economic business arm, Nauiyu Nambiyu Incorporated, or NN Inc, as well, and that is evolving. They are looking at how NN Inc can establish; we are looking at delivering local government services. The church is looking at what the future ownership is going to be, whether it is going to be given to the Land Trust or whether it is going to continue with this leasing arrangement.

**Mr WOOD:** Minister, Pine Creek people had a meeting this year and they overwhelmingly asked that they join the Katherine Shire or Katherine Town Council. Would you allow that to happen?

**Mr KNIGHT:** I attended that meeting on my birthday, in fact, in March. The local church was not happy because we had 130-odd people there at nine o'clock on a Sunday morning, so there was not much roll up at church! I love that community; I visit there regularly. They put up a proposal. We agreed on a process of investigating that. It hit some hurdles. It is not as simple as what people initially thought. Katherine Town Council will not take them on unless they receive sufficient funding. There is a range of considerations that need to be worked through. If the community still supports that, the department is there to help them through it. It is something that happens regularly with boundaries and things like that. If the committee is committed to it, we can work with them in developing that proposal. But there will be some great consideration needed by, not only the Pine Creek community, but the Katherine community about how it can be achieved as well.

**Mr WOOD:** Minister, what is the latest on Cox Peninsula wanting to be in the Darwin City Council? Is that off the agenda at the present time?

**Mr KNIGHT:** The Wagait Council?

**Mr WOOD:** Yes, it has a new name now.

**Mr KNIGHT:** I am not too sure, but I think they have actually retracted that proposal of going with Darwin.

**Mr WOOD:** Minister, regardless of what some people think, I do support reform - just a different way of doing things. I have written to three councils saying that I think we should move the reform process along, that is, the Coomalie, Litchfield, and what is now Wagait and, perhaps, Belyuen - but they are a little different at the moment because of the administration - and we also still have the unincorporated area. What is your opinion on where we should go? My feeling is that the council should start to work out in the community, call public meetings, ask people what they think. Would the government be willing to participate even from a financial point of view? I cannot imagine you as a minister wanting that broken up

system that is out there at the moment to continue. Would you help facilitate, perhaps, a community approach to changes in that area in relation to reform of local government?

**Mr KNIGHT:** I am sure the department would be more than willing to work with those communities, put something forward. It always has been about improving local government. 1 July does not mean that it is all over. It means it is just the start, an evolution, but certainly, if the community put forward a proposal ...

**Mr WOOD:** I would be happy to work with the government on that if they have forgiven me. I think that is the way we have to move forward.

**Mr KNIGHT:** Yes, we are happy to have a look at any proposal.

**Mr WOOD:** I will give one good thing, I saw in the paper the other day, Coomalie Council/Litchfield Council advertising for an engineer and that is a good start. Minister ...

**Mr CHAIRMAN:** Just before you continue, minister, we have been going a fair while now and we are into the last hour. We can either keep going or if you want a break, we can have a short break.

**Mr KNIGHT:** I am right to go. The department staff seem to be right to go.

**Mr CHAIRMAN:** We will continue if you are happy to, minister.

**Mr KNIGHT:** I will just get back to the member for Nelson's question about Pat Dodson's consultancy. Over a 19 month period - so this 12 months and the previous seven months - was \$193 000 for that 19 month period.

**Mr WOOD:** Minister, you spoke about local boards as being representative of those areas. How can they really be representative, in the first stage, if the council manager nominates the members and, in the second stage, where only the council will give them approval? Surely representatives of local government boards should be basically elected by the people in that area. I remember you talking about this in parliament, way back when all this started, because when you were going to get rid of all these little local governments, we would give people a chance to have a say via a local government board.

Now, if I wanted to start up the Rob Knight Progress Association, we could freely do that and appoint our own president, our own secretary, and our own members. We could go to the next council meeting and say: 'This is us and we want to put forward these proposals'. Do you not think these local boards are too managed now by the council that they should be advising? In other words, could you not say it is nearly getting to the point of being hand picked instead of what the people want?

**Mr KNIGHT:** My understanding - you said that the local manager would appoint those people ...

**Mr WOOD:** In the first stage, the first time around.

**Mr KNIGHT:** It is my understanding that the people in the area petition the council to have a board established and then there are nominations. Council can actually put other people on there if required. I guess you are assuming that a person who is on the council from that area is not going to have respect for those boards. Those boards will be absolutely essential in formation of the thinking of the shire and the delivery of services. Local people provide advice in their local management plans to inform the shire plans, so they will be fairly integral in that, and the shire councillor from that area will be on those local management boards as well.

**Mr WOOD:** I will quickly look up this in the act, but if I read the Barkly Management Plan, the first thing it says is 'members of local boards will be nominated by the shire manager in the first instance'. That is not the way it should be. So you fix them, and then, by council consultation with community leaders, which is at least a little fairer. Say you now have a board at Alpururulam which, I must admit, should have been a shire, but any way ...

**Mr KNIGHT:** Where?

**Mr WOOD:** Alpururulam, near Lake Nash. Why do you not leave it to the Alpururulam people to pick who they should have on their local board? Why does the council have a say in that? It is probably getting back to the same relationship the NT government has with local government - you still keep some

democratic principles and you do not have big brother always telling you what to do. Let Alpururulam people pick the people.

**Mr KNIGHT:** Dr Ritchie might make some comments about this.

**Dr RITCHIE:** The way it is envisaged that local boards will work is that, initially, they can be comprised of members of the council resident within that local board's area, and who represent wards within that area. That is the core. As such, you are guaranteed that they are directly responsive to the people in that area. They are elected representatives from that area and subject to elections and representations from their constituency in the normal way.

In addition to that, those elected representatives, who will be very alive to the desires of their constituency, are able to then work out a way of getting other people on to the board. There is nothing to stop there being an arrangement where there is a local way of deciding who are the best people on it. That can be a democratic process or it can be by any process. In many parts of the Territory, it will probably be a process which is also appropriate under the traditions of the group affected. All that is quite possible; there is nothing that suggests any of that cannot happen. As well as that process, they can just co-opt people. They can say: 'It is really important that that senior elder from that group sits on this', or an expert or whatever. There are several ways that membership of the boards can convene. Amongst those ways are several avenues to ensure that the membership is very responsive to the electorate in those areas.

**Mr WOOD:** I just follow up quickly. I accept all that, but the *Local Government Act*, section 51(1)(b), Constitution of the local board, states:

*such other members of the community or communities within the local board's area as the council thinks fit, to appoint as members of the local board;*

Section 51(1)(c) states:

*any other person whom the council appoints to be a member of the local board.*

People other than a council member can only become a member of a local board if given the blessing of the council. Surely, that is big brother? Surely, the people in Alpururulam do not need the Barkly Shire Council people to tick off: 'You are approved, you are not'? That is surely – well, I will not call it undemocratic - not what I would have thought a fair process for a community out there. They would say: 'We will pick the people we like to join the council; it is not for you to tell us who should be on it'. After all, it is only a board; it is not part of the council. It is a board coming to take issues from Alpururulam to the council. You could actually end up turning it a little political because you are putting pressure on a council to make a decision over who it thinks fit to appoint as members of the local board. Do you not think that is a little heavy-handed and liable to some friends and favours?

**Mr KNIGHT:** As I said, the community can petition to have their own board ...

**Mr WOOD:** That is fine.

**Mr KNIGHT:** The council ...

**Mr WOOD:** The council does not have to accept that, by the way.

**Mr KNIGHT:** We are holding the council accountable for every service that is delivered into every single community. All right? If they were to go it alone as you are alluding to, they will be held accountable. The most effective way to do it is to work through those local management boards, because they are the ones that actually have the local knowledge, know what is needed, and how best to go about it. In some communities, and I have travelled around these communities, some councils that we have now are not even meeting, they are getting a couple of people roll up, so the level of service delivery and input there is zilch.

**Mr WOOD:** You are missing the point there. I am not arguing that. I want that to happen, but you have said in here: 'We will have local boards'. I am saying that is fine. That at least gives people a chance. I would prefer it to just be built on to it, but you have set them up in here to say that they will be able to represent people in the community. Why do you not let them do that without the council saying: 'You will only be a member of that board if we think fit'? Not the community, the council. If a lot of people on the council do not like that fellow, they can say no, no, no, he is not on, but the community might want him on. Surely, that is something that should not be part of the requirements to go on local boards?

**Mr KNIGHT:** At the end of the day, the council is held accountable for failure to deliver, community unrest, all those things. You are hypothesising on something like ...

**Mr WOOD:** It is written here.

**Mr KNIGHT:** Yes, but you are drifting away there. I just do not think what you are saying is correct and will happen in reality.

**Mr WOOD:** It sure has.

**Mr KNIGHT:** Our act says that the chairperson is chosen from those people from that committee as well. We changed the act so that the committee would choose a chairperson ...

**Mr WOOD:** That is only one thing you changed. I asked for the other ones to go too.

**Mr KNIGHT:** We have to put responsibility back with the council. The shire council has to be responsible ...

**Mr WOOD:** This is only a local government board. It does not have any power. It is a board to advise the council. You do not have to get picky with them. Let them, Alurrurulam, Utopia, and all the rest of them appoint its own local board. Why does the government have to stick its finger into that?

**Mr KNIGHT:** Ultimately, what will happen is that the community will put up a proposal for a local board. You are thinking one way, and I am thinking, in my experience travelling to all these communities, that is not going to be the case. The most effective way of getting local advocacy and input will be through those boards. It will be a very unusual situation where a shire would not do that, because ...

**Mr WOOD:** I still think you are missing the point. There are two phases to a local board. One is that a group of people can petition it, 20 or more residents. Then, down further, under section 54, it says: 'In deciding whether to establish a local board is sought, in the petition, the council must consider the following'. So the council decides whether it wants to have that board; regardless, it has the decision. Then it decides to have a board; then we look for the members of the board. And when we look for the members of the board, the council will only elect people that it thinks fit, or will only agree to people it thinks fit. Then it has another control, and it can actually appoint people to that board, just because it is the council. So, three times that board has to be under the jurisdiction of the council. Surely that makes it a little difficult for that council to have some independence – sorry, I mean the board to have independence?

**Mr KNIGHT:** You were right the first time. We are holding the council responsible, and they have to have control of how and what they do. These local boards will be advising the shire councillor - because he or she will be on it - about what is needed in that particular community, that particular region. We are holding the council responsible, whereas before it has been too wishy-washy. We want the councils to be responsible. How they go about it is a matter for them. Those local boards are a way of getting that local input.

**Mr WOOD:** I disagree with that, minister. How you form the board, I think, is ...

**Mr KNIGHT:** The local community can petition the council, as per the act.

**Mr WOOD:** And the council can refuse if it wants to. The council has too much control over that.

**Mr KNIGHT:** Well, they have the responsibility. We put the responsibility ...

**Mr WOOD:** It is only an advisory board, it is not a board that has any power, it is only an advisory board. It is only going to come to you and say: 'Look, council, we reckon that the oval needs grading and we think it needs topsoil put on it'. I mean, we are dealing with local issues. Why put extra conditions on who can be on the board? Let the people in Alurrurulam decide who is going to be on the board.

**Mr KNIGHT:** The council has the responsibility and they will be held accountable.

**Mr WOOD:** If they do not put the topsoil on the oval they will not be in next time, because they got the advice from their local board.

**Mr KNIGHT:** That is why they have them.

**Mr WOOD:** I am not against them. It is just the way you control them.

**Mr KNIGHT:** Well, if they do control them, it is not going to work, is it? I have a lot more faith in the shire councillors making those local boards work and be representative of the community. That is what you are saying.

**Mr WOOD:** I am not saying that they should make it work; I am saying let it work.

**Mr KNIGHT:** I am sure it will.

**Mr WOOD:** You should not have big brother having to tell it how to work. That is like holding its hand. Minister, I noticed in the Barkly Business Plan, Julalikari Council Aboriginal Corporation, the Canteen Creek Owairtilla Association, and Thankenharenge Resource Centre are all allowed to continue to provide local government services within the Barkly. Why, with all the talk about single supplier of essential services, especially Julalikari, are they still allowed to operate and provide local government services, not the big Barkly shire as a whole?

**Mr KNIGHT:** Dr Ritchie.

**Dr RITCHIE:** The principle has always been that local government is going to be held accountable for providing services and that often the best way of doing that, and most efficient, effective and best for building capacity and employment in the region, is by using viable existing institutions such as Julalikari in the Barkly, or developing new ones. On that specific issue, if Mr Fagan has anything further to add.

**Mr FAGAN:** Probably the central point is that those organisations are not local government bodies and never have been. Therefore, it was not within the remit of the *Local Government Act* to reform them in any way. They are free to apply for funding or deliver services to whomever they wish to as non-government organisations. The same goes for the outstation resource centres. They have won funding from government departments and raised their own revenue and provided services to certain constituencies as any NGO – it is also the case that World Vision and Red Cross and other NGOs operate in that shire as well.

**Mr WOOD:** So they do not receive any money from local government grants?

**Mr FAGAN:** No, they do not receive any FAGs grants, any operational subsidies, any core local government funding at all. They are CDEP providers and they receive some municipal services funding from the Australian government.

**Mr WOOD:** All right. Just for an explanation, minister, in the business plans it talks about making— I think it is under the commercial heading – non-council roads – that is going to be a function of the councils. I was just wondering what that actually means?

**Mr KNIGHT:** Mr Fagan.

**Mr FAGAN:** It is the case that, with a handful of councils, they are subcontracted by DPI to do roadworks on roads that are the responsibility of DPI and, in some cases, will always remain the responsibility of DPI because they are major secondary or arterial roads. So, as a business, if you like, that council has won the contract to use their plant and equipment to do work on DPI roads.

**Mr WOOD:** Perhaps the better heading would be 'Council Contracting'. You could broaden it. It sounds a strange thing to say 'non-council roads' and you think what the heck. I know what you are talking about now, but basically you are saying the council can act as a contractor. I did not know whether that might be better to put 'Contracting Services' and be that specific.

Minister, how will councils get money for airstrips? I noticed in here it looks like they will spend \$100 000 on an airstrip and they get \$40 000 back. This is in the Barkly. That may be because of Tennant Creek's airstrip, but I do not know whether that will even come under local government, but outback communities, are they going to be basically charging landing fees?

**Mr KNIGHT:** Mr Fagan.



**Mr FAGAN:** There are different components to airstrip funding. The assets are, by and large, on the Northern Territory government's asset list or register. The Department of Planning and Infrastructure provides funding to councils to do maintenance of those airstrips. They cut the lawns and maintain fences and install lighting and those types of things. The issue of landing fees and other operational costs are part of the complex land tenure mix in most of these remote communities. Technically, the airstrip is owned by the Aboriginal land trust and, currently, it is the case that the Australian government has a five-year lease over the majority of those airstrips. So, the ability of councils to charge landing fees is complicated by who actually owns the airstrip, and further, the shire councils are in discussions with DPI and with the Australian government about funding for operational costs associated with the airstrips.

It has been the case that airstrip operation, particularly emergency evacuations, has been a substantial additional cost to local government in the Territory. Staff are often called upon to get out of bed in the middle of the night to light the airstrip and clear the airstrip of animals before the plane lands. Usually those people want to be paid overtime and other allowances for undertaking that work, which is completely reasonable. That is definitely something that needs to be worked through between the three levels of government over the next period of time.

**Mr WOOD:** It is down as an agency service. The minister mentioned that all agencies are going to have to pay money, money, money. Who is the agency for the airstrip?

**Mr FAGAN:** The appropriate agency with responsibility for the airstrips technically, legally, at this time is the Australian government in respect of most of those airstrips. They are the owner and occupier, I suppose, of that airstrip. If a plane was to come to grief, one would presume they will be the ones who are legally liable for the airstrip while they have that leasehold interest there. In parallel with that, DPI also provides councils with an agency agreement for maintenance and repair of those airstrips.

**Mr WOOD:** Minister, under the agency services, it says: 'it is anticipated these services would be fully funded by the relevant agencies and funding would include a contribution to administer costs associated with delivering the service'. Then it says: 'The following agency services will be delivered by the shire: airstrips, night patrol, economic development support, employment, training, family, including child care, outstation, municipal, sport and recreational, youth, aged and disabled care, Centrelink'. On one hand, you are saying they will take them over. So, does that mean you will take them over regardless of whether they provide you with funds? Or, if that is not the case, will you not take them over? So, in theory, you close the airstrip down until you are fully funded to get enough money for the local council to operate.

**Mr KNIGHT:** Mr Fagan.

**Mr FAGAN:** The comment in the plans about 'will' is a decision of the council. It is not the Northern Territory government saying that the council 'will' do those things. It is the council saying in its plan to its constituents, to its public: 'This is what the shire will do in the next financial year'.

**Mr WOOD:** That should be changed a little. The way it is written is like someone is telling you to do it.

**Mr FAGAN:** Only if the conception of who the author of the plan is, is the government. The author of the plan is, in fact, the council.

**Mr WOOD:** Are you saying that councils can take these over without getting fully funded? If that is a yes, are we not going back to exactly the same problem we had, where the minister spoke about agencies not fully funding councils, and that is part of the reason they end up going broke?

**Mr KNIGHT:** Surely, it is a choice of the council. The Coomalie swimming pool does not make money, but the council has chosen to support that pool, so it is open for the amenity of their constituents. I guess there is a degree of agencies fully funding, but there is also a degree where a community says: 'This is a high priority for us and we are prepared to contribute towards it, making it a better service'.

**Mr WOOD:** You have Centrelink down here. Surely, Centrelink will provide enough money to run a proper Centrelink office or, otherwise, I have a feeling we are going to go back to what we used to be. I thought the reforms were going to get rid of all that. That was a real problem with councils; having to throw extra buckets of money into things that did not belong to them, but they would carry out that service on behalf of someone else. Centrelink will be a classic example. Surely, if you are going to have a Centrelink office, they are up-front, and ensure that the people who operate Centrelink in that community pay. The council does not pay.

**Mr KNIGHT:** You have heard that we have more than doubled the funding into that area. Regarding Centrelink, I will just pass it to Mr Fagan to answer.

**Mr FAGAN:** Part of the problem with the previous councils in their negotiation with agencies was that they did not ask all the questions associated with costs. The agency would say: 'We are going to fund a position', and the council agreed. However, it did not take into account the operational costs, the costs associated with information technology, the depreciation on staff housing, staff housing was provided, etcetera. The shires have done that and, on the whole, they have achieved at least a cost-neutral position in the agency services, taking into account the true cost of delivering that service, including administrative costs, etcetera.

It will not be the case that these shires will go backwards on those things. I can assure you that some government agencies feel particularly bruised and battered by the very robust nature in which the shires have been seeking to ensure that they get as much funding out of them as possible. I am sure that vigilance is going to be maintained.

**Mr WOOD:** We just picked out a Commonwealth agency there, but if I asked the Northern Territory government whether it would do the same - Sport and Recreation have been under-funded, we know that from my knowledge of it, aged and disabled care, and youth. Is there going to be a guarantee from the government that it is not going to cost the council; they are going to provide sufficient funds to provide these services? Or are they expecting them to be, in a different way, part of core functions?

**Mr KNIGHT:** What you have heard from Mr Fagan has been that, through this process, shires have successfully been able to negotiate more funding into certain areas. Obviously, a council with an increased budget can do more. Councils are free to choose to put some of their own money into making it a better service, or they go with what they have - which is more anyway. It really is a matter for them. The bottom line is that, through these shires being established, more money is being wrung out of both the Territory and the Commonwealth governments into local government to provide better services out bush.

**Mr WOOD:** I will go back to commercial services. I am interested in how the council is going to make more jobs. It says under commercial services:

*Commercial services that the shire is undertaking on a full commercial basis with the intention of using profit from commercial activities to improve services to the community. The following commercial services will be undertaken by Barkly Shire: housing management; housing and construction maintenance; non-council roads; post office agency; power, water and sewerage; visitor accommodation and tourist information.*

To some extent they are not core services. In other words, they are a service provided on behalf - in many cases - of another department. Housing management, obviously, will come under this new alliance deal we are doing between Alliance and Northern Territory Housing. Obviously, Northern Territory Housing is going to say: 'We will pay you so much for that', and others will get some money too. But, will they get sufficient profit? It is one thing to be paid for what you do. How are they going to get sufficient profit to improve services to the communities? It is not like they have a mine out there where they are getting vast sums of money. These are fairly relatively small things, and perhaps except for visitor accommodation, which could also be a private job, not a council job, where are you going to see this sort of money that is going to be actually turned into other things from those types of commercial services?

**Mr KNIGHT:** Those ones that you have just mentioned, there is significant money going into those areas ...

**Mr WOOD:** In, but you have to make money, that is why I said to 'make money'.

**Mr KNIGHT:** Yes, and those shires are well positioned to make money. Obviously they have calculated they can. I will just flip to David for some more specifics.

**Dr RITCHIE:** There are two things there. One is that government is ensuring that shires have the resources to provide the core services which are set out in the legislation, and to do that in a way that is with real jobs. We are not expecting shires to need to run profitable businesses to subsidise core services. One of the objectives of the reform is to create in the shires the capacity to take on the administrative grunt of the shire, to take on additional functions, subject to entering into a commercial arrangement with the funder.

In the case of Territory Housing, which is within the Department of Community Development, Sport and Cultural Affairs, as has been indicated, the shires have just said: 'Unless we get fully funded for this, we will not do it'. And that is the negotiation we are having with them at the moment. We fully expect that they will deliver services to us, to Territory Housing, on a cost basis. When I say that, I mean that the costs will be the full costs. The same applies to a number of other services, of which Centrelink is one and Australia Post is another. The funder who wants a service provided by the shire is going to be expected to pay the shire what the real costs are of providing that service.

**Mr WOOD:** Minister, I realise I have gone a long time, but this will probably be the only time I will be able to question you before 1 July. Minister, in regard to rating, you are going to have a rate equivalent for houses on Aboriginal land, which Territory Housing will collect, I presume, or they will collect it, and then the council will get paid by Territory Housing. That is okay, but what happens to houses that, for instance, do not come under Territory Housing in a community? They are either private or perhaps they belong to the police. Will they be charged a rating equivalent?

**Mr KNIGHT:** Dr Ritchie.

**Dr RITCHIE:** The general principle of the capping of rates for three years applies. Areas that are on Aboriginal land are exempt from rates unless there is already a lease in place, or there is a commercial activity in place, or unless they are otherwise specified. I will stop there, and if you want, later on ...

**Mr WOOD:** Could you, say it is the garage in an Aboriginal community. Now, that is not obviously owned by Territory Housing. Say it is owned by an Aboriginal family in the community. Can that place be rated? You are saying you cannot rate the land. Therefore, you will put a charge on the house. If that is the principle applied, then should not every house that cannot be rated, whether it is a government house, for example, the ranger station at Devil's Marbles, or houses on Aboriginal land, be subject to the same principle and have a rating equivalent put on that house? Should not the principle be applied elsewhere?

**Mr KNIGHT:** I guess we are moving to establish sub-leases on Aboriginal land. We can rate those leases; where there is a lease on Aboriginal land you can actually rate the owner. That is what we are basically moving to. That will be what we see in the future. Mr Fagan.

**Mr FAGAN:** In the case of a privately-owned garage in one of the remote communities, the council will be able to rate that business.

**Mr WOOD:** Rate it as how?

**Mr FAGAN:** Rate it as either as the sub-lessee or as the occupier of that business.

**Mr WOOD:** There are some interesting principles in there, like where you cannot rate on the land you applied a new rule, which is a rating equivalent. Could that principle be applied to other places if you cannot rate, for instance, a caretaker at a school, caretaker's cottage, or where you have a Northern Territory conservation park where you have two rangers living. You cannot rate that land, but could you put a similar rate equivalent that you do for Aboriginal communities on those houses? After all, they use up local government services.

**Mr KNIGHT:** You certainly cannot rate schools ...

**Mr WOOD:** Not the school, the caretaker, the person who lives in the cottage.

**Mr KNIGHT:** He is on the land.

**Mr WOOD:** Well, that is what you do with Aboriginal people.

**Mr FAGAN:** If the dwelling or the business is not exempt for another reason in the act, that is, it is a charity or a church or one of the other exemptions, then the shire can rate those dwellings.

**Mr WOOD:** I am interested to see if you can do that to a ranger who lives in a Parks' property. Minister, I will come back to one of my favourite topics, which is about who owns roads. I will try to put it another way. If councils are building roads in a shire, can a ratepayer who pays for those roads be prohibited from driving on those roads? In other words, if I am a ratepayer in one part of a big shire and I want to travel to a community, and my money which I have paid in my rates has gone to the maintenance of a road that requires me to get a permit, is that road a private road? Similarly, if I want to go on a cattle station road, I

have to get permission to go in there, and the council will not build that road. What is the legality of stopping someone driving on to that road that I have paid rates for, within my shire? I know it can get more complicated, but I will just talk about it in the shire because I am someone who has contributed to the maintenance of that road directly.

**Mr KNIGHT:** Rates are not a service charge. Federal law applies. Everybody into the future will be paying rates and so ...

**Mr WOOD:** But for what? For a public facility.

**Mr KNIGHT:** Everybody pays rates. They are not service charges. The shire will maintain a range of infrastructure right across the shire. Federal law will apply in respect to the permit system.

**Mr WOOD:** It is a good way to get into a lot of trouble, because it is a crime of corruption for me to somehow get the council to bituminise my driveway. It is not public. I will get into trouble because it is not a public road and they should not be spending money on a private road. I thought that is a fairly important principle when it comes to spending local government funds. The money is a bucket of money for everyone, not distinguished between whether it is Aboriginal or non-Aboriginal, or whether it is here or there. It should be applied to public facilities. If you have to have a permit to drive on what the council is spending its money on, what is the classification of those roads: are they public roads or private roads?

**Mr KNIGHT:** Member for Nelson, the federal law will apply. Everyone pays rates. Those roads deserve to be maintained, they will be maintained, as all roads will be, across the shire.

**Mr WOOD:** I will put it another way. I drive on to that road and do not get a permit. Could I argue in court: 'I do not need a permit; I am paying for the road. It is a local government road. It cannot be private otherwise the council would not be allowed to build it'?

**Mr KNIGHT:** You could argue any which way you want. Federal law applies.

**Mr WOOD:** You have now created a whole different process. Once upon a time, the council would have this bit of land here that the road is on, and the people paid for that and they lived there. Now you have included a whole range of people who are putting money into pastoral properties, or coming from pastoral stations, coming from towns like Tennant Creek. They are all putting money into a bucket and that bucket of money is being used to provide public facilities. That is a job for local government. It cannot provide a playground in my house; it has to provide for public facilities. What I am trying to find out is: what is the classification of those facilities on an Aboriginal community?

**Mr KNIGHT:** Member for Nelson, again, rates are not a service charge. Councils use that bucket of money, as money is provided also from the federal government, for roads, quite specifically, for a range of roads. They maintain those for the people of that area. Federal law applies. We have unusual situations in the Territory, but that is the landscape we are in. It seems to have worked ...

**Mr WOOD:** In theory, if a cattle station talks to the council, and the council gets its money from the Commonwealth, and said: 'Do you mind doing a few kilometres of my road', like the road into Tipperary off the Daly Road, well not that one, that is not private until you get to the gate, but they did inside the property, could you not argue the same thing? 'Well, we just built it because the Commonwealth supplied all this money for the whole of the Territory'. It just seems to me that that really needs some clarification. I do not think it is clear at the moment.

**Mr KNIGHT:** It is very clear. There are laws that apply and you adhere to the law. We have service obligations to those communities and money should be spent on those roads and we should respect the law.

**Mr WOOD:** I am not saying money should not be spent on the roads, but they have to be public roads. That is what councils get money for. Otherwise you have non-council roads.

**Mr KNIGHT:** Mr Fagan.

**Mr FAGAN:** The councils currently receive Federal Assistance Grants roads money for roads on Aboriginal land.

**Mr WOOD:** Then it is a good question to ask. They get federal assistance money, like they do in every other state, and every other state would have to only apply it to public roads. You could not use it for private roads. Does that instinctively make that road public?

**Mr KNIGHT:** The federal law applies, member for Nelson. If you want to debate that, that is a whole other area, and you can do that. We also adhere to the law. We receive funds from the Commonwealth government for those specific roads, and individual ratepayers contribute to the overall range of services in the shire. That is the way things are. It is complex, I admit, but that is what we live in at the moment.

**Mr WOOD:** I am still very unclear on it, minister. I think it needs clarification. We could be here for another few hours but we will not. Last question: when are you going to remove the interim sections of the *Local Government Act*? It gives you enormous power. They were the sections of the act passed in around September. They were the powers that basically say you can scrap a council when you feel like it ...

**Mr KNIGHT:** It is used responsibly by both me and the former minister.

**Mr WOOD:** It was only brought into parliament because we had a reform agenda. Once the reform agenda is over, will you guarantee that this amendment to the act is ...

**Mr KNIGHT:** My advice is 1 July.

**Mr WOOD:** This year?

**Mr KNIGHT:** This year? Yes.

**Mr WOOD:** That is good to hear. Thank you, minister. I know I took a lot of time but, as you say, it is an historical occasion. I genuinely hope that what you are doing works. I will still be looking very closely at what happens, because I think it is important. You will never convince me that some of things that happened were democratic. I ask the minister to consider continuing the councils as they are through to the next election. That is very bad policy of a government to take away the rights of people – even for three months, even for one day. I think it is a very poor principle. However, I wish you well. I know some members of the department are probably sick to death of me. I have tried to make sure that what you are doing is good for the people of the Territory.

**Mr KNIGHT:** Mr Chairman, just to clarify, there has been a response to Question on Notice No 10.1. We have tabled ...

**Mr CHAIRMAN:** Yes, the answer has been received. If there are no further questions on Output 1.1, that concludes consideration of Output 1.0.

## **Output 2.0 – COMMUNITY SERVICES**

### **Output 2.1 – Libraries**

**Mr CHAIRMAN:** I will now call for questions on Output 2.0, Community Services; Output 2.1, Libraries. Are there any questions?

**Mr WOOD:** Libraries – I love libraries. Just do not change the one in Litchfield Shire in your local government reforms. We do need a bigger library at Taminmin, but the minister should know that.

**Mr CHAIRMAN:** So there are no questions on Output 2.1? That concludes consideration of Output 2.1.

### **Output 2.2 – Interpreter and Translator Services**

**Mr CHAIRMAN:** I now call for questions on Output 2.2, Interpreter and Translator Services. Are there any questions?

**Mrs MILLER:** Considering I have not looked at the output, I will ask one. Minister, in your opening statement, you were saying that there were quite a few interpreter services available. Are you also talking about the services that are provided for court proceedings? What sort of interpreter services were you talking about?

**Mr KNIGHT:** A large bulk of the work does go to legal services, that is translating and also interpreting.

**Mrs MILLER:** So the interpreting services you are talking about is for the whole of the Territory? It is not just in local government?

**Mr KNIGHT:** The AIS and the Interpreting and Translating Service for the Northern Territory go right across the Territory.

**Mrs MILLER:** Okay. How many are provided at hospitals, at Royal Darwin, Katherine and Alice Springs?

**Mr KNIGHT:** Mr Chairman, I will ask Trish Angus to join us, and Colleen Rosas. The question was in regard to services provided at hospitals ...

**Mrs MILLER:** At the major hospitals - Royal Darwin, Katherine, Alice Springs and Tennant Creek.

**Mr KNIGHT:** I will refer that to Colleen Rosas.

**Ms ROSAS:** We have a roster system established at all of the hospitals in the Territory. An example is, at Royal Darwin Hospital, we have an interpreter five mornings a week; Katherine, three mornings a week; Tennant Creek, five mornings a week, but fewer hours; and at Alice Springs we have around six mornings a week because we have a couple of interpreters placed in different areas. There are also the ad hoc calls which come outside those times. We also provide interpreters to many of the southern hospitals too, when Territory patients are there.

**Mrs MILLER:** The reason I was asking the question, minister, is what happens when someone who has a language problem needs to have an interpreter present after hours at any time of the night? Is there someone on call for that?

**Mr KNIGHT:** I will refer that to Colleen Rosas.

**Ms ROSAS:** We are a 24 hour service and we often have after hours calls from the hospitals, from the Accident and Emergency areas.

**Mrs MILLER:** Do you have enough interpreters to meet the needs, or do you have people waiting in medical practices or hospitals for interpreter services, or they are not able to access them?

**Mr KNIGHT:** We have undertaken a large recruitment process. Colleen might like to talk about how many new interpreters we have taken on board. Also, the additional funding we have put in from our budget this year, and also attracted money from philanthropic and the federal government. Colleen can explain the recruitment process.

**Ms ROSAS:** We do have a lot of interpreters. We are always looking for more, for a whole range of reasons. The after hours emergencies, it is rare that we do not have interpreters available. We have had interpreters at RDH within 20 minutes. The interpreters are not on a retainer, but we are able to get them. We have recently received some money from the NT government to expand our service, and also the Australian government, and also from Rotary in Hampton, Victoria. Looking at training and further accreditation of our interpreters, we have a huge recruitment drive happening at the moment. We have officers right throughout the Territory recruiting and training. Much of it is in relation to the Australian government intervention.

**Mrs MILLER:** Minister, you were saying there has been a recruitment drive. This is purely informative for me. I know a couple of years ago there was a shortage of interpreters and it did present some problems, especially for some indigenous women who were trying to communicate their issues to staff, specifically in Katherine. That is why I was wondering how many people have been recruited and, because there are so many different dialects to understand as well, how many have been recruited in the regional areas? It would be easier for you to get someone here, but what about the regional areas?

**Ms ROSAS:** In Katherine and the Tennant Creek region, we subcontract our work directly to the local language centres, and we also provide support for training of their interpreters and training of their administration staff. I cannot give you the exact figures off the top of my head but, in Katherine, they have recently recruited 28 new interpreters with our support. In Tennant Creek - I received the figures last night, we have 250 interpreters actively working at the moment.

**Mrs MILLER:** That is good because with the very multicultural population we have we need to ensure that they can communicate. Thank you, minister.

**Mr CHAIRMAN:** Any further questions? That concludes consideration of Output Group 2.0

As is noted on the schedule, questions for Output Group 3.0, Housing Services were addressed by the Minister for Housing on Wednesday, 18 June, and Outputs 4.1, 4.2 and 4.3 in relation to Sport and Recreation were addressed by that minister on Thursday, 19 June.

#### **OUTPUT 4.0 – SPORT AND RECREATION** **Output 4.4 – Water Safety and Animal Welfare**

**Mr CHAIRMAN:** The committee will now proceed to Output 4.4, Water Safety and Animal Welfare. Are there any questions?

**Mr KNIGHT:** Mr Chairman, Steve Rossingh, Executive Director of Sport and Recreation, is joining us at the table.

**Mr WOOD:** Minister, what is the relationship between Animal Welfare in your department and your requirement of local government to have as a core function 'Companion Animal Welfare and Control'?

**Mr KNIGHT:** I will defer to David Ritchie in a second. Local Government looks after those dangerous dogs areas, and Welfare looks after more the welfare, generally, of animals.

**Dr RITCHIE:** The *Animal Welfare Act* is the act that applies. It is the act in the Northern Territory that deals with the welfare of animals. Basically, issues arising from domestic animals have traditionally been a Local Government function. That particular phrasing just recognises that local governments will be expected to continue to carry out functions relating to control of domestic animals in their jurisdiction.

**Mr WOOD:** Minister, do not forget, we do have two sections of an act which covers dogs when not in municipal areas. One could argue, perhaps, that some of that is being moved from one sphere of government to another sphere of government. It does say 'animal welfare'. I can understand the control bit. But, in relation to welfare, what is the role of local government when you already have it in your act? Will council have welfare control?

**Dr RITCHIE:** It is just the best placed level of government for dealing with the unfortunate situations that arise from time to time when domestic animals are in distress. Stock can be left in paddocks without water, or a dog left chained up, or whatever. The act is designed to ensure that community values in respect of those sorts of actions are upheld. The area where it is most likely to come to attention of officials is local government, and they are best placed then to act on it and they are backed by the provisions of the legislation.

**Mr WOOD:** Just to put a practical point of view: say you have a horse or a cow that has not been fed - I do not want to get into the old Tipperary case of a couple of years ago - whose job is it to speak to the owners, perhaps put the animal down, or charge the owners with an offence? Is that local government's job, or would it be your department's job?

**Dr RITCHIE:** Just to clarify that. The Department of Local Government has officers who would intervene in those sorts of extreme situations. You mentioned the Tipperary situation. In the event that there is an issue with cruelty to animals, then we have inspectors and people who have powers under the act to take necessary action. Any proposal to engage the new shires to deliver those sorts of services would, again, be something that would have to be negotiated with the shire.

**Mr WOOD:** On a fully commercial basis, naturally.

**Dr RITCHIE:** On a fully commercial basis.

**Mr WOOD:** I know this is called animal welfare, but the other area of animal welfare is native animals. Does this cover native animals? I know we have Wildlife Rescue and I think that comes under minister Scrymgeour's department. Does wildlife also come under the control of this section?

**Dr RITCHIE:** There are provisions in the *Animal Welfare Act* that make it an offence to kill or inflict suffering on animals. There are some exceptions. The act then makes it clear that, for the eradication of

animal pests, there is a provision for that to happen. The way it is currently organised is that under the *Parks and Wildlife Act* there is provision, for instance, for the removal of both native and non-native pest animals, so the culling of feral animals, or the control of dingoes.

**Mr WOOD:** My last question, Mr Chairman. I was just wondering if you can refresh my memory. Minister Ah Kit ran into some legal problems in relation to a matter regarding the feeding of animals at Tipperary Station some years ago. Was the act changed to clarify that situation? Or is it intending to be clarified to remove some of the difficulties with applying the law that minister Ah Kit found at the time?

**Mr KNIGHT:** Dr Ritchie.

**Dr RITCHIE:** The details of that I am not familiar with, but simply put, if an owner of animals is subjecting them to distress - and all that is defined in the act - and does not feed them or provide them with water, it clearly comes into that category, then there is ability under the act for us to intervene. That is, the officers are empowered under the act to intervene and correct the situation.

In any individual situation, there can be arguments about whether the facts of the matter are as they appear on the surface. An owner could argue that really they had provided the animal with water but that other factors had caused the problem. Putting aside the facts of any individual situation, the current legislation has a clear basis for intervening where it becomes apparent that there is a case of cruelty to animals. There has been no need to amend the act to deal with that issue.

**Mr WOOD:** Thank you, Mr Chairman.

**Mr CHAIRMAN:** Thank you. That concludes questions for Output 4.4. That then concludes consideration of the output group and, indeed, is the end of this session as it is now 1.05 pm.

On behalf of the committee, minister, thank you for your attendance and thank you to your officers who have attended with you.

That now concludes the Estimates Committee public hearings process. I take the opportunity to thank members of the Public Accounts Committee who have formed the core membership of the Estimates Committee and for the overall manner in which the public hearings have been conducted.

I also place on record a vote of appreciation from the committee to all other members who participated in the public hearing process.

Thank you also to the Legislative Assembly staff who have worked tirelessly behind the scenes to ensure the whole process has run smoothly throughout the extended process over the last four days, with particular reference to the Table Office and Hansard areas.

With the finalisation of the scrutiny of ministerial portfolios, I thank the ministers appearing before the committee and the many officials who attended the hearing and advised their minister.

I place on the public record my appreciation of the effort put in by agency officers who, prior to the public hearings, have worked behind the scenes over many weeks preparing briefing papers for the use of ministers throughout the Estimates Committee questioning.

I now formally close the public hearings of the Estimates Committee for 2008.

---

The committee concluded.

---