

The Hon Kon Vatskalis MLA  
Minister for Local Government  
Parliament House  
DARWIN NT 0800

Dear Minister

In accordance with section 16 of the *Local Government Grants Commission Act*, I have pleasure in presenting to you the Annual Report for the Commission on its activities for 2000/01. Included in the report are the financial statements for the year ended 30 June 2001.

Yours sincerely

DON DARBEN AO  
Chairman

October 2001

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## Foreword

I am pleased to present this report on behalf of the Northern Territory Grants Commission. This is the fifteenth annual report in respect of Commonwealth financial assistance to local governing bodies. It is a requirement under section 16 of the *Local Government Grants Commission Act 1986* that the Annual Report be presented to the Minister.

The report aims to provide information on the distribution of funding provided to the Northern Territory's local governing bodies under the Commonwealth's *Local Government (Financial Assistance) Act 1995*, as well as to provide information on the objectives, performance, future direction and financial position of the Commission. The report is intended to convey sufficient and relevant information on the Commission's programs and performance to any agency, organisation or individual with interests in its operation and functioning.

In June 2000, the Commonwealth Minister for Finance and Administration, the Hon John Fahey MP, wrote to the Chairman of the Commonwealth Grants Commission conveying the terms of reference for a review of the operation of the *Local Government (Financial Assistance) Act 1995*. The review of that Act had become necessary because of the Senate's refusal to pass the inter-governmental fiscal arrangements accompanying the Commonwealth's tax reform process where the States were to receive GST revenue in place of state and local government FAGs. Changes to the tax package meant the Commonwealth retained responsibility for the paying of FAGs to local government. The terms of reference and the main findings of the review are shown in an appendix to this report. I am disappointed that the terms of reference specifically excluded a review of the interstate distribution of the general purpose and local road grants or the quantum of funds available under the Act.

Together with Commissioner David Coles and the Executive Officer, Ted Clark, I met with the Commonwealth Grants Commission during its consultation visit to Darwin on 17 August 2000. The executive officer and Peter Thornton, from the Department of Local Government, subsequently attended a workshop conducted by the staff of the Commonwealth Grants Commission at the beginning of March 2001. Commissioner Coles and the executive officer attended the draft report conference in Canberra on 29-30 March. The Commonwealth Grants Commission forwarded its final report to the Minister for Finance and Administration on 18 June 2001.

In general terms, from a Northern Territory perspective, the finding that the Commonwealth's intentions would be best served by having three pools, that is, a per capita pool, a roads pool and a relative needs pool will, if accepted by the Commonwealth, probably mean that the future allocations for the larger municipal councils will move downwards towards the minimum grant level while the smaller remote councils will receive an increased allocation. My commission is still examining the impact of the other findings on the Northern Territory methodology. However, at the time of writing, there has been no indication that the Commonwealth Government has or will accept the findings.

Unfortunately, a consequence of the review meant that our own review of our methodology commenced in late 1998 had to be deferred. Staff of the Department of Local Government, up until that time, had undertaken a number of consultations and devoted much time to the development of a revised methodology. Our review will continue once the final outcome of the Commonwealth Grants Commission's review is known and it is hoped that work already done will be relevant and of value to a final solution.

For a number of years the Commission has been collecting data from local governments by annual survey and from submissions. I continue to be disappointed by the poor quality of the annual returns generally and by the indifference shown by some council clerks towards the requirement to provide meaningful data. The financial assistance grants are a significant source of income for most councils. In view of this I fail, therefore, to understand their indifference, which not only makes the work of the Commission harder, but could also mean that their councils may be disadvantaged when the grants are allocated.

The Commission continued its rolling program of community visits during the year. These visits are important and integral to the workings of the Commission. I am concerned, however, that there is an

unfortunate trend towards fewer and fewer aboriginal councillors attending the visits and even fewer stepping forward and contributing to the issues under discussion.

On behalf of the Commission, I wish to record our appreciation for the valuable cooperation and assistance that we have received during the Commission's work throughout the year from most local governing bodies, and in particular, those visited during the year. The Commission would like to express its thanks to the Alice Springs, Litchfield and Tennant Creek Councils for the use of their facilities during the Commission's public hearings.

The Commission is grateful for the executive support and assistance of both Mr Ted Clark and Ms Donna McLeod and other staff of the Monitoring, Grants, Administration & Information unit of the Department of Local Government, combined with the services provided by the field staff. I would like to make particular reference to Ms Daphne May in this report. Daphne, who in the past had provided valuable assistance to the Commission in arranging its travel and accommodation, retired during the year and I wish her well in her retirement.

I would like to take this opportunity to acknowledge the efforts of my colleagues, David Coles, Alderman Jenny Mostran and Cr Barry Purrantutamerri. Their assistance has been very much appreciated. Commissioners Norton and Kelly completed their term of appointment on 31 October 2000 and I would also like to thank them for their valuable contributions during their terms of office.

DON DARBEN AO

Chairman

## Organisation and People

### Membership

The *Local Government Grants Commission Act 1986* provides for a Commission of four members, consisting of:

- a Chairman appointed by the Minister;
- the Chief Executive Officer (CEO) of the Agency primarily responsible to the Minister for the administration of the Act, or his delegate; and
- two members appointed by the Minister; one representing the interests of municipal councils and the other representing the interests of community government councils and approved local governing bodies.

In 2000/2001 the members of the Commission were:

Mr Don Darben AO	(Re-appointed Chairman 1 November 2000)
Mr David Coles	(CEO's delegate - appointed 8 October 1997)
Mr David Norton	(Representing municipal councils -term completed 31 October 2000)
Mr Francis Kelly	(Representing community government councils - term completed 31 October 2000)
Ms Jenny Mostran	(Representing municipal councils - appointed 1 November 2000)
Mr Barry Puruntutameri	(Representing community government councils - appointed 1 November 2000)
Mr David Norton	Deputy of Ms Mostran
Ms Margaret Vigants	Deputy of Mr Puruntutuameri

### Members' Profiles

#### Don Darben AO

Don is a Civil Engineer who first came to the N.T. in 1956 and served in Tennant Creek and Alice Springs. He left the N.T. in 1959, but returned in 1965 to manage the Beef Roads Projects from Katherine. He was promoted to Darwin as Chief Engineer Roads for N.T. in 1974.

He became the Secretary of Transport and Works in 1978 and subsequently Secretary of Lands and Primary Industries and Fisheries in 1988. As Secretary of Lands he was appointed Chairman of the Palmerston Development Authority in August 1981. Don was appointed Secretary of the Chief Minister's Department in August 1990 and retired from this position in April 1991.

#### David Coles

David was appointed the Assistant Secretary of then Department of Housing & Local Government from October 1996. He is now the Deputy Secretary, Department of Local Government.

Since his arrival in the Northern Territory in 1984, David has worked in the Department of Community Development, Territory Health Services and Department of the Chief Minister in senior policy development positions.

From 1987 David spent two and a half years as a Ministerial Officer to two Ministers for Health and Community Services. He completed the Executive Management Program in 1993 and a Masters in International Management in 1997.

#### Jenny Mostran

Jenny Mostran is currently an alderman of the Alice Springs Town Council. She entered local government in May 2000 and has been the Chairman of the Economic and Community Development Committee and is now the Deputy Mayor.

Jenny is a businesswoman and mother who believes her greatest achievement has been to be able to manage both business and family commitments successfully. She came to Alice Springs in 1975 and has been at home in Alice ever since.

Jenny has been involved in many community organisations over many years in Alice Springs and is now a member of the Northern Territory University Council and the Development Consent Authority.

Jenny believes that you learn valuable lessons by being involved and a part of your own community and is looking forward to furthering her studies in financial planning and community services.

#### Barry Puruntutameri

Barry Puruntutameri is the current President of the newly constituted Tiwi Islands Local Government and Nguui Community Management Board.

Prior to 12<sup>th</sup> July this year he was President of the now defunct Nguui Community Government Council for over 14 years.

He is a member of the Tiwi Health Board and has been involved in the Tiwi Islands Football League for many years.

His community involvement is quite extensive and he is often referred to as the Ambassador for Nguui.

#### David Norton

David Jeffery Norton has been involved in local government since 1977 when he started work for the London Borough of Croydon Planning Department.

He has been a Jabiru Town Councillor since May 1992 and currently holds other local government positions, such as: the Jabiru Town Council Administration Chairman, Jabiru Wind Festival delegate and Chairman, Jabiru Territory Anti Litter Chairman, and Kakadu Visitor Organisation delegate.

David is also involved on several other committees and associations in Jabiru. For example the National Committee for Regional Co-operation and Development, NT Grants Municipal Commissioner, Jabiru Lions Club Treasurer, Jabiru Blue Light Ventures Treasurer and the ABC radio 8DDD Local Correspondent, just to name a few. For the past four years he has been the Local Government Association of the NT, Municipal Vice President.



David's hobbies and interests include organising music festivals, raising money for community projects, the cinema, natural history and keeping his 1973 Valiant Wagon on the road.

#### Margaret Vigants

Margaret Vigants is a long term resident of the Northern Territory and has lived in remote areas of the Territory for over twenty years. Margaret is a former President of the Local Government Association of the Northern Territory and was the President of the Timber Creek Community Government Council for a period of nine years immediately prior to her relocation to Darwin during the year.

#### **Administration and Staffing**

The costs of operation of the Commission for the year were met by funds appropriated to the Department of Local Government. The operational expenditure for 2000/2001 was \$69,637 compared to \$113,774 in 1999/2000.

The Executive Officer, Mr Ted Clark and Ms Donna McLeod of the Department of Local Government, coordinated the visitation program and assisted with the Commission's activities by providing executive support to the Commission.

## Overview

### Background

On 1 July 1986 the *Local Government (Financial Assistance) Act* came into force. A subsequent review of this legislation led to the enactment of the *Local Government (Financial Assistance) Act 1995*. This Commonwealth legislation provides for the total Northern Territory population to be taken into account in determining its global financial entitlement, relative to the other Australian States. The Act requires each State and the Northern Territory to establish a Local Government Grants Commission.

Under section 6(1) of the Act, the Commonwealth Minister, after consulting the relevant State Ministers and with a bodies representative of local government, formulated national principles. These principles are for the purpose of allocating to States, amounts payable to local governing bodies, under this Act. In formulating the National Principles (see **Appendix D**), the Minister:

- (a) is to have regard to the need to ensure that the allocation of funds for local government purposes is made, as far as practicable, on a full horizontal equalisation basis; but
- (b) must ensure that no local governing body will be allocated an amount in a year that is less than the amount that would be allocated to the body if 30% of the amount which the State/Territory is entitled in respect of the year was allocated among local governing bodies on a per capita basis.

Local government councils incorporated under either the municipal or community government provisions of the Northern Territory *Local Government Act* are, like those similarly incorporated in other States, eligible to receive Commonwealth financial assistance as of right. Associations that have not been formally incorporated under that Act, but have been approved by the respective Commonwealth and Northern Territory Governments as local governing bodies, are also included in the distribution of Commonwealth financial assistance and local roads grants. A list of those associations is shown at **Appendix B**.

The *Local Government (Financial Assistance) Act 1995* also requires each State and the Northern Territory to have a local government grants commission. In accordance with that requirement, the Northern Territory legislated for a statutory, independent commission, the Northern Territory Grants Commission, in June 1986.

### Vision

The Grants Commission has a vision to allocate all funding in an equitable, transparent and culturally sensitive manner.

### Mission Statement

The Grants Commission's mission is to make recommendations to the Commonwealth Government, through the Northern Territory Minister for Local Government, on the distribution of financial assistance and local roads grants to local governing bodies within the Northern Territory.

### Functions

- The Commission makes recommendations to the Federal Minister in respect of the amounts of money to be allocated to local governing bodies from the money provided to the Territory by the Commonwealth under the *Local Government (Financial Assistance) Act 1995*.

- The Commission also makes recommendations on such other matters relating to the finances of local governing bodies as the Northern Territory Minister for Local Government, from time to time, refers to the Commission.

### **Performance against Objectives**

To develop and implement policies which ensure the equitable distribution of Commonwealth funding to Northern Territory local governing bodies.

Policy development is an ongoing commitment within the Commission. This year it continued to refine its policies relating to the recognition of local roads and outstation populations being serviced by councils outside their community government areas, and the accepted boundaries of approved local governing bodies.

The Commission reviewed all disability factors during this year's deliberations. Generally, the approach taken to determine isolation allowances was modified to better recognise the extent to which the more remote council areas are disadvantaged.

To continuously review the distribution processes for Commonwealth funding to Northern Territory local governing bodies in the interests of funding equity.

In 1996 a partial review was undertaken of the Commission's funding methodology in relation to Commonwealth financial assistance and local roads funding.

The review of the methodology commenced in 1998/99 and which was nearing finalisation in 1999/2000 was suspended this year pending the outcome of the review of the *Local Government (Financial Assistance) Act* by the Commonwealth Grants Commission.

To assess the relative difficulties each local governing body encounters in the provision of local government services.

In 2000/01 the Commission held public hearings in Litchfield, Tennant Creek and Alice Springs and continued its rolling program of visits to local governing bodies, to gain information on difficulties with local government services delivery. In addition, the Commission invited all local governing bodies, and other interested parties, to submit comments or proposals in relation to any aspect of the funding methodology.

To visit and consult with all local governing bodies included in the grants programs, over a three year period.

The Commission has a policy of visiting every local governing body in the Northern Territory over a three year period. This year 17 visits were made. The councils visited this year are shown in **Appendix C**.

To develop improved mechanisms for the collection, storage and analysis of information and comparative data for community needs assessment.

In the interests of funding equity the Commission continues to collect a variety of core data, relating to a council's relative cost of service provision and revenue raising capacity, directly from all councils. The data return forms distributed were submitted through the Department of Local Government's regional offices for verification prior to the submission to the Commission.

In 1996 the Commission commenced a process of digitising and colour coded road status maps indicating the road responsibilities of each council in the Northern Territory. This has proved a very successful method of updating road data responsibilities. The digitising process ensures that annual updating in a cost effective manner is possible. These maps have now been converted in Mapinfo format and a process to examine the feasibility of making the maps available on the internet has commenced.

## Summary of Activities in 2000//2001

### Review of the FAG Methodology

Following a request from the then Minister of Local Government, the Northern Territory Grants Commission (NTGC) commenced a comprehensive and detailed review of the methodology used to distribute Commonwealth general purpose and identified roads financial assistance grants, and of the processes of the Commission.

The review has, so far, taken 18 months utilising expertise within the Department of Local Government. Extensive consultation with stakeholders and the wider community has been a fundamental part of the review.

However, because of the review of the *Local Government (Financial Assistance) Act 1995* by the Commonwealth Grants Commission at the request of the Commonwealth, the Commission has postponed final consideration of the methodology pending outcome of the Commonwealth Grants Commission's review.

### Annual Conference

The National Conference of Local Government Grants Commissions was held at the Darling Harbour Park Royal, Sydney, in November 2000.

The focus of the conference was on the Commonwealth Grants Commission's review of the *Local Government (Financial Assistance) Act 1995*. The morning of the opening day was devoted to a presentation by Mr Bob Searle, Secretary of the Commonwealth Grants Commission, on Horizontal Equalisation and the process of reviewing the Act. This was followed by a session, appropriately called "The Review - What do the Commissions think" chaired by Mr Chris Berry, Manager Western Australian Local Government Grants Commission.

For the first time a joint statement was issued at the conclusion of the conference. This statement is reproduced in **Appendix I** of this report.

### Executive Officers' Meeting

No separate Executive Officers' meetings were held this year. Instead the Executive officers met on two occasions with staff of the Commonwealth Grants Commission regarding the review of the *Local Government (Financial Assistance) Act 1995*.

### Visits to Local Governing Bodies

The rolling program of Commission visits continued in the 2000/2001 year. This program takes three years for a full cycle, although special circumstances may warrant occasional departure from the pre-planned program. The 17 locations visited this year are listed in **Appendix C**.

While the main areas of interest relate to population and roads, the Commission also discusses the difficulties that local governing bodies experience in providing services to their respective communities and outstations. This provides an ongoing review of the community disability factors.

At several councils, the Commission was concerned at the lack of maintenance of local roads/street infrastructure. Sealed streets are being constructed as part of housing projects, but from discussions with councils, it would seem that maintenance of streets is not included in the project development process. Councils advise that patching and resealing programs are expensive and are outside councils'

financial capabilities. This problem may become a major issue in future years for remote councils generally but more so for those island councils in particular.

In addition to the visits program, the Commission continues to extend its standing invitation to all local governing bodies and other interested parties to submit comments, or proposals regarding the refinement of any aspect of the methodology.

Many councils that were visited this year chose to make either informal or formal submissions to the Commission. The Commission thanks those councils for their contributions, which were an invaluable, additional source of information.

The Commission also expresses its concern that at a number of councils visited during the year, no councilors were present. This is showing a disturbing trend bordering on antipathy to the work of the Commission

### **Public Hearings**

In accordance with section 11 of the Commonwealth legislation, the Commission held public hearings throughout the Territory during the year. Overall, attendance at these hearings was disappointing and mainly consisted of representatives of those councils in whose precincts the hearings were held. No members of the public attended any meetings, while the attendance by members of remote councils was very small in numbers. This may indicate that many councils are content to rely on the Commission's rotational visits program to facilitate feedback to the Commissioners. The locations of the public hearings held during the year are shown in **Appendix C**.

### **Data Collection Returns**

The Commission requires all local governing bodies to complete annual returns, which show population data, road lengths and specific financial data. The annual returns were mailed to councils in December 2000 and completed returns were required back by 15 February 2001.

Some improvement in the quality of the completed returns was noticeable this year but many were generally of a poor standard. Where returns are of a poor standard the Commission makes the best possible judgement on the basis of information it obtains from departmental officers so that services to people do not suffer as a result of the administrative deficiencies of their council.

One local governing body, Willowra Community Inc, failed to lodge a return. Eleven local governing bodies failed to lodge completed returns by the due date, which delayed the final deliberations. These were:

Alpurrurulam Community Government Council  
Anmatjere Community Government Council  
Aputula Housing Association Incorporated  
Milikapiti Community Government Council  
Milingimbi Community Incorporated  
Minjilang Community Incorporated  
Nguiu Community Government Council  
Papunya Community Council Incorporated  
Tapatjatjaka Community Government Council  
Walungurru Council Aboriginal Corporation  
Warruwi Community Council

The local governing bodies concerned are reminded that the accurate and timely preparation of the data required is an essential element to the grant calculation.

### **Annual Financial Statements**

Regulation 11 of the *Local Government (Accounting) Regulations*, stipulates that a copy of the local governing bodies Audited Annual Financial Statements be forwarded to the Chairman of the Northern Territory Grants Commission, no later than 31 October.

For financial year 1999/2000 the following local governing bodies failed to lodge their Annual Financial Statements by the date specified:

Aherrenge Community Council Incorporated  
Alice Springs Town Council  
Amoonguna Community Incorporated  
Angurugu Community Government Council  
Anmatjere Community Government Council  
Aputula Housing Association Incorporated  
Arltarlpilta Community Government Council  
Barunga Manyallaluk Community Government Council  
Belyuen Community Government Council  
Binjari Community Government Council  
Borroloola Community Government Council  
Cox Peninsula Community Government Council  
Daguragu Community Government Council  
Darwin City Council  
Galiwinku Community Incorporated  
Gapuwiyak Community Incorporated  
Gulin Gulin and Weemol Community Council Aboriginal Corporation  
Ikuntji Community Council Incorporated  
Imanpa Community Incorporated  
Jabiru Town Council  
Jilkminggan Community Government Council  
Kaltukatjara Community Council Aboriginal Corporation  
Kardu Numida Incorporated  
Kunbarlanjnja Community Government Council  
Mataranka Community Government Council  
Milingimbi Community Incorporated  
Milyakburra Community Council Incorporated  
Minjilang Community Incorporated  
Naiyu Nambiyu Community Government Council  
Nganmariyanga Community Incorporated  
Nguiu Community Government Council  
Numbulwar Numburindi Community Government Council  
Peppimenarti Community Council Incorporated  
Pine Creek Community Government Council  
Pirlangimpi Community Government Council  
Tapatjatjaka Community Government Council  
Umbakumba Community Council Incorporated  
Urapuntja Council Aboriginal Corporation  
Walangeri Ngumpinku Community Government Council  
Wallace Rockhole Community Government Council  
Warruwi Community Council  
Wugular Community Government Council  
Yirkkala Dhanbul Community Association Incorporated  
Yuelamu Community Incorporated  
Yugal Mangi Community Government Council

**Submissions**

The following councils made written submissions to the Commission at the Public Hearings held in late April May 2001

Alice Springs Town Council  
Litchfield Shire Council  
Tennant Creek Town Council

**Payments 2000/2001**

During 2000/2001 the grants continued to be paid in quarterly instalments. The total payments to local governing bodies during the year are summarised below:

17 August 2000	\$4,714,136
16 November 2000	\$4,714,136
16 February 2001	\$4,714,136
16 May 2001	\$4,714,136
<b>Total Payments</b>	<b>\$18,856,544</b>

**Estimated Entitlement 2001/2002**

The Estimated Entitlements for 2000/2001 are based on Commonwealth estimates of the annual CPI and the Territory's share of the national population.

**Entitlement 2000/2001**

The Commonwealth estimates of the annual CPI and the Territory's share of the national population was lower than the actual CPI and population. This resulted in the entitlement for 2000/2001 being underestimated. Under payments in the year totalled \$118,826. Adjustments have been made across all councils based on the data used for the distribution of the Estimated Entitlement for 2000/2001.

**Cash Entitlement 2001/2002**

The Cash Entitlement for 2001/2002 is the Estimated Entitlement for the year plus the Underpayments in 2000/2001.

**Error in 2000/2001 allocations**

Unfortunately, there was a corruption in the spreadsheet used for the calculation of 2000/2001 estimated entitlement. The corrected estimated entitlement and cash entitlements for that year are shown at **Appendix A**.



## Recommendations

### CHAIRMAN'S LETTER

Our ref: 2013/01

The Hon Dr Richard Lim MLA  
Minister for Local Government  
GPO Box 3146  
DARWIN NT 0801

Dear Minister

In accordance with section 12(1)(a) of the *Local Government Grants Commission Act*, I am pleased to present to you the Commission's recommendations for the distribution of the Commonwealth financial assistance and local road funds for the 2001-02 financial year.

During the course of the year the Commission continued with its program of community visits and, in conjunction with the visits, a public hearing was held in Alice Springs on 2 April and in Litchfield and Tennant Creek on 30 April and 1 May respectively. The visits play an important role in the workings of the Commission by affording it the opportunity to gather invaluable and more accurate local government roads and population data.

The commission, in determining its recommendations for Financial Assistance Grants, continued to use the revised methodology that was adopted following the review of its funding programs in 1996/97.

In the Commonwealth's budget handed down in May the Treasurer indicated that the Commonwealth's contribution to local governments in 2001-02 would increase by 4%. The estimated entitlement for the Northern Territory for 2001-2002 is \$9,699,543 general purpose and \$9,898,679 for local roads.

The National Office of Local Government has advised that there was an underpayment of financial assistance grants to Northern Territory local governments in 2000-01 totalling \$118,826. The amount to be distributed to local governing bodies in the Northern Territory in 2001-02 is, therefore, \$9,766,197 general purpose and \$9,950,851 roads (an increase of 4.62% and 4.51% respectively). The total of these grants is \$19,717,048, an increase of \$860,504 or 4.56% on the previous year.

Recommendations are appended that show the Commission's proposed distribution for 2001-02.

Recommendation 1 shows the distribution of the "Estimated Entitlement for 2001-02".

Recommendation 2 shows the distribution of the underpayment in 2000-01.

Recommendation 3 shows the net cash to be distributed to councils this year with a comparison of net cash distributed in 2000-01.

The Department of Local Government has advised me that the community government schemes for Ngiuu, Pirlangimpi and Milikapiti have been replaced by a new scheme called the Tiwi Islands Local Government. Accordingly, no allocation has been made to those three former councils and their relevant data has been combined into the new council. An allocation, based on that data, has thus been made to the Tiwi Islands Local Government in 2001-02 for the first time.

The Department of Local Government has also recently written to the Commission advising that the Department had withdrawn the Northern Territory Operational Subsidy (formerly known as the Town Management and Public Utilities Fund) from the Willowra Community Incorporated. That action was based on the fact that that association had demonstrably shown that it was unable to provide local government services to its community. The Commission was also advised that the Yuendumu

Community Government Council had agreed to provide local government type services to the Willowra community and that the Department was negotiating with the Yuendumu Council to extend its boundaries to include Willowra. The Department recommended that the Commission revisit the association's declaration as a local governing body under section 19 of the *Local Government Grants Commission Act*.

Willowra Community Incorporated was originally declared and gazetted as a local governing body on 22 August 1986. One of the criteria on which that declaration was based was that the association be in receipt of funding from the fund formerly known as the Town Management and Public Utilities Fund. This is now not the case. A second criterion was that the residents had applied for and were negotiating the introduction of a community government scheme. This is also, clearly, not now the case.

The Commission finds, therefore, that the Willowra Community Incorporated no longer meets the criteria for continued recognition as a local governing body and recommends that you formerly revoke all notices declaring the association to be a local governing body.

In making its allocations for 2000-01, the Commission has made no allocation to the Willowra Community Incorporated. An additional allocation has been made to the Yuendumu Community Government Council for extending local government services to the Willowra community.

In making the three recommendations above, I confirm that:

- (a) all general purpose recommendations conform with section 6(2)(b) of the Commonwealth's *Local Government (Financial Assistance) Act 1995* in allocating amounts that are no less than those to which local governing bodies would be eligible to receive if 30% of the total to which the Northern Territory is entitled was distributed among local governing bodies on a per capita basis;
- (b) road funds were divided on weighted road length but, in addition, a base or minimum figure of \$20,000 has been adopted for all councils because it is felt that a derived figure of less than this amount was not commensurate with a realistic acceptance of road maintenance and responsibility;
- (c) the Commission held public hearings in connection with the recommendations in accordance with section 10(c)(i) of the *Local Government (Financial Assistance) Act 1995*.
- (d) the allocations comply with section 12(a) of the *Local Government Grants Commission Act* in that the total amount of all money recommended to be allocated is equal to the amount of money provided to the Territory under the *Local Government (Financial Assistance) Act 1995* for the 2001-02 financial year.

The Commission remains of the opinion that the Territory's population figure as determined by the Australian Bureau of Statistics from the 1996 Census and ensuing data is considerably understated. Population figures used by the Commission in determining the recommendation were obtained from the local governments concerned by survey.

The detailed review of the methodology used to distribute Commonwealth general purpose and identified roads financial assistance grants commenced previously by the Commission was deferred this year. The completion of this review will be expedited as soon as the final report of the Commonwealth Grants Commission review of the *Local Government (Financial Assistance) Act* has been completed and changes to that Act, if any, are made.

The Commission's annual report is currently being prepared and, in accordance with section 16 of the *Local Government Grants Commission Act* this will be forwarded to you before November.

Yours sincerely

Don Darben AO  
Chairman

July 2001

Copy: Secretary, Department of Local Government

**RECOMMENDATION 1 - SCHEDULE OF ESTIMATED ENTITLEMENT**

In accordance with section 12 of the *Local Government Grants Commission Act*, the Commission recommends the following grants to local governing bodies:

All general purpose recommendations conform with section 6(2)(b) of the Commonwealth *Local Government (Financial Assistance) Act 1995* in allocating amounts that are no less than those to which local governing bodies would be eligible to receive if 30% of the total to which the Northern Territory is entitled (ie \$9,699,543) was distributed among local governing bodies on a per capita basis.

Roads funds totaling \$9,898,679 were divided on weighted road length. Additionally, a base or minimum figure of \$20,000 has been adopted for all councils as it is felt that a derived figure of less than this amount was not commensurate with a realistic acceptance of road maintenance and responsibility.

<b>Council</b>	<b>Population</b>	<b>General Purpose</b>	<b>Roads</b>
		<b>\$</b>	<b>\$</b>
Aherrenge	460	74,155	22,188
Ali Curung	467	60,170	48,983
Alice Springs	30,365	1,143,058	703,711
Alpurrurulam	713	63,865	20,000
Amoonguna	274	36,770	20,000
Angurugu	902	76,043	92,149
Anmatjere	1,502	148,163	98,757
Aputula	194	46,865	29,256
Areyonga	257	50,079	29,283
Arltarpilta	255	54,329	20,000
Barunga/Manyallaluk	536	72,282	86,491
Belyuen	260	37,338	24,161
Binjari	270	34,617	20,000
Borrooloola	827	58,071	59,653
Coomalie	1,599	80,705	277,455
Cox Peninsula	250	12,962	41,701
Daguragu	764	77,196	94,809
Darwin	73,329	1,362,473	1,344,081
Elliott	670	53,308	20,000
Galiwinku	1,776	174,259	142,189
Gapuwiyak	1,075	111,163	154,924
Gulin Gulin/Weemol	338	68,753	40,020
Ikuntji	159	62,687	35,519
Imanpa	160	44,825	22,232
Jabiru	2,184	94,175	76,895
Jilkminggan	207	40,760	20,000
Kaltukatjara	353	71,352	86,681
Kardu Numida	2,386	277,927	122,483
Katherine	11,005	543,309	447,856
Kunbarllanjnja	1,087	148,670	394,606
Lajamanu	1,077	95,706	62,140
Litchfield	15,433	750,060	1,410,655
Ltyentye Purte	577	59,030	68,095
Maningrida	2,048	180,454	112,451
Marngarr	313	34,383	20,000
Mataranka	376	21,200	43,060

<b>Council</b>	<b>Population</b>	<b>General Purpose</b>	<b>Roads</b>
		<b>\$</b>	<b>\$</b>
Milingimbi	830	84,481	41,991
Milyakburra	217	63,092	20,000
Minjilang	251	53,094	65,028
Naiyu Nambiyu	464	55,831	95,827
Nganmariyanga	378	62,233	49,886
Ntaria	600	66,202	83,001
Numbulwar	1,205	120,717	130,581
Nyirripi	307	72,188	79,938
Palmerston	21,638	814,686	407,680
Papunya	329	57,627	47,333
Peppimenarti	225	84,247	140,664
Pine Creek	621	27,072	109,388
Ramingining	684	99,489	93,072
Tapatjatjaka	252	40,383	20,000
Tennant Creek	4,428	325,122	162,181
Timber Creek	319	45,648	86,160
Tiwi Islands Council	2,309	261,738	385,666
Umbakumba	494	72,533	85,235
Urapuntja	880	112,614	60,735
Walangeri Ngumpinku	493	73,573	20,000
Wallace Rockhole	175	38,210	20,000
Walungurru	451	81,632	96,100
Warruwi	372	67,070	82,246
Watiyawanu	250	49,033	20,000
Wugularr	558	47,900	27,114
Yirrkala	1,009	69,678	50,614
Yuelamu	239	55,118	54,732
Yuendumu	1,077	117,574	185,059
Yugul Mangi	1,545	194,614	165,348
<b>Sub total</b>	<b>197,048</b>	<b>9,634,561</b>	<b>9,198,063</b>
Yuendumu*	367	64,982	77,043
Trust Account (LGANT)**			623,573
<b>Total</b>	<b>197,415</b>	<b>\$9,699,543</b>	<b>\$9,898,679</b>

\* **The Commission has made an additional grant to the Yuendumu Community Government Council to enable it to provide local government services to the community of Willowra.**

\*\* **A trust account, administered by LGANT, ensures the continued maintenance of those local roads that could not logically be “allocated” to a local governing body.**

**RECOMMENDATION 2 - SCHEDULE OF UNDERPAYMENTS 2000/2001**

The “Estimated Entitlements” in 2000/2001 were \$9,315,740 general purpose and \$9,508,998 roads. The actual entitlements for that year was \$9,382,394 general purpose and \$9,561,170 roads. Underpayments totalling \$66,654 and \$52,172 respectively have therefore occurred.

The underpayments have been distributed on the same basis as the original distribution of the estimated entitlements.

Council	Paid Entitlement 2000/2001		Actual Entitlement 2000/2001		Difference		Total
	General	Roads	General	Roads	General	Roads	
	Purpose	Purpose	Purpose	Purpose	Purpose	Purpose	
	\$	\$	\$	\$	\$	\$	\$
Aherrenge	73,480	22,019	74,068	22,142	588	123	711
Ali Curung	58,409	48,608	58,877	48,881	468	273	741
Alice Springs	924,818	643,102	932,225	646,714	7,407	3,612	11,019
Alpurrurulam	67,227	20,000	67,227	20,000	0	0	0
Amoonguna	37,410	20,000	37,709	20,000	299	0	299
Angurugu	80,046	87,927	80,687	88,421	641	494	1,135
Anmatjere	154,949	82,258	156,190	82,719	1,241	461	1,702
Aputula	48,993	29,032	49,385	29,195	392	163	555
Areyonga	51,608	29,059	52,021	29,222	413	163	576
Arltarpilta	57,188	20,000	57,646	20,000	458	0	458
Barunga/Manyallaluk	62,624	77,637	63,126	78,072	502	435	937
Belyuen	39,303	29,629	39,618	29,796	315	167	482
Binjari	36,439	20,000	36,731	20,000	292	0	292
Borrooloola	53,810	46,034	53,810	46,293	0	259	259
Coomalie	84,953	271,728	85,633	273,254	680	1,526	2,206
Cox Peninsula	13,644	41,382	13,644	41,615	0	233	233
Daguragu	70,660	86,880	71,226	87,368	566	488	1,054
Darwin	1,434,182	1,327,809	1,445,669	1,335,267	11,487	7,458	18,945
Elliott	36,767	20,000	36,767	20,000	0	0	0
Galiwinku	183,431	141,101	184,900	141,894	1,469	793	2,262
Gapuwiyak	117,014	122,808	117,951	123,498	937	690	1,627
Gulin Gulin/Weemol	55,643	24,252	56,089	24,388	446	136	582
Ikuntji	65,987	34,441	66,515	34,634	528	193	721
Imanpa	47,184	22,062	47,562	22,186	378	124	502
Jabiru	99,132	72,989	99,926	73,399	794	410	1,204
Jilkminggan	38,664	20,000	38,974	20,000	310	0	310
Kaltukatjara	75,107	83,045	75,708	83,512	601	467	1,068
Kardu Numida	223,982	103,368	225,776	103,948	1,794	580	2,374
Katherine	497,776	439,528	501,762	441,997	3,986	2,469	6,455
Kunbarllanjnja	156,494	388,624	156,494	390,807	0	2,183	2,183
Lajamanu	100,743	68,366	101,550	68,751	807	385	1,192
Litchfield	618,320	1,256,552	623,272	1,263,609	4,952	7,057	12,009
Ltyentye Purte	62,137	67,574	62,635	67,954	498	380	878
Maningrida	189,952	98,177	190,938	98,728	986	551	1,537
Marngarr	36,193	20,000	36,482	20,000	289	0	289
Mataranka	22,316	42,730	22,315	42,970	-1	240	239
Milikapiti	60,604	106,685	61,089	107,284	485	599	1,084
Milingimbi	74,366	32,181	74,961	32,362	595	181	776
Milyakburra	66,413	57,177	66,413	57,498	0	321	321

Council	Paid Entitlement 2000/2001		Actual Entitlement 2000/2001		Difference		Total
	General		General		General		
	Purpose	Roads	Purpose	Roads	Purpose	Roads	
	\$	\$	\$	\$	\$	\$	\$
Minjilang	55,620	59,922	56,066	60,258	446	336	782
Naiyu Nambiyu	57,743	83,154	58,206	83,621	463	467	930
Nganmariyanga	59,805	49,504	60,284	49,782	479	278	757
Nguiu	118,543	175,976	119,493	176,964	950	988	1,938
Ntaria	69,687	82,366	70,245	82,829	558	463	1,021
Numbulwar	127,071	134,210	128,089	134,964	1,018	754	1,772
Nyirripi	69,309	66,065	69,865	66,437	556	372	928
Palmerston	798,691	404,728	805,088	407,001	6,397	2,273	8,670
Papunya	60,660	65,710	61,145	66,079	485	369	854
Peppimenarti	88,682	101,015	88,682	101,582	0	567	567
Pine Creek	28,497	108,552	28,725	109,161	228	609	837
Pirlangimpi	49,051	76,870	49,443	77,301	392	431	823
Ramingining	104,725	126,589	105,564	127,300	839	711	1,550
Tapatjatjaka	41,663	20,000	41,997	20,000	334	0	334
Tennant Creek	293,709	139,776	296,061	140,561	2,352	785	3,137
Timber Creek	47,528	103,791	47,909	104,374	381	583	964
Umbakumba	66,744	77,837	66,744	78,274	0	437	437
Urapuntja	118,541	60,271	119,490	60,609	949	338	1,287
Walangeri	69,094	20,000	69,648	20,000	554	0	554
Ngumpinku							
Wallace Rockhole	40,221	20,000	40,543	20,000	322	0	322
Walungurru	85,928	102,245	86,617	102,819	689	574	1,263
Warruwi	64,488	75,787	65,005	76,213	517	426	943
Watiyawanu	48,730	20,000	48,730	20,000	0	0	0
Wugularr	50,421	46,356	50,421	46,617	0	261	261
Yirrkala	73,345	52,007	73,345	52,299	0	292	292
Yuelamu	58,018	53,794	58,018	54,096	0	302	302
Yuendumu	123,762	183,643	123,762	184,675	0	1,032	1,032
Yugul Mangi	199,094	146,177	200,688	146,998	1,594	821	2,415
<b>Sub Total</b>	<b>9,247,338</b>	<b>8,781,109</b>	<b>9,313,444</b>	<b>8,829,192</b>	<b>66,106</b>	<b>48,083</b>	<b>114,189</b>
Yuendumu (Willowra)	68,402	76,453	68,950	76,883	548	430	978
Trust Account (LGANT)	0	651,436	0	655,095	0	3,659	3,659
<b>Total</b>	<b>\$9,315,740</b>	<b>\$9,508,998</b>	<b>\$9,382,394</b>	<b>\$9,561,170</b>	<b>\$66,654</b>	<b>\$52,172</b>	<b>\$118,826</b>

**RECOMMENDATION 3 - SCHEDULE OF CASH PAYMENT**

Council	Estimated Cash Entitlement 2001/2002			Actual Cash Payment 2000/2001		
	General Purpose	Roads	Total	General Purpose	Roads	Total
	\$	\$	\$	\$	\$	\$
Aherrenge	74,743	22,311	97,054	73,654	22,050	95,704
Ali Curung	60,638	49,256	109,894	58,552	48,676	107,228
Alice Springs	1,150,465	707,323	1,857,788	927,123	644,007	1,571,130
Alpurrurulam	63,865	20,000	83,865	67,405	20,000	87,405
Amoonguna	37,069	20,000	57,069	37,500	20,000	57,500
Angurugu	76,684	92,643	169,327	80,236	88,050	168,286
Anmatjere	149,404	99,218	248,622	155,310	82,372	237,682
Aputula	47,257	29,419	76,676	49,114	29,073	78,187
Areyonga	50,492	29,446	79,938	51,734	29,100	80,834
Arltarlpilta	54,787	20,000	74,787	57,330	20,000	77,330
Barunga/Manyallaluk	72,784	86,926	159,710	62,776	77,745	140,521
Belyuen	37,653	24,328	61,981	39,400	29,671	69,071
Binjari	34,909	20,000	54,909	36,527	20,000	56,527
Borrooloola	58,071	59,912	117,983	53,952	46,098	100,050
Coomalie	81,385	278,981	360,366	84,953	272,083	357,036
Cox Peninsula	12,962	41,934	54,896	13,644	41,439	55,083
Daguragu	77,762	95,297	173,059	70,836	87,001	157,837
Darwin	1,373,960	1,351,539	2,725,499	1,437,555	1,329,662	2,767,217
Elliott	53,308	20,000	73,308	36,767	20,000	56,767
Galiwinku	175,728	142,982	318,710	183,847	141,303	325,150
Gapuwiyak	112,100	155,614	267,714	117,014	122,980	239,994
Gulin Gulin/Weemol	69,199	40,156	109,355	55,774	24,286	80,060
Ikuntji	63,215	35,712	98,927	66,146	34,484	100,630
Imanpa	45,203	22,356	67,559	47,291	22,093	69,384
Jabiru	94,969	77,305	172,274	99,132	73,090	172,222
Jilkminggan	41,070	20,000	61,070	38,753	20,000	58,753
Kaltukatjara	71,953	87,148	159,101	75,299	83,160	158,459
Kardu Numida	279,721	123,063	402,784	224,480	103,484	327,964
Katherine	547,295	450,325	997,620	498,912	440,101	939,013
Kunbarllanjna	148,670	396,789	545,459	156,494	389,162	545,656
Lajamanu	96,513	62,525	159,038	100,999	68,461	169,460
Litchfield	755,012	1,417,712	2,172,724	619,822	1,258,174	1,877,996
Ltyentye Purte	59,528	68,475	128,003	62,282	67,668	129,950
Maningrida	181,440	113,002	294,442	190,456	98,301	288,757
Marngarr	34,672	20,000	54,672	36,193	20,000	56,193
Mataranka	21,199	43,300	64,499	22,316	42,791	65,107
Milikapiti	0	0	0	60,753	106,834	167,587
Milingimbi	85,076	42,172	127,248	74,546	32,226	106,772
Milyakburra	63,092	20,321	83,413	66,413	57,256	123,669
Minjilang	53,540	65,364	118,904	55,749	60,006	115,755
Naiyiu Nambiyu	56,294	96,294	152,588	57,887	83,269	141,156
Nganmariyanga	62,712	50,164	112,876	59,950	49,565	109,515
Nguiu	0	0	0	118,831	176,221	295,052
Ntaria	66,760	83,464	150,224	69,846	82,479	152,325
Numbulwar	121,735	131,335	253,070	127,371	134,398	261,769
Nyirripi	72,744	80,310	153,054	69,474	66,157	135,631
Palmerston	821,083	409,953	1,231,036	800,623	405,187	1,205,810



Council	Estimated Cash Entitlement 2001/2002			Actual Cash Payment 2000/2001		
	General Purpose	Roads	Total	General Purpose	Roads	Total
	\$	\$	\$	\$	\$	\$
Papunya	58,112	47,702	105,814	60,660	65,774	126,434
Peppimenarti	84,247	141,231	225,478	88,682	101,151	189,833
Pine Creek	27,300	109,997	137,297	28,497	108,702	137,199
Pirlangimpi	0	0	0	49,178	76,978	126,156
Ramingining	100,328	93,783	194,111	104,986	126,732	231,718
Tapatjatjaka	40,717	20,000	60,717	41,770	20,000	61,770
Tennant Creek	327,474	162,966	490,440	294,332	139,966	434,298
Timber Creek	46,029	86,743	132,772	47,528	103,922	151,450
Tiwi Islands I	263,565	387,684	651,249	0	0	0
Umbakumba	72,533	85,672	158,205	66,744	77,894	144,638
Urapuntja	113,563	61,073	174,636	118,827	60,355	179,182
Walangeri	74,127	20,000	94,127	69,263	20,000	89,263
Ngumpinku						
Wallace Rockhole	38,532	20,000	58,532	40,311	20,000	60,311
Walungurru	82,321	96,674	178,995	86,130	102,388	188,518
Warruwi	67,587	82,672	150,259	64,640	75,892	140,532
Watiyawanu	49,033	20,000	69,033	48,730	20,000	68,730
Wugularr	47,900	27,375	75,275	50,555	46,421	96,976
Yirrkala	69,678	50,906	120,584	73,345	52,080	125,425
Yuelamu	55,118	55,034	110,152	58,172	53,869	112,041
Yuendumu	117,574	186,091	303,665	123,762	183,899	307,661
Yugul Mangi	196,208	166,169	362,377	199,581	146,337	345,918
<b>Sub Total</b>	<b>9,700,667</b>	<b>9,246,146</b>	<b>18,946,813</b>	<b>9,266,714</b>	<b>8,792,523</b>	<b>18,059,237</b>
Willowra	65,530	77,473	143,003	68,402	76,560	144,962
Trust Account (LGANT)	–	627,232	627,232	–	652,345	652,345
<b>Total</b>	<b>\$9,766,197</b>	<b>\$9,950,851</b>	<b>\$19,717,048</b>	<b>\$9,335,116</b>	<b>\$9,521,428</b>	<b>\$18,856,544</b>

## FINANCIAL ASSISTANCE GRANTS TO LOCAL GOVERNMENT HIGHLIGHTS FOR 2001-02 GRANTS

### PAYMENTS - 2001-02

The payments are made as general purpose grants under the provisions of the *Commonwealth Local Government (Financial Assistance) Act, 1995*. There are no conditions attached to the expenditure of these funds by councils.

The grants consist of two components: a *general purpose component* and a *local roads component*.

Both components are determined on the basis of principles developed in consultation with local government throughout the Northern Territory and are consistent with national principles.

The national estimated entitlement for 2001-02 is just over \$1.37 billion. This is made up of a *general purpose component* (\$952.3 million) and a *local roads component* (\$422.5 million). The total represents a 3.3% increase on the 2000-01 estimated entitlement.

The allocation of the estimated entitlement for 2001-02 may be adjusted if the actual change in the annual CPI to March 2002, and the Northern Territory's share of the national population to December 2001, differ from the estimates on which the allocation has been determined. The adjustment will be added or subtracted from the 2002-03 estimated entitlement.

An underpayment occurred for the amount paid in 2000-01 due to an underestimate by the Commonwealth of inflation and population changes. The underpayment amounted to \$7.25 million nationally and \$0.118 million in the Northern Territory. This underpayment has been adjusted using the data used in the 2000-01 allocations and has been added to the 2001-02 estimated entitlement.

The total funds for the Northern Territory, compared to the 2000-01 CPI/population adjusted entitlements, are:

### 2001-02 FINANCIAL ASSISTANCE GRANTS

Component	Estimated Entitlement	National Share	% Change
General Purpose	\$9,699,543	1.02%	3.38%
Local Roads	\$9,898,679	2.34%	3.53%
<b>Total</b>	<b>\$19,598,222</b>	<b>1.43%</b>	<b>3.46%</b>

## **GENERAL PURPOSE COMPONENT - 2001-02**

The method used to determine the general purpose component of the grant has not been changed since last year.

Movements in the grants year to year are caused by:

### **POPULATION CHANGES**

The Commission requires each council to submit an annual return of relevant data including population estimates. The population shown in those returns, where accepted by the Commission and have been used in the allocation of the estimated entitlement. It should be noted that some councils showed a significant increase in population to 28 February 2001. Unfortunately, the Commission was unable to substantiate those increases in a number of cases and consequently exercised its judgement.

According to the data obtained by the Commission the Territory's service population basis increased by 2.71% compared to the data used in the 2000-01 grant calculations. Individual council variations ranged from an increase of 18.7% for Kardu Numida to a decrease of 17.53% for Willowra.

Population is the major driver of the grant allocation process. Changes in population directly affects the calculation of the standard expenditure allowances for the various functions.

### **CHANGES IN DISABILITY MEASURES AND STANDARD COSTS**

#### **Disability reviews**

The Commission reviewed all disability factors during this year's deliberations. Generally, the approach taken to determine isolation allowances was modified to better recognise the extent to which the more remote council areas are disadvantaged. The disability factors are:

#### Isolation Administration

The determination of this factor is at the absolute discretion of the Commission.

#### Isolation Works

The determination of this factor is at the absolute discretion of the Commission.

#### Dispersion

The determination of this factor is at the absolute discretion of the Commission.

#### Aboriginality

This factor is determined from data supplied by each council in its annual data return.

#### Growth

This factor is a calculated percentage depending on yearly movements in population.

**CHANGES IN DISABILITY FACTORS BY NUMBER OF COUNCILS**

Range		(0.01)	0.01	0.05			Total
	>(0.05)	to (0.05)	to 0	to 0.05	to 0.10	>0.10	
Isolation - Admin		3	55	4	3	1	66
Isolation - Works		3	55	5	2	1	66
Dispersion	2		60		2	2	66
Aboriginality		14	23	24	5		66
Growth	11	17	20	11	6	1	66

**Standard costs**

All of the changes in the disability factors (as well as increases or decreases in population) will have caused changes in the standard costs of the relevant councils. Changes in standard costs reflect changes in expenditure patterns across local government generally. When the relativities between the standard costs change, the relativities between each council's total of expenditure allowances also changes. As a result the changes in the standard costs will affect grant outcomes.

**LOCAL ROAD LENGTH VARIATIONS**

Road length data is collected from all councils annually. Variations in this data affects the distribution of both the general purpose and the local roads components of the grants.

Territory wide the local road length reported by councils, and accepted by the Commission, has increased by 371 kms, compared with the previous year's increase of 75 kms. Variations for individual council's road lengths range from an increase of 95.2 kms. to a reduction of 82.2 kms.

**General Purpose Component Highlights**

*Note: comparisons are based on the 2000-01 CPI/population adjusted entitlement.*

- Northern Territory's general purpose estimated entitlement 2001-02 is \$9,699,543.
- The Territory's share in the general purpose component is 1.02%. This is equivalent to the Northern Territory's population as a percentage of the Australian population as determined by the Australian Bureau of Statistics.
- The increase in the general purpose grant to the Northern Territory is 3.38%.
- Twenty-two councils will receive an increase in their grant while 44 councils will receive a reduced grant.

- Of the 44 councils that will receive a reduced grant, 32 councils will get some relief from the loss assist factor. That is the maximum amount of the reduction is limited to no more than five percent of last years grant.
- Four councils will receive an increase in excess of twenty percent (Elliott 44.99%, Kardu Numida 24.08%, Alice Springs 23.60%. and Gulin Gulin/Weemol 22.56%). These increases are directly attributable to population increases as well as to changes in the disability factors relating to these councils.
- A summary of the changes to the general purpose grants to local governing bodies is shown in the table below:

### Changes in General Purpose Grants

<u>Range</u>	<u>No. of Council</u>	<u>% of Councils</u>
-5.0% to -2.5%	41	62.12
-2.5% to 0%	3	4.55
0% to 2.5%	2	3.03
2.5% to 5.0%	4	6.06
5.0% to 7.5%	3	4.55
7.5% to 9.9%	2	3.03
>10%	11	16.67
<b>Total</b>	<b>66</b>	<b>100.00</b>

### LOCAL ROADS COMPONENT - 2001-02

The local roads component was calculated according to principles agreed with local government throughout the Northern Territory and are consistent with the national principles. The principles for distribution remain unchanged from last year.

Variation in road length data has affected the distribution of the grants. This has been significant for some councils.

#### Local Roads Component Highlights

*Note: comparisons are based on the 2000-01 CPI/population adjusted entitlement.*

- Northern Territory's allocation for 2001-02 is \$9,898,679 an increase of 3.30% on last year's allocation.
- Northern Territory's share of the national allocation is 2.34%.
- The method of distribution has not changed from 2000-01.
- The Commission commenced a program of road length audits during early 2000-01. The audits will continue in the 2001-02 year and are likely to become more prevalent in coming years.
- A summary of the changes to the local roads component grants to local governing bodies is shown in the following table:

**Changes in Local Roads Grants**

<b>Range</b>	<b>No. of councils</b>	<b>% of Councils</b>
> -10%	6	8.95
- 10% to - 2.5%	5	7.46
- 2.5% to 0%	-	-
0 % to 2.5%	32	47.76
2.5% to 5%	3	4.48
5% to 7.5%	2	2.99
7.5% to 1 0%	5	7.46
>10%	14	20.90
<b>Total</b>	<b>67*</b>	<b>100.00</b>

Variations in the local roads component grant are the result of changes in councils' reported road lengths. Road length data used in 2001-02 increased by 371 *kms* compared to the previous year.

\*Includes the trust account, administered by LGANT, ensuring the continued maintenance of those local roads that could not logically be "allocated" to a local governing body.

**TOTAL GRANTS - 2001-02**

Local government financial assistance grants to Northern Territory councils for 2001-02 after adjusting the under payment last year total \$19,717,049. This is an increase of 4.56% or \$860,505 on the 2000-01 cash entitlement.

A summary of the changes to the total grants to local governing bodies is shown below:

**Changes in Total Grant**

<b>Range</b>	<b>No. of Councils</b>	<b>% Of Councils</b>
>-10%	6	8.95
-5% to -10%	3	4.48
-5% to -2.5%	9	13.43
-2.5% to 0%	18	26.87
0% to 2.5%	8	11.94
2.5% to 5%	4	5.97
5% to 7.5%	3	4.48
7.5% to 1 0%	3	4.48
>10%	13	19.40
<b>Total</b>	<b>67*</b>	<b>100.00</b>

\*Includes the trust account, administered by LGANT, ensuring the continued maintenance of those local roads that could not logically be "allocated" to a local governing body.

## **Financial Assistance Grants to Local Government Questions and Answers Information Sheet: 2001-02 Grants**

**QUESTION:** *Where do the grant funds come from?*

**ANSWER:** The grants are paid to councils under the provisions of the Commonwealth *Local Government (Financial Assistance) Act 1995*. This legislation provides for the determination of the total amount of the grants, the interstate distribution of the funds and the conditions for payment of the money to the states for passing on to local governing bodies. Payments are made to each of the States, the Australian Capital Territory and the Northern Territory.

**QUESTION:** *What is the standing and purpose of the Northern Territory Grants Commission?*

**ANSWER:** The Commonwealth *Local Government (Financial Assistance) Act 1995* requires each State and Territory to have a local government grants commission. The Northern Territory Grants Commission is a statutory body incorporated under the Local Government Grants Commission Act. It is independent of the Department of Local Government although executive support is provided to the Commission by the department.

The Commission makes recommendations to the NT Minister for Local Government on the distribution of Financial Assistance Grants to Local Government. If accepted by the Minister, the recommendations are referred to the Commonwealth for approval.

**QUESTION:** *How much money is involved and how is it distributed?*

**ANSWER:** The estimated national entitlement for 2001-02 is approximately \$1.374 billion. This is made up of a *general purpose component* (\$952 million) and a *local roads component* (\$422 million).

The *general-purpose* component is distributed on the basis of each State's (including the ACT and the NT) share of national population. The Northern Territory's estimated entitlement is approximately \$9.75 million, or about 1.02% of available funds. The NT has 1.02% of Australia's population.

The *local roads component* is distributed on the basis of a historical formula - for NT it amounts to approximately \$9.89 million or 2.34% of the national fund.

**QUESTION:** *What are estimated entitlements?*

**ANSWER:** The estimated entitlements are based on CPI and population projections for the coming year. If those projections are not realised then adjustments are made (either upwards or downwards as the case may be). The adjustments are made proportionally across all councils and are added to or subtracted from the estimated entitlements in the following year.

In fact an underpayment appears to have occurred for the amount paid in 2000-01. The underpayment amounts to approximately \$9.40 million nationally and approximately \$0.13 million for Northern Territory.

QUESTION: *How should councils spend the money?*

**ANSWER:** The funds are untied - unconditional. The council has complete autonomy in deciding how the grant funds should be spent. The council is accountable to its ratepayers and members of its community.

QUESTION: *How are the grants paid to councils?*

**ANSWER:** The payments are made in quarterly instalments, starting in mid-August each year.

QUESTION: *How does the Grants Commission distribute the money?*

**ANSWER:** The two components of the grants are distributed on the basis of principles developed in consultation with local government and consistent with the national principles of the Commonwealth Act.

With the *general-purpose component* the Grants Commission attempts to equalise the financial capacity of councils. The approach taken considers cost disabilities in the provision of services on the one *hand* (*standard expenditure*) and a theoretical assessment of revenue raising capacity on the other (*standard revenue*). Because the grants are *untied*, the methodology is objective and excludes, as far as practicable, councils' policies and practices (the *effort neutral* principle).

There is also a section of the Act that specifies that all councils are entitled to a minimum amount. This is known as the 30% rule. It means that no council can receive less in the final grant than it would have received if 30% of the total funds allocated to a State or Territory were distributed on a per capita basis. For 2001-02 the minimum amount is approximately \$14.82 per capita.

The method of allocation used by the Commission for the *local roads component* is similar to the approach taken prior to the 1990 Premiers' Conference decision to untie the funds. Each council receives funding based on their proportion of local road length.

QUESTION: *Can you tell me more about the standard expenditure?*

**ANSWER:** Standard Expenditure is a part of the *general-purpose component* of the grant. It is calculated by allocating to each council a share of the total Territory expenditure in a number of expenditure categories. Each council's share is calculated using population and weighted by the disability factors defined for each expenditure category. This is a theoretical number which should represent the cost that a council would incur in providing the Territory average level of services at their location. It is not necessarily related in any way to the actual council expenditure.

*Standard Expenditure* is an attempt to compensate councils for expected above average costs because of factors beyond their control. Council policy decisions concerning the level of service provided, or if there is a service provided at all, are not considered (*effort neutral*)

QUESTION: *How does the Commission calculate standard expenditure?*

**ANSWER:** There are a number of factors that influence the calculation of a council's standard expenditure:

- the expenditure categories used;
- the population data;
- the disability factors and the way they are applied; and
- the way government grants (e.g. libraries and roads) are incorporated.

#### Expenditure categories

At present the following expenditure categories are used:

- Amenities (roughly 20% of the total expenditure);
- General Administration (24%);



- Human Services (11%);
- Libraries (4%);
- Recreational (21%); and
- Transport, i.e. roads (20%)

#### Population

The Grants Commission population is an estimate of the 'service population', that is, the number of people to whom the council provides local government services on a regular basis. This includes residents of outstations who receive services as well as tourists. To iron out short-term fluctuations in the population, the Grants Commission uses a three year average population for the main centre.

#### Disability factors

An important part of the method is that the relative costs of providing services are allowed for by the inclusion of disability factors. These factors are used to adjust the standard expenditure to allow for factors such as isolation and dispersion, which affect the cost of service delivery. They are also called cost adjusters. The factors currently recognised are:

- isolation – administration;
- isolation – works;
- dispersion;
- growth factor; and
- aboriginality.

At the present, the disability factors for each category are multiplied to get the overall disability factor for that category. This means that they are a very important factor in the calculation. For example, in the calculation of the general administration expenditure category, disabilities for isolation administration, dispersion and aboriginality are recognised. If these disabilities are 1.3, 1.2 and 1.9 respectively, the overall multiplier is derived by multiplying them together to get 2.96. That means the standard expenditure is nearly tripled in the calculation.

#### The way government grants are incorporated

The Grants Commission subtracts grants from expenditure, which is called treating the grants by exclusion.

**QUESTION:** *What about the standard revenue of the general-purpose component?*

**ANSWER:** The standard revenue is a very difficult component of the calculation. It is a theoretical number that should represent the revenue raising capacity of a council. It is not related in any way to actual council revenue.

There are a number of ways to estimate standard revenue. Some states use the actual revenue raised and a number of influencing factors (such as rental valuation, retail sales, number of properties, population etc) to derive an equation to estimate the theoretical revenue raising capacity. Since land based taxes (rates) are generally not applicable in remote communities, the Grants Commission calculates the rating capacity as the average income of all residents over 15 years of age, adjusted for a 'basic necessities allowance' multiplied by the number of residents over 15.

There are, therefore, a number of factors that influence the calculation of a council's standard revenue:

- the proportion of the population over 15 years of age;
- the allowance for basic necessities;
- the average income for residents over 15; and
- the inclusion of other sources of income – e.g. NT Operational Subsidy and commercial rates.

#### The proportion of the population over 15 years of age

This number was originally derived from Census data, but due to unreliable results for some councils, it is now verified from the annual returns submitted to the Commission.

The average income used

The average income is used to estimate household capacity to provide council revenue. At the present time, the Commission uses, in most cases, Census data to estimate the average income for households. The average income for all persons aged 15 years and over, is multiplied by the proportion of people aged 15 years and over multiplied by the total current population.

Other sources of income

Using average household income does not take into account other sources of income available to councils. These include:

- commercial rates;
- mining rates;
- investment income; and
- operational subsidy.

At the present time, only the operational subsidy where applicable is used. The Commission currently includes fifty percent of the operational subsidy paid to a council in the previous year.

QUESTION: *Does the number of nonrateable properties affect the calculations?*

ANSWER: Non-rateable properties are excluded from the Commission's calculations. The calculations deal with relativities between councils, based on the theoretical revenue raising capacity.

QUESTION: *How does the Commission's calculation compare to the Commonwealth funding for the general-purpose component?*

ANSWER: The Commission's calculation of *general-purpose grants* is initially made without reference to the total of funds available from the Commonwealth. *The notional general-purpose grant* to each council must be re-scaled, firstly to the available funds, and secondly to bring those councils below the *per capita minimum*, if any, (that is, approximately \$14.82 for 2001-02) up to that level, as required in the Commonwealth legislation. Each council receives approximately 27% of the amount assessed as need, based on the Commission's calculations.

QUESTION: *Why do the grants to councils vary from year to year?*

ANSWER: Generally, movements in the grants are caused by:

Population Changes

Population is the main driver in the formula. Any increase or decrease in population will vary the grant.

Changes in Population 15 years and over

Any increase or decrease in the percentage of a council's population aged 15 years or over will vary the grant.

Changes in Disability Factors

The Commissioners review disability factors from time to time. The approach taken is to determine isolation allowances that better recognise the extent to which the more remote council areas are disadvantaged.

Changes in Standard Costs

Changes in the disability factors will vary the standard costs, which in turn will affect grant outcomes. Changes in standard costs reflect changes in expenditure patterns across local government generally. When the relativities between the standard costs change the relativities between each council's total of expenditure allowances also changes.

Changes in Local Road Lengths

Road length data is collected from all councils annually. Variations, in this data affect the distribution of both the general purpose (in the following year) and the local roads (in the current year) components of the grants.

Confucius Principle

Confucius stated that to stand still was to go backwards. This is true when calculating the general-purpose component. A council with few or no changes in any of the above will be disadvantaged, if other councils experience significant growth, and in such a case could actually receive a lesser grant than in the previous year.

**QUESTION:** *How is capital expenditure treated?*

**ANSWER:** Capital expenditure requirements of councils is not considered by the Commission because of the practical and theoretical problems involved.

In order to assess capital expenditure requirements, the Commission would have to undertake a survey of the infrastructure needs of each council and then assess the individual projects for which capital assistance is sought.

This would undermine council autonomy, because the Commission, rather than the council, would determine which projects were worthwhile.

In addition, councils, which had failed to adequately maintain their assets, could be rewarded at the expense of those that did maintain them.

**QUESTION:** *What about a council's money making venture?*

**ANSWER:** This is a policy decision by the council and, therefore, it is not considered in the Commission's calculations (*effort neutral*).

**QUESTION:** *Can the Commission help out if our money making venture fails?*

**ANSWER:** No. The Commission is not a *lender of last resort* for councils with financial problems, nor does it underwrite the entrepreneurial operation of councils.

The Commission has no form of reserves to fall back on. The total allocation of funds each year is distributed to councils in that year.

**QUESTION:** *What about debt servicing?*

**ANSWER:** Debt servicing is really related to council policy and, therefore, excluded from the Commission's calculations.

**QUESTION:** *What about poor decisions of the past?*

**ANSWER:** This is also linked to the issue of council policy, albeit in the past.

**QUESTION:** *Does a council's level of expenditure on a particular function affect the grant?*

**ANSWER:** Generally not. The use of council's expenditure in the calculations is limited to determining a state standard, or average, cost for each selected function. The *standard costs* for these functions are then applied to all councils in calculating their grants. What an individual council may actually spend on a function has very little bearing on the standard cost or its grant. Variations in standard costs reflect industry expenditure trends.

**QUESTION:** *What about efficiency? Are councils rewarded in some way?*

**ANSWER:** Yes! Because a council's grant is assessed independently of policy decisions by council, a council that provides a cost effective service still receives grant funding which it can allocate to other areas according to its priorities. The efficient council will benefit from its efficiency.

**QUESTION:** *The Commission has started grouping councils according to the Australian Classification of Local Government categories. Do these groupings affect the grant outcomes?*

**ANSWER:** No. The categories are merely a convenient way of grouping councils for analysis purposes. They have no bearing on the grants themselves.

**QUESTION:** *Are there any other factors that affect the amount paid?*

**ANSWER:** Yes, Loss Assist! Once the allocations are determined for a particular year, they are checked against the previous year's allocation. If the amount to be allocated is less than 95% of the previous year's allocation, then it is adjusted upwards to ensure that no council loses more than 5% in a year. Other council allocations are adjusted slightly downwards to make up the difference.

**QUESTION:** *Where can I get more information?*

**ANSWER:** A copy of the booklet "How Financial Assistance Grants are worked out in the Northern Territory" is available at the web site <http://www.nt.gov.au/localgov/>

## Methodology and Formula Factors

### Methodology

The Northern Territory Grants Commission amended its methodology in 1996 to apply the National Principles for the distribution of financial assistance grants to local governing bodies. Details regarding these National Principles are at **Appendix D**.

The methodology used by the Commission in making its assessments for 2001/2002 conforms with the requirements of the *Local Government (Financial Assistance) Act 1995*. Wherever possible, it has followed horizontal equalisation principles as set out in section 6 (3) of the Act, and as embodied in the national distribution principles.

In assessing relative expenditure and revenue needs, the Commission utilised the "balanced budget approach". Using this approach, the Commission assesses the total standardised expenditure needs for each local governing body, and then deducts the assessed revenue raising capacity to arrive at the standardised deficit. The deficit represents the funding required to enable each local governing body to deliver an average level of services when an average revenue raising effort is made.

The methodology used by the Commission calculates standards and applies disability factors and weightings to assess each local governing body's revenue raising capacity and expenditure requirements.

The assessed revenue raising capacity and assessed expenditure requirements are the Commission's measures of each local governing body's ability to function at the average standard.

The calculation of standardised expenditure and revenue needs took into account population changes. These cover both increases as well as decreases where they occurred. In order to smooth the effect of these variations, the Commission adopts a three-year average of its calculated core community populations. The formula used by the Commission is shown at **Appendix E**.

### Revenue Raising Capacity

As the ownership of the land on which many communities are located is vested in Land Trusts established pursuant to the Commonwealth *Aboriginal Lands Rights (Northern Territory) Act 1976*, it is not feasible to use a land valuation system to assess revenue raising capacity.

The method of calculating revenue raising capacity is achieved through the use of personal income statistics, obtained from the Australian Bureau of Statistics. This allows the determination of a council's theoretical gross income. In addition, councils, which are recipients of the Northern Territory Operational Subsidy, have 50% of this revenue taken into account. The Commission considers that given the unique circumstances within the Northern Territory, this approach provides a reasonable indication of a council's revenue raising capacity.

### Expenditure Needs and Disability Factors

The assessment of expenditure needs calculates standards in each category with disability factors applied as appropriate.

There are six expenditure categories taken into account by the Commission. For the 2001/2002 year's allocation, the total standardised expenditure needs for each local governing body is adjusted by a combination of five disability factors. In arriving at these factors the Commission took into account the factors of distance, isolation, geographic location, dispersion, external access, growth and communications, which would influence costs of service delivery by individual councils. The disability factors used by the Commission for 2001/2002 are shown at **Schedule 2**.

### **Population Estimates**

In making its assessments, the Commission has used population data supplied by the councils in their annual returns.

In assessing the needs of communities, the Commission took into account local resident population and included a factor for those in outstations dependent on the relative council for local government services.

In addition the Commission took into account interstate and overseas tourist visitors to communities that impact on the provision of local government services.

The population figures, incorporating the three year average, outstation and tourist populations for all 67 local governing bodies are shown at **Schedule 1**.

**Schedules****SCHEDULE 1****POPULATION (INCLUDING RELATED SERVICE POPULATIONS)**

Community	Calculated Population			3 Year Ave.Pop	Out/Station Pop.	Adjusted Pop.	Tourist Pop.	Total
	1999	2000	2001					
Aherrenge	330	330	330	330	130	130	0	460
Ali Curung	450	450	500	467	30	0	0	467
Alice Springs	27,932	28,712	28,740	28,461	0	0	1,904	30,365
Alpurrurulam	740	700	700	713	0	0	0	713
Amoonguna	273	275	275	274	47	0	0	274
Angurugu	857	890	850	866	110	36	0	902
Anmatjere	1,427	1,446	1,600	1,491	0	0	11	1,502
Aputula	174	172	200	182	12	12	0	194
Areyonga	256	258	258	257	0	0	0	257
Artarpilta	278	242	242	254	0	0	1	255
Barunga/Manyallaluk	570	524	511	535	0	0	1	536
Belyuen	250	250	280	260	0	0	0	260
Binjari	246	268	295	270	0	0	0	270
Borrooloola	830	810	810	817	0	0	10	827
Coomalie	1,514	1,557	1,602	1,558	0	0	41	1,599
Cox Peninsula	243	243	259	248	0	0	2	250
Daguragu	700	714	720	711	80	53	0	764
Darwin	72,572	72,580	72,960	72,704	0	0	625	73,329
Elliott	598	598	542	579	79	79	12	670
Galiwinku	1,616	1,648	1,687	1,650	315	126	0	1,776
Gapuwiyak	970	989	990	983	230	92	0	1,075
Gulin Gulin/Weemol	353	353	309	338	0	0	0	338
Ikuntji	160	160	156	159	56	0	0	159
Imanpa	150	150	162	154	6	6	0	160
Jabiru	1,880	1,901	1,950	1,910	0	0	274	2,184
Jilkminggan	202	202	202	202	5	5	0	207
Kaltukatjara	385	350	323	353	0	0	0	353
Kardu Numida	1,970	2,150	2,215	2,112	45	0	0	2,112
Katherine	10,928	11,290	9,959	10,726	0	0	279	11,005
Kunbarllanjnja	1,028	1,100	1,133	1,087	421	0	0	1,087
Lajamanu	1,130	1,080	1,020	1,077	0	0	0	1,077
Litchfield	14,827	15,094	15,761	15,227	0	0	205	15,433
Ltyentye Purte	561	571	600	577	0	0	0	577
Maningrida	2,084	1,982	2,012	2,026	40	20	2	2,048
Marngarr	329	305	306	313	200	0	0	313
Mataranka	279	281	302	287	0	0	89	376
Milingimbi	824	824	840	829	180	0	0	830
Milyakburra	250	210	190	217	0	0	0	217
Minjilang	250	250	253	251	21	0	0	251
Nauiyu Nambiyu	469	474	448	464	0	0	0	464
Nganmariyanga	348	356	430	378	87	0	0	378
Ntaria	600	600	600	600	0	0	0	600
Numbulwar	1,205	1,205	1,205	1,205	0	0	0	1,205
Nyirripi	300	305	315	307	30	0	0	307

Community	Calculated Population			3 Year Ave.Pop	Out/Station Pop.	Adjusted Pop.	Tourist Pop.	Total
	1999	2000	2001					
Palmerston	19,569	21,834	23,510	21,638	0	0	0	21,638
Papunya	289	315	340	315	28	14	0	329
Peppimenarti	240	220	215	225	79	0	0	225
Pine Creek	606	624	549	593	0	0	28	621
Ramingining	600	620	640	620	195	64	0	684
Tapatjatjaka	217	220	234	224	63	28	0	252
Tennant Creek	3,856	3,913	3,963	3,911	600	300	218	4,428
Timber Creek	245	245	286	259	0	0	60	319
Tiwi Islands	2,228	2,315	2,365	2,303	16	0	6	2,309
Umbakumba	450	450	452	451	43	43	0	494
Urapuntja	880	880	880	880	0	0	0	880
Walangeri Ngumpinku	503	486	490	493	0	0	0	493
Wallace Rockhole	160	160	160	160	0	0	15	175
Walungurru	453	450	450	451	10	0	0	451
Warruwi	360	369	369	366	11	6	0	372
Watiyawanu	250	250	250	250	40	0	0	250
Willowra	450	450	200	367	30	0	0	367
Wugularr	600	473	600	558	4	0	0	558
Yirrkala	900	870	870	880	642	128	1	1,009
Yuelamu	210	166	243	206	97	32	0	239
Yuendumu	1,100	1,000	1,130	1,077	0	0	1	1,077
Yugul Mangi	1,495	1,563	1,575	1,544	0	0	0	1,545
<b>TOTALS</b>	<b>188,999</b>	<b>192,722</b>	<b>194,813</b>	<b>192,178</b>	<b>3,982</b>	<b>1,175</b>	<b>3,790</b>	<b>197,143</b>



**SCHEDULE 2****NORTHERN TERRITORY GRANTS COMMISSION DISABILITY FACTORS 2001/2002**

<b>Community</b>	<b>Isolation Administration</b>	<b>Isolation Works</b>	<b>Dispersion</b>	<b>Aboriginality</b>	<b>Growth</b>
Aherrenge	1.35	1.40	1.25	1.95	1.00
Ali Curung	1.25	1.25	1.00	1.96	1.06
Alice Springs	1.05	1.05	1.00	1.20	1.01
Alpurrurulam	1.35	1.40	1.00	1.97	1.00
Amoonguna	1.05	1.05	1.00	1.99	1.00
Angurugu	1.30	1.30	1.00	1.95	1.00
Anmatjere	1.20	1.20	1.50	1.96	1.06
Aputula	1.35	1.40	1.00	1.91	1.08
Areyonga	1.35	1.40	1.00	1.96	1.00
Arltarlpilta	1.30	1.30	1.30	1.99	1.00
Barunga/Manyallaluk	1.15	1.15	1.25	1.94	1.00
Belyuen	1.10	1.25	1.00	1.99	1.06
Binjari	1.10	1.10	1.00	1.99	1.10
Borrooloola	1.30	1.30	1.00	1.70	1.00
Coomalie	1.10	1.10	1.25	1.22	1.03
Cox Peninsula	1.10	1.25	1.00	1.08	1.03
Daguragu	1.30	1.30	1.10	1.93	1.01
Darwin	1.00	1.00	1.00	1.08	1.00
Elliott	1.25	1.25	1.00	1.90	1.00
Galiwinku	1.30	1.35	1.00	1.97	1.02
Gapuwiyak	1.30	1.30	1.00	1.98	1.01
Gulin Gulin/Weemol	1.35	1.35	1.10	1.98	1.00
Ikuntji	1.40	1.40	1.00	1.95	1.00
Imanpa	1.25	1.25	1.00	1.95	1.04
Jabiru	1.15	1.15	1.00	1.10	1.02
Jilkminggan	1.15	1.15	1.00	1.99	1.00
Kaltukatjara	1.45	1.45	1.00	1.93	1.00
Kardu Numida	1.40	1.40	1.00	1.95	1.06
Katherine	1.10	1.10	1.00	1.16	1.00
Kunbarllanjnja	1.20	1.25	1.00	1.98	1.05
Lajamanu	1.35	1.35	1.00	1.95	1.00
Litchfield	1.00	1.05	1.15	1.07	1.03
Ltyentye Purte	1.20	1.20	1.00	1.94	1.03
Maningrida	1.25	1.25	1.00	1.90	1.00
Marngarr	1.15	1.15	1.00	1.92	1.00
Mataranka	1.15	1.15	1.00	1.30	1.04
Milingimbi	1.40	1.40	1.00	1.95	1.01
Milyakburra	1.50	1.50	1.00	1.96	1.00
Minjilang	1.40	1.40	1.00	1.96	1.01
Naiyu Nambiyu	1.25	1.25	1.00	1.90	1.00
Nganmariyanga	1.35	1.35	1.00	1.94	1.12
Ntaria	1.20	1.15	1.00	1.94	1.00
Numbulwar	1.40	1.40	1.00	1.98	1.00
Nyirripi	1.50	1.50	1.00	1.97	1.02
Palmerston	1.00	1.00	1.00	1.11	1.10
Papunya	1.30	1.30	1.00	1.96	1.08

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<b>Community</b>	<b>Isolation Administration</b>	<b>Isolation Works</b>	<b>Dispersion</b>	<b>Aboriginality</b>	<b>Growth</b>
Peppimenarti	1.35	1.35	1.00	1.97	1.00
Pine Creek	1.10	1.10	1.00	1.21	1.00
Ramingining	1.30	1.30	1.00	1.96	1.03
Tapatjatjaka	1.30	1.30	1.00	1.93	1.04
Tennant Creek	1.20	1.20	1.00	1.53	1.01
Timber Creek	1.25	1.25	1.10	1.65	1.08
Tiwi Islands	1.15	1.30	1.50	1.93	1.03
Umbakumba	1.30	1.35	1.00	1.99	1.00
Urapuntja	1.35	1.40	1.50	1.99	1.00
Walangeri Ngumpinku	1.30	1.30	1.25	1.95	1.00
Wallace Rockhole	1.25	1.25	1.00	1.98	1.00
Walungurru	1.50	1.50	1.00	1.99	1.00
Warruwi	1.40	1.40	1.00	1.96	1.01
Watiyawanu	1.40	1.40	1.00	1.97	1.00
Willowra	1.35	1.35	1.00	1.94	1.00
Wugularr	1.20	1.20	1.00	1.98	1.03
Yirrkala	1.15	1.15	1.00	1.94	1.00
Yuelamu	1.30	1.35	1.00	1.96	1.13
Yuendumu	1.30	1.35	1.25	1.96	1.02
Yugul Mangi	1.30	1.30	1.50	1.93	1.03

**SCHEDULE 3****Councils Local Road Lengths**

<b>Community</b>	<b>Kerbed</b>	<b>Sealed</b>	<b>Gravel</b>	<b>Formed</b>	<b>Unformed</b>	<b>Total Kilms</b>	<b>Council Area (sq Kilms)</b>
Aherrenge	0	2.50	0	28.50	1.50	32.50	0
Ali Curung	0	7.35	0	9.00	134.00	150.35	0
Alice Springs	153.80	55.40	11.80	2.30	0	246.10	327
Alpurrurulam	0	3.19	8.40	4.00	13.10	28.69	100
Amoonguna	0	3.50	0	7.60	0	11.10	0
Angurugu	7.00	15.00	0	0	74.00	96.00	2
Anmatjere	0.30	17.20	0	67.20	117.90	202.60	3,631
Aputula	0	2.50	0	31.90	32.10	66.50	0
Areyonga	0	1.30	9.10	12.00	15.00	37.40	0
Arltarlpilta	0	3.50	0	1.00	28.00	32.50	12.13
Barunga/Manyallaluk	0	4.00	41.00	3.00	85.00	133.00	3,783
Belyuen	0	2.35	0	14.00	67.70	84.05	40.91
Binjari	0	4.40	0	0	0.60	5.00	2.82
Borrooloola	1.66	10.77	9.00	0.80	1.50	24.73	12.56
Coomalie	2.56	32.59	117.30	25.94	0	178.39	1,500
Cox Peninsular	1.23	11.18	0.32	0.24	0.37	13.33	5.62
Daguragu	0	16.80	15.50	11.30	45.60	89.20	43.2
Darwin	385.00	26.00	0	0	0	464.00	144
Elliott	4.40	0	5.00	2.00	16.40	28.94	3.12
Galiwinku	2.80	5.80	21.40	67.50	247.00	344.50	0
Gapuwiyak	1.50	3.50	47.50	10.00	315.50	378.00	0
Gulin Gulin/Weemol	0	4.60	11.10	6.00	11.60	33.30	0
Ikuntji	0	1.90	0	24.20	98.00	124.10	0
Imanpa	0	2.30	7.70	3.30	6.50	19.80	0
Jabiru	13.38	7.07	0	0	0	28.87	13
Jilkminggan	0	2.50	10.50	0	3.00	16.00	6.1
Kaltukatjara	0	4.80	1.40	20.00	303.00	329.20	0
Kardu Numida	3.00	9.50	16.20	6.20	235.10	270.00	0
Katherine	43.13	98.82	1.90	0	16.93	173.34	528
Kunbarllanjnja	0	10.00	172.00	28.00	455.00	665.00	530
Lajamanu	0	2.30	0	7.80	291.00	301.10	7,313
LGANT Roads	0	1.00	119.56	468.62	1,637.53	2,226.71	0
Litchfield	9.40	390.08	225.65	34.30	0	664.73	3,100
Ltyentye Purte	0	5.20	23.50	10.00	75.50	114.20	1,242
Manningrida	1.00	8.00	18.00	47.50	213.00	287.50	0
Marngarr	0	1.70	3.05	1.83	5.56	12.14	2.7
Mataranka	1.05	12.15	1.30	1.10	5.00	20.60	233
Milingimbi	0.10	6.89	5.95	5.90	17.75	36.59	0
Milyakburra	0	0	0	28.00	24.00	52.00	0
Minjilang	3.00	3.00	17.00	8.70	33.00	64.70	0
Naiyu Nambiyu	0	8.30	25.10	70.70	0	104.10	42.6
Nganmariyanga	0	4.00	5.80	0	148.20	158.00	0
Ntaria	0	3.10	0.80	105.00	226.50	335.40	0
Numbulwar	0	6.00	29.00	30.00	237.40	302.40	4,500
Nyirripi	0	4.00	0	15.50	294.00	313.50	0
Palmerston	112.91	9.16	2.30	0	0	150.08	56

Community	Kerbed	Sealed	Gravel	Formed	Unformed	Total Klms	Council Area (sq Klms)
Papunya	0	4.60	0	0	190.00	194.60	0
Peppimenarti	0	2.00	66.00	40.00	7.00	115.00	0
Pine Creek	4.70	13.60	36.10	2.70	3.60	62.57	400
Ramingining	0	3.00	38.70	5.80	93.00	140.50	0
Tapatjatjaka	0	2.84	1.40	0	51.30	55.54	12.14
Tennant Creek	30.90	11.20	0	8.50	0	56.40	25
Timber Creek	0.35	3.62	45.04	0	2.30	51.31	16.12
Tiwi Islands	1.70	19.60	115.70	231.80	126.70	495.50	2,115
Umbakumba	0	3.00	29.90	26.00	65.00	123.90	0
Urapuntja	0	0	0	21.00	283.50	304.50	0
Walangeri	0	4.00	4.90	69.50	3.10	81.50	386
Ngumpinku							
Wallace Rockhole	0	2.40	0	0	20.30	22.70	5.15
Walungurru	0	4.90	2.50	39.00	275.70	322.10	0
Warruwi	1.00	4.00	32.00	0	30.00	67.00	0
Watiyawanu	0	3.00	0	0.50	76.40	79.90	78
Willowra	2.00	5.00	0	70.00	117.00	194.00	0
Wugularr	0	4.00	6.00	0	35.00	45.00	3,185
Yirrkala	0	12.65	4.00	7.15	30.00	53.80	0
Yuelamu	0	2.10	3.50	32.00	157.00	194.60	0
Yuendumu	0	7.20	2.62	170.80	464.50	645.12	22,142
Yugul Mangi	3.70	5.90	60.50	43.00	62.10	175.20	12,269
<b>Total</b>	<b>791.56</b>	<b>953.80</b>	<b>1,432.99</b>	<b>1,988.68</b>	<b>7,626.34</b>	<b>12,930.97</b>	

## APPENDIX A

## REVISED RECOMMENDATIONS 2000/2001

## Revised Recommendation 1 - Schedule of Estimated Entitlement

Council	Population	General Purpose	Roads	Total
		\$	\$	\$
Aherrenge	387	73,480	22,019	95,499
Ali Curung	450	58,409	48,608	107,017
Alice Springs	29,791	924,818	643,102	1,567,920
Alpurrurulam	713	67,227	20,000	87,227
Amoonguna	261	37,410	20,000	57,410
Angurugu	910	80,046	87,927	167,973
Anmatjere	1,435	154,949	82,258	237,207
Aputula	206	48,993	29,032	78,025
Areyonga	257	51,608	29,059	80,667
Artarlpilta	266	57,188	20,000	77,188
Barunga/Manyallaluk	532	62,624	77,637	140,261
Belyuen	250	39,303	29,629	68,932
Binjari	255	36,439	20,000	56,439
Borrooloola	891	53,810	46,034	99,844
Coomalie	1,557	84,953	271,728	356,681
Cox Peninsula	252	13,644	41,382	55,026
Daguragu	716	70,660	86,880	157,540
Darwin	72,582	1,434,182	1,327,809	2,761,991
Elliott	627	36,767	20,000	56,767
Galiwinku	1,609	183,431	141,101	324,532
Gapuwiyak	1,034	117,014	122,808	239,822
Gulin Gulin/Weemol	342	55,643	24,252	79,895
Ikuntji	180	65,987	34,441	100,428
Imanpa	151	47,184	22,062	69,246
Jabiru	2,160	99,132	72,989	172,121
Jilkminggan	195	38,664	20,000	58,664
Kaltukatjara	362	75,107	83,045	158,152
Kardu Numida	2,010	223,982	103,368	327,350
Katherine	11,399	497,776	439,528	937,304
Kunbarllanjnja	1,046	156,494	388,624	545,118
Lajamanu	1,103	100,743	68,366	169,109
Litchfield	14,979	618,320	1,256,552	1,874,872
Ltyentye Purte	569	62,137	67,574	129,711
Maningrida	2,009	189,952	98,177	288,129
Marngarr	321	36,193	20,000	56,193
Mataranka	368	22,316	42,730	65,046
Milikapiti	487	60,604	106,685	167,289
Milingimbi	801	74,366	32,181	106,547
Milyakburra	232	66,413	57,177	123,590
Minjilang	236	55,620	59,922	115,542
Naiyu Nambiyu	462	57,743	83,154	140,897
Nganmariyanga	364	59,805	49,504	109,309
Nguiu	1,441	118,543	175,976	294,519
Ntaria	590	69,687	82,366	152,053
Numbulwar	1,153	127,071	134,210	261,281

<b>Council</b>	<b>Population</b>	<b>General Purpose</b>	<b>Roads</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
Nyirripi	301	69,309	66,065	135,374
Palmerston	19,324	798,691	404,728	1,203,419
Papunya	304	60,660	65,710	126,370
Peppimenarti	236	88,682	101,015	189,697
Pine Creek	594	28,497	108,552	137,049
Pirlangimpi	335	49,051	76,870	125,921
Ramingining	647	104,725	126,589	231,314
Tapatjatjaka	236	41,663	20,000	61,663
Tennant Creek	3,956	293,709	139,776	433,485
Timber Creek	302	47,528	103,791	151,319
Umbakumba	493	66,744	77,837	144,581
Urapuntja	880	118,541	60,271	178,812
Walangeri Ngumpinku	474	69,094	20,000	89,094
Wallace Rockhole	174	40,221	20,000	60,221
Walungurru	434	85,928	102,245	188,173
Warruwi	365	64,488	75,787	140,275
Watiyawanu	260	48,730	20,000	68,730
Willowra	445	68,402	76,453	144,855
Wugularr	528	50,421	46,356	96,777
Yirrkala	917	73,345	52,007	125,352
Yuelamu	227	58,018	53,794	111,812
Yuendumu	1,070	123,762	183,643	307,405
Yugul Mangi	1,516	199,094	146,177	345,271
<b>Sub-total</b>	<b>191,959</b>	<b>9,315,740</b>	<b>8,857,562</b>	<b>18,173,302</b>
Trust Account (LGANT)*	–	–	516,010	516,010
Tennant Creek Remote**	–	–	135,426	135,426
<b>Total</b>	<b>191,959</b>	<b>\$ 9,315,740</b>	<b>\$ 9,508,998</b>	<b>\$18,824,738</b>

## Revised Recommendation 3 - Schedule Of Cash Payment

Council	Estimated Cash Entitlement 2000/2001			Actual Cash Payment 1999/2000		
	General Purpose	Roads	Total	General Purpose	Roads	Total
	\$	\$	\$	\$	\$	\$
Aherrenge	73,654	22,050	95,704	68,353	21,967	90,320
Ali Curung	58,552	48,676	107,228	56,368	48,524	104,892
Alice Springs	927,123	644,007	1,571,130	905,231	646,919	1,552,150
Alpurrurulam	67,405	20,000	87,405	70,028	20,000	90,028
Amoonguna	37,500	20,000	57,500	35,207	20,000	55,207
Angurugu	80,236	88,050	168,286	74,728	87,730	162,458
Anmatjere	155,310	82,372	237,682	141,748	81,230	222,978
Aputula	49,114	29,073	78,187	47,412	28,999	76,411
Areyonga	51,734	29,100	80,834	49,314	28,849	78,163
Arltarpilta	57,330	20,000	77,330	56,148	20,000	76,148
Barunga Manyallaluk	62,776	77,745	140,521	59,802	77,458	137,260
Belyuen	39,400	29,671	69,071	38,359	29,575	67,934
Binjarri	36,527	20,000	56,527	34,453	20,000	54,453
Borrooloola	53,952	46,098	100,050	56,642	45,861	102,503
Coomalie	84,953	272,083	357,036	83,270	253,281	336,551
Cox Peninsula	13,644	41,439	55,083	14,202	40,736	54,938
Daguragu	70,836	87,001	157,837	69,254	86,680	155,934
Darwin	1,437,555	1,329,662	2,767,217	1,323,875	1,324,744	2,648,619
Elliott	36,767	20,000	56,767	38,272	20,000	58,272
Galiwinku	183,847	141,303	325,150	163,461	143,981	307,442
Gapuwiyak	117,014	122,980	239,994	119,063	122,438	241,501
Gulin Gulin/Weemol	55,774	24,286	80,060	51,323	24,196	75,519
Ikuntji	66,146	34,484	100,630	62,324	30,855	93,179
Imanpa	47,291	22,093	69,384	42,101	22,011	64,112
Jabiru	99,132	73,090	172,222	59,103	71,625	130,728
Jilkminggan	38,753	20,000	58,753	34,814	20,000	54,814
Kaltukatjara	75,299	83,160	158,459	75,427	82,854	158,281
Kardu Numida	224,480	103,484	327,964	197,386	82,420	279,806
Katherine	498,912	440,101	939,013	446,318	409,270	855,588
Kunbarllanjna	156,494	389,162	545,656	164,731	384,596	549,327
Lajamanu	100,999	68,461	169,460	100,532	68,220	168,752
Litchfield	619,822	1,258,174	1,877,996	589,251	1,159,714	1,748,965
Ltyente Purte	62,282	67,668	129,950	56,777	67,418	124,195
Maningrida	190,456	98,301	288,757	199,949	88,363	288,312
Marngarr	36,193	20,000	56,193	34,929	20,000	54,929
Mataranka	22,316	42,791	65,107	23,268	43,798	67,066
Milikapiti	60,753	106,834	167,587	58,519	106,472	164,991
Milingimbi	74,546	32,226	106,772	70,810	32,119	102,929
Milyakburra	66,413	57,256	123,669	69,131	57,053	126,184
Minjilang	55,749	60,006	115,755	50,874	59,794	110,668
Naiyu Nambiyu	57,887	83,269	141,156	56,466	82,354	138,820
Nganmariyanga	59,950	49,565	109,515	57,338	43,674	101,012
Nguiu	118,831	176,221	295,052	113,194	175,664	288,858
Ntaria	69,846	82,479	152,325	62,314	80,635	142,949

Council	Estimated Cash Entitlement 2000/2001			Actual Cash Payment 1999/2000		
	General Purpose	Roads	Total	General Purpose	Roads	Total
	\$	\$	\$	\$	\$	\$
Numbulwar	127,371	134,398	261,769	119,009	133,919	252,928
Numburindi						
Nyirripi	69,474	66,157	135,631	64,782	65,913	130,695
Palmerston	800,623	405,187	1,205,810	759,582	328,590	1,088,172
Papunya	60,660	65,774	126,434	51,300	46,020	97,320
Peppimenarti	88,682	101,151	189,833	93,349	97,244	190,593
Pine Creek	28,497	108,702	137,199	28,320	107,035	135,355
Pirlangimpi	49,178	76,978	126,156	49,871	76,704	126,575
Ramingining	104,986	126,732	231,718	103,450	102,201	205,651
Tapatjatjaka	41,770	20,000	61,770	42,137	20,000	62,137
Tennant Creek	294,332	139,966	434,298	244,635	136,524	381,159
Timber Creek	47,528	103,922	151,450	49,243	93,756	142,999
Umbakumba	66,744	77,894	144,638	70,257	40,430	110,687
Urapuntja	118,827	60,355	179,182	112,056	60,132	172,188
Walangeri Ngumpinku	69,263	20,000	89,263	66,460	20,000	86,460
Wallace Rockhole	40,311	20,000	60,311	35,244	20,000	55,244
Walungurru	86,130	102,388	188,518	79,860	102,078	181,938
Warruwi	64,640	75,892	140,532	59,755	75,619	135,374
Watiyawanu	48,730	20,000	68,730	51,295	20,000	71,295
Willowra	68,402	76,560	144,962	70,973	76,276	147,249
Wugularr	50,555	46,421	96,976	52,570	46,286	98,856
Yirrkala	73,345	52,080	125,425	77,205	51,864	129,069
Yuelamu	58,172	53,869	112,041	60,513	53,739	114,252
Yuendumu	123,762	183,899	307,661	130,276	183,220	313,496
Yugul Mangi	199,581	146,337	345,918	190,978	114,246	305,224
<b>Sub total</b>	<b>9,335,116</b>	<b>8,869,083</b>	<b>18,204,199</b>	<b>8,845,189</b>	<b>8,453,873</b>	<b>17,299,062</b>
Tennant Creek (Remote)	–	135,615	135,615	–	135,114	135,114
Trust Account (LGANT)	–	516,730	516,730	–	515,172	515,172
<b>Total</b>	<b>\$9,335,116</b>	<b>\$9,521,428</b>	<b>\$18,856,544</b>	<b>\$8,845,189</b>	<b>\$9,104,159</b>	<b>\$17,949,348</b>



## APPENDIX B

### Declared Local Governing Bodies

Associations declared as Local Governing Bodies pursuant to section 4(2) of the Commonwealth's *Local Government (Financial Assistance) Act 1995* and section 19 of the *Local Government Grants Commission Act*. (see Northern Territory Government Gazette No. G31, 9 August 2000)

#### Schedule

Aherrenge Community Council Inc.  
Ali Curung Council Inc.  
Amoonguna Community Inc.  
Aputula Housing Association Inc.  
Areyonga Community Inc.  
Galiwinku Community Inc.  
Gapuwiyak Community Inc.  
Gulin Gulin and Weemol Community Council aboriginal Corporation  
Ikuntji Community Council Inc.  
Imanpa Community Inc.  
Jabiru Town Council  
Kaltukatjara Community Council Inc.  
Kardu Numida Inc.  
Local Government Association of the Northern Territory  
Maningrida Community Council Inc.  
Milingimbi Community Inc.  
Milyakburra Community Council Inc.  
Minjilang Community Council Inc.  
Nganmariyanga Community Inc.  
Ntaria Council (Hermannsberg) Inc.  
Nyirripi Community Inc.  
Papunya Community Council Inc.  
Peppimenarti Community Council Association Inc.  
Ramingining Community Inc.  
Umbakumba Community Council Inc.  
Urapuntja Council Aboriginal Corporation  
Walungurru Community Council (Aboriginal Corporation)  
Warruwi Community Inc.  
\*Willowra Community Inc.  
Yirrkala Dhanbul Community Association Inc.  
Yuelamu Community Inc.

\* Willowra Community Inc. has been revoked as a local governing body as per The Northern Territory Government Gazette No. G30 dated 1 August 2001 and the Commonwealth of Australia Gazette No S334 dated Wednesday 15 August 2001.

**APPENDIX C****Visits to Local Governing Bodies 1998/1999, 1999/2000 and 2000/2001**

<b>Council Visits 2000/2001</b>	<b>Date of Visit</b>
Gapuwiyak Community Incorporated	04 October 2000
Maningrida Council Incorporated	05 October 2000
Nyirripi Community Incorporated	05 December 2000
Yuendumu Community Government Council	05 December 2000
Yuelamu Community Incorporated	05 December 2000
Anmatjere Community Government Council	06 December 2000
Willowra Council Incorporated	06 December 2000
Aputula Housing Association Incorporated	02 April 2001
Ltyentye Purte Community Government Council	03 April 2001
Amoonguna Community Incorporated	03 April 2001
Urapuntja Council Aboriginal Corporation	04 April 2001
Aherrenge Community Council Incorporated	04 April 2001
Elliot Community Government Council	01 May 2001
Lajamanu Community Government Council	02 May 2001
Daguragu Community Government Council	02 May 2001
Timber Creek Community Government Council	03 May 2001
Walangeri Ngumpinku Community Government Council	03 May 2001
<b>Council Visits 1999/2000</b>	
Ali Curung Council Association Inc.	09 November 1999
Ntaria Council (Hermansburg) Inc.	10 November 1999
Areyonga Community Inc.	10 November 1999
Imanpa Community Inc.	11 November 1999
Tapatjatjaka Community Government Council	11 November 1999
Wallace Rockhole Community Government Council	12 November 1999
Nguiu Community Government Council	24 May 2000
Pirlangimpi Community Government Council	24 May 2000
Milikapiti Community Government Council	24 May 2000
Walangeri Ngumpinku Community Government Council	25 May 2000
Mataranka Community Government Council	25 May 2000
Wugularr Community Government Council	26 May 2000
Barunga Manyallaluk Community Government Council	26 May 2000
Ikuntji Community Council Inc.	29 May 2000
Watiyawanu Community Government Council	30 May 2000
Papunya Community Council Inc.	30 May 2000
Kaltukatjara Community Council Aboriginal Corp.	02 June 2000
Walungurru Council Aboriginal Corp.	02 June 2000
Alpurrurulam Community Government Council	06 June 2000
Yugal Mangi Community Government Council	06 June 2000
Borrooloola Community Government Council	07 June 2000
Umbakumba Community Council Inc.	07 June 2000
Angurugu Community Government Council	07 June 2000
Marn Garr Community Government Council	08 June 2000
Yirrkala Dhanbul Community Association Inc.	08 June 2000
Galiwinku Community Inc.	09 June 2000
Ramingining Community Inc.	09 June 2000

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**Visits to Local Governing Bodies 1998/1999, 1999/2000 and 2000/01 continued**
**Council Visits 1998/1999**

Amoonguna Community Inc	03 November 1998
Ltyentye Purte Community Government Council	03 November 1998
Aherrenge Community Council Inc	04 November 1998
Urapuntja Council Aboriginal Corporation	04 November 1998
Anmatjere Community Government Council	05 November 1998
Binjari Community Government Council	01 March 1999
Jilkminggan Community Government Council	01 March 1999
Coomalie Community Government Council	02 March 1999
Pine Creek Community Government Council	02 March 1999
Minjilang Community Inc	03 March 1999
Waruwi Community Inc	03 March 1999
Belyuen Community Government Council	04 March 1999
Cox Peninsula Community Government Council	04 March 1999
Kardu Numida Council Inc	27 May 1999
Nganmarriyanga Community Inc	27 May 1999
Naiyu Nambiyu Community Government Council	28 May 1999
Peppimenarti Community Council Association Inc	28 May 1999
Milyakburra Community Council Inc	31 May 1999
Numbulwar Numburindi Community Government Council	31 May 1999
Milingimbi Community Inc	01 June 1999

**Public Hearings 2000/2001**

Alice Springs	02 April 2001
Litchfield	30 April 2001
Tennant Creek	01 May 2001

**Public Hearings 1999/2000**

Alice Springs	06 March 2000
Darwin	23 May 2000
Katherine	05 June 2000
Tennant Creek	05 June 2000

**Public Hearings 1998/1999**

Alice Springs	24 May 1999
Katherine	25 May 1999
Palmerston	26 May 1999

## **APPENDIX D**

### **NATIONAL PRINCIPLES FOR THE ALLOCATION OF GENERAL PURPOSE AND LOCAL ROAD GRANTS**

- A.** The National Principles relating to the allocation of general purpose grants payable under section 6 of the *Local Government (Financial Assistance) Act 1995* (the Act) among local governing bodies are as follows:

**1. Horizontal Equalisation**

General purpose grants will be allocated to all local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the Act. This is a basis that ensures that each local governing body in the State/Territory is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.

**2. Effort Neutrality**

An effort or policy neutral approach will be used in assessing expenditure requirements and revenue raising capacity of each local governing body. This means as far as possible, policies of individual local governing bodies in terms of expenditure and revenue effort will not affect the grant determination.

**3. Minimum Grant**

The minimum general purpose grant allocation for a local governing body in a year will not be less than the amount to which the local governing body would be eligible to receive if 30% of the total amount of general purpose grants to which the State/Territory is entitled under section 9 of the Act in respect of the year were allocated among local governing bodies in the State/Territory on a per capita basis.

**4. Other Grant Support**

Other relevant grant support provided to local governing bodies to meet any of the expenditure needs assessed should be taken into account using an inclusion approach.

**5. Aboriginal and Torres Strait Islanders**

Financial assistance shall be allocated to councils in a way which recognises the needs of Aboriginal and Torres Strait Islanders within their boundaries.

- B.** The National Principle relating to the allocation of the amounts payable under Section 12 of the Act (the identified road component of the financial assistance grants) among local governing bodies is as follows:

**1. Identified Road Component**

The identified road component of the financial assistance grants should be allocated to local governing bodies as far as practicable on the basis of the relative needs of each local governing body for roads expenditure and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each local governing area.

**APPENDIX E****FORMULA****1. Revenue Component**

All councils:

Assessed Revenue Raising Capacity	=	Gross Income/State Income x \$31,154,002
Assessed Revenue	=	Assessed Rates + 50% Operational Subsidy

**WHERE**

Gross Income	=	Community Gross Income
State Income	=	Total NT Gross Income
Operational Subsidy	=	NT Operational Subsidy 2000/2001
\$31,154,002	=	Total Local Government Rate Revenue

**2. Expenditure Components****(a) Amenity**

Community population/Territory population x NT Amenity Expenditure x (isolation works x dispersion x growth) - Amenity Grants

**(b) General Administration**

Community population/Territory population x NT general administration expenditure x (isolation administration x dispersion x Aboriginality) - Administration Grants

A base level (\$70,000) of expenditure is applied to all councils.

**(c) Human Services**

Community population/Territory population x NT Human Services expenditure x (isolation administration x Aboriginality x growth) - Human Services Grants

**(d) Libraries**

The population figure used for these calculations is the sum of the populations in those centres that are in receipt of library services.

Community population/Territory population x NT Library expenditure x (isolation administration x Aboriginality x growth) - NT Library Grants

**(e) Recreation**

Community population/Territory population x NT Recreation expenditure x (isolation works x growth) - NT Recreation Grants

**(f) Transport**

This category is calculated on weighted road lengths by surface type. The summing of these figures determines a council's road factor.

The road factor equation is:

Community road factor/NT road factor x NT roads expenditure

10 x Kerbed and Sealed road + 8 x Sealed road + 4 x Gravel road + 1 x Formed road + 0.4 x Unformed road + 2 x Cycle Paths.

**APPENDIX F****NATIONAL DISTRIBUTION AND SHARES OF FINANCIAL ASSISTANCE GRANTS  
2001/2002**

<b>State/ Territory</b>	<b>General Purpose \$</b>	<b>Share %</b>	<b>Local Road Component \$</b>	<b>Share %</b>	<b>Total \$</b>	<b>Share %</b>
NSW	321,293,043	33.74%	122,601,446	29.01%	443,894,489	32.29%
Vic	237,036,995	24.89%	87,119,097	20.62%	324,156,093	23.58%
Qld	177,737,156	18.66%	79,174,542	18.74%	256,911,698	18.69%
WA	93,749,256	9.84%	64,611,905	15.29%	158,361,161	11.52%
SA	74,138,992	7.79%	23,223,201	5.50%	97,362,193	7.08%
Tas	23,229,632	2.44%	22,393,339	5.30%	45,622,971	3.32%
NT	9,699,543	1.02%	9,898,679	2.34%	19,598,222	1.43%
ACT	15,434,838	1.62%	13,549,958	3.21%	28,984,796	2.11%
<b>Total</b>	<b>\$952,319,455</b>	<b>100.00%</b>	<b>\$422,572,167</b>	<b>100.00%</b>	<b>\$1,374,891,623</b>	<b>100%</b>

## APPENDIX G

## The Australian Classification of Local Government (ACLG)

Step 1	Step 2	Step 3	Identifiers	Category
<b>URBAN (U)</b>	<b>Capital City (CC)</b>			UCC
Population more than 20,000	<b>Metropolitan Developed (D)</b> Part of an urban centre of more than 1,000 000 or population density more than 600/sq km	Small (S) Medium (M) Large (L) Very Large (V)	Up to 30,000 30,000-70,000 70,001-120,000 more than 120,000	UDS UDM UDL UDV
<b>OR</b>				
Population density more than 30 persons per sq km	<b>Regional Towns/City (R)</b> Part of an urban centre with population less than 1,000,000 and predominantly urban in nature	Small (S) Medium (M) Large (L) Very Large (V)	Up to 30,000 30,000-70,000 70,001-120,000 more than 120,000	URS URM URL URV
<b>OR</b>				
90% or more of LGA population is urban	<b>Fringe (F)</b> A Developing LGA on the margin of a developed or regional urban centre	Small (S) Medium (M) Large (L) Very Large (V)	Up to 30,000 30,000-70,000 70,001-120,000 more than 120,000	UFS UFM UFL UFV
<b>RURAL (R)</b>				
AN LGA with population less than 20,000	<b>Significant Growth (SG)</b> Average annual population growth more than 3%, population more than 5,000 and not remote	Not applicable		RSG
<b>AND</b>				
Population density less than 30 persons per sq km	<b>Agricultural (A)</b>	Small (S) Medium (M) Large (L) Very Large (V)	Up to 2,000 2,001-5,000 5,001-10,000 10,001-20,000	RAS RAM RAL RAV
<b>AND</b>				
Less than 90% of LGA population is urban	<b>Remote (T)</b>	Extra Small (X) Small (S) Medium (M) Large (L)	Up to 400 401-1,000 1,001-3,000 3,001-20,000	RTX RTS RTM RTL



**APPENDIX H****NORTHERN TERRITORY LOCAL GOVERNMENTS BY CLASSIFICATION**

<b>Council Name</b>	<b>ACLG Classification</b>
Aherrenge	RTX
Ali Curung	RTS
Alice Springs (TC)	URS
Alpurrurulam	RTS
Amoonguna	RTX
Angurugu	RTS
Anmatjere	RTM
Aputula	RTX
Areyonga	RTX
Arltarpilta	RTX
Barunga/Manyallaluk	RTS
Belyuen	RTX
Binjari	RTX
Borrooloola	RTS
Coomalie	RTM
Cox Peninsula	RTX
Daguragu	RTS
Darwin City (C)	UCC
Elliott	RTS
Galiwinku	RTM
Gapuwiyak	RTS
Gulin Gulin/Weemol	RTX
Ikuntji	RTX
Imanpa	RTX
Jabiru (TC)	URS
Jilkminggan	RTX
Kaltukatjara	RTX
Kardu Numida	RTM
Katherine (TC)	URS
Kunbarllanjja	RTS
Lajamanu	RTM
LGANT	ZZZ
Litchfield (S)	RAV
Ltyentye Purte	RTS
Maningrida	RTM
Marn Garr	RTX
Mataranka	RTX
Milingimbi	RTS
Milyakburra	RTX
Minjilang	RTX
Naiyu Nambiyu	RTS
Nganmarriyanga	RTX
Ntaria	RTS
Numbulwar	RTS
Nyirripi	RTX

<b>Council Name</b>	<b>ACLG Classification</b>
Palmerston City (C)	UFS
Papunya	RTS
Peppimenarti	RTX
Pine Creek	RTS
Ramingining	RTS
Tapatjatjaka	RTX
Tennant Creek (TC)	URS
Timber Creek	RTX
Tiwi Islands	RTM
Umbakumba	RTS
Urapuntja	RTS
Walangeri Ngumpinku	RTX
Wallace Rockhole	RTX
Walungurru	RTS
Warruwi	RTX
Watiyawanu	RTX
Willowra	RTS
Wugularr	RTS
Yirrkala	RTS
Yuelamu	RTX
Yuendumu	RTM
Yugul Mangi	RTM

## Appendix I

### **TERMS OF REFERENCE FOR THE REVIEW OF THE LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) ACT 1995**

The review under Section 17 of the *Local Government (Financial Assistance) Act 1995* will examine and report on:

- a) the effectiveness of the current arrangements under the Act to achieve the purposes of the Act and the goals in providing the grants that are referred to in Section 3 of the Act;
- b) the appropriateness of the current National Principles and, in particular, the retention of or variations of the minimum grant for the general purpose component in section 6 of the Act;
- c) the consistency with the National Principles of the methodology and policies used by each of the State and Territory Grants Commissions in distributing funds to councils;
- d) as required by Section 17 of the Act, the review shall also examine and report on:
  - (i) the effectiveness of the arrangements under this Act in relation to ensuring that the allocation of funds for local government purposes is made on a full horizontal equalisation basis as mentioned in paragraph 6(2)(a); and
  - (ii) the impact of the Act on raising of revenue by local governing bodies and on the assistance provided by the States to local governing bodies; and
  - (iii) the implications of any changes in the functions or responsibilities of local governing bodies; and
  - (iv) the eligibility for assistance under this Act of bodies declared by the Minister under Section 4 to be local governing bodies.

The review will not address the interstate distribution of the general purpose and local road grants or the quantum of funds available under the Act.

## COMMONWEALTH GRANTS COMMISSION

### Review of the *Local Government (Financial Assistance) Act 1995*

#### MAIN FINDINGS

The terms of reference for this review asked us to examine and report on:

- the effectiveness of the current arrangements for achieving the purposes and goals of the Act;
- the appropriateness of the current National Principles - in particular whether the minimum grant arrangement should be retained or varied;
- the effectiveness of the current arrangements in ensuring that assistance is allocated on a full horizontal equalisation basis;
- the consistency of Local Government Grants Commissions' (LGGCs') policies and methods with the National Principles;
- the impact of the Act on revenue raising by local governing bodies (LGBs) and on the provision of assistance to them by the States;
- the implications of any changes in the functions or responsibilities of LGBs; and
- eligibility for assistance under the Act of bodies declared by the Minister to be LGBs.

#### *Effectiveness of the Current Arrangements, including the National Principles*

The Act aims to provide financial assistance for local government to meet three underlying intentions:

- to provide all LGBs with at least a minimum level of assistance;
- to provide funding to contribute to the costs faced by LGBs in maintaining their local roads; and
- to provide relatively greater financial assistance to those LGBs which are relatively more disadvantaged compared with other LGBs because they face greater costs in providing services or because their ability to raise revenue is more limited.

In broad terms, the current arrangements have led to a distribution of funds in line with these intentions.

The Act sets out five purposes. Six National Principles have been developed to guide LGGCs in allocating the assistance to achieve those purposes. The purposes, our interpretation of them and the associated National Principles are:

- Financial Capacity, which is about ensuring that every LGB receives a share of the financial assistance provided by the Act. It is supported by the Minimum Grant and the Identified Road Component Principles;
- Certainty of Funding, which aims to ensure certainty of funds to the local government sector;
- Equitable Level of Services, which aims to ensure that relatively greater funds are provided to LGBs which, because of their greater costs of providing services or because of their more limited ability to raise revenue, are more relatively disadvantaged than other LGBs. The Horizontal Equalisation, Effort Neutrality, Other Grants Support, Aboriginal Peoples and Torres Strait Islanders and Minimum Grant Principles all bear on this purpose;
- Efficiency and Effectiveness, which aims to provide the efficiency and effectiveness of LGBs; and
- Aboriginal Peoples and Torres Strait Islanders, which relates to improving the provision of services by LGBs to Indigenous people and has an associated Aboriginal Peoples and Torres Strait Islanders Principle.



**The Financial Capacity purpose** is being achieved. The Minimum Grant Principle, which is well understood and correctly applied by LGGCs, ensures that each LGB receives a minimum of 30 per cent of their population share of the General Purpose pool. All LGBs with roads responsibilities also receive a share of assistance from the Local Roads pool, in accordance with the Identified Road Component Principle.

The Provision of at least a minimum level of assistance to all LGBs reflects one of the underlying intentions of the Commonwealth. This intention should continue to be implemented but expressed in the form of a Per Capita grant to ensure that every LGB receives a share of assistance. The current rate of this assistance (30 per cent) should be retained.

**The Certainty of Funding purpose** is also being achieved. The Act includes an escalation process that provides for growth in the level of funds to the local government sector for the duration of the Act.

**The Equitable Level of Services purpose** is described in terms of horizontal equalisation, as far as practicable. The definition of horizontal equalisation in the Act, the language of the Act, and the limited amount of funding indicate the purpose is about providing additional assistance to disadvantaged LGBs. As such, it is broadly being achieved. However, the language of the Act and of the associated horizontal Equalisation National Principle should be revised. In particular, the term horizontal equalisation should be replaced with 'relative need based on equalisation principles' because this more clearly reflects the Commonwealth's intentions and what is being, and can be, achieved. It would also avoid using the language of horizontal equalisation in a different way from its use in the allocation of Commonwealth general revenue assistance to the States.

The Minimum Grant Principle conflicts with the horizontal Equalisation Principle because minimum grants and equalisation grants are funded from the same pool. As the minimum grants are not distributed on an equalisation basis, they reduce the assistance available to meet the Commonwealth's equity objective.

Implementation of the Horizontal Equalisation National Principle requires LGGCs to make comprehensive assessments covering all areas of local government expenditure and revenue, all influences that might affect the expenditure required and the revenue raised, and to assess both relative advantages and relative disadvantages. Some changes in the methods of LGGCs are required to better implement the intent of this National Principle.

The effort Neutrality and the Other Grant Support Principles are integral aspects of any distribution of untied grants on the basis of equalisation principles or relative need. The Other Grant Support Principle is not consistently interpreted or implemented by LGGCs, with implications for LGB grants. The Principles are appropriate for an untied grant arrangement on equalisation principles, but the language of them could be improved to make the concepts better understood.

**The Efficiency and Effectiveness purpose** attempts to impose conditions on the allocation of the financial assistance. This is not an appropriate purpose for an Act that distributes untied assistance on equalisation principles. It should be removed from the Act.

**The Aboriginal Peoples and Torres Strait Islanders purpose** attempts to direct LGBs to spend part of their assistance in improving services to Indigenous people. It is inconsistent with the untied nature of the assistance being distributed and should be removed. However, the associated Aboriginal Peoples and Torres Strait Islander Principle should be retained even though conceptually it is not required in a grants distribution process based on relative need. This principle should be strengthened to make it explicit that relative need requires an assessment of the impact of indigenous people on the expenditure requirements and revenue raising capacity of LGBs.

We think that the National Report needs to take on a much stronger monitoring role in this area. It should monitor and report on:

- the extent to which LGGCs' assessment methods recognise the needs of Indigenous people, and
- the performance of LGBs in providing services to indigenous people (performance measures should be developed for this purpose).

The Act also identifies **two goals of the Commonwealth** in providing the financial assistance. They are to:

- increase transparency and accountability of the allocation of funds by LGGCs; and
- promote greater consistency in the methods used to allocate equalisation grants.

**Transparency and accountability** are not defined in the Act. We think transparency is about LGBs being able to understand how their grant has been calculated and accountability is about LGGCs providing information to assist that understanding further. Improvements in these areas are required. LGGCs should provide more and clearer information in their annual reports and the National Report should provide commentary on the different approaches of the LGGCs.

**The Consistency Goal** should focus on the consistency of LGGCs' methods with the National Principles. Changes in LGGCs' assessment methods are required to achieve consistency with the Relative Need, Other Grant Support and Aboriginal Peoples and Torres Strait Islanders Principles.

**The Identified Road Component Principle** is appropriate because it is consistent with the intent in the Act and provides guidance to LGGCs on how to allocate their Local Roads grants.

### *Improving the Arrangements*

The operation of the Act would be improved if the Commonwealth's intentions in providing its assistance were clearer and more transparent, with a clearer relationship between the purposes and the funds provided. We think this could be achieved if there were:

- a Per Capita pool to provide every LGB with a share of the assistance;
- a Local Roads pool to contribute towards LGBs' costs of maintaining their local roads; and
- a Relative Need pool to improve equity by providing additional assistance to the more disadvantaged LGBs.

Every LGB would receive a fixed per capita share from the Per Capita pool. Every LGB that has a road responsibility would receive funding from the Local Roads pool. Only relatively disadvantaged LGBs would receive funding from the Relative Need pool. As part of the changes, a purpose should be drafted for the Act to outline the Commonwealth's intentions in providing the assistance from each pool.

**Transitional Arrangements.** The changes to the proposed three pool arrangement will not alter the total amount of assistance available or the allocation to the States. However, requiring LGGCs to amend their assessment methods to make them more consistent within States. A five year transitional period would be appropriate to enable LGGCs to modify their methods and LGBs to adjust to the changes in their grants.

The National Report should play a much stronger monitoring role. Areas that it should monitor and report on include:

- the extent to which LGGCs' assessment methods and approaches are consistent with the National Principles;
- the extent to which LGGCs are modifying their equalisation assessments to deliver greater stability in annual grants;
- the extent to which LGGCs' assessment methods recognise the needs of Indigenous people;
- assessing the performance of LGBs in providing services to Indigenous people;
- the extent to which LGGCs explain how individual grants have been calculated and provide sufficient information to enable LGBs to calculate them if they wish; and
- the effectiveness of the proposed transitional arrangements.

### ***Impact on Revenue Raising and the Provision of State Assistance***

Since the introduction of the Commonwealth's financial assistance grants in 1974-75, local government revenue from all sources has grown on average by 10.1 per cent per annum. Revenue from local government taxes and charges was about the same proportion in 1997-98 as it was in 1974-75. The introduction of Commonwealth assistance appears to have had little impact on local government revenue raising effort at the national level.

State assistance to local government has increased absolutely in real terms over the same period. However, the rate of increase has been less than the rate of increase of other sources of local government revenue. State assistance has declined in relative importance from about 15 per cent of local government revenue in 1974-75 to 7 per cent in 1997-98.

### ***Implications of Changes in Functions and Responsibilities***

Local Government functions and responsibilities have expanded over the period since 1974-75. Analysis of local government expenditure over the period 1961-62 to 1997-98 shows that the composition of services being provided by local governments has changed markedly over the last 30-35 years. Local Government is increasingly providing human services at the expense of traditional property-based services (particularly roads).

Some changes are the result of the changing priorities of local government, others are imposed on them by other spheres of government. The general broadening of local government functions has implications for local government finances.

### ***Eligibility for Assistance***

The Act provides the Commonwealth Minister with the capacity to declare bodies that are providing local government type services, but are not LGBs under State legislation, to be eligible to receive financial assistance grants. Forty of the 730 LGBs eligible to receive grants under this Act are declared LGBs. These arrangements are working well and should be retained. The Act should be amended to allow:

- (i) either the Commonwealth or State Minister to initiate a declaration - but require both to agree to it; and
- (ii) the Minister to revoke an existing declaration, provided both agree.



**Local Government Grants Commissions of Australia Joint Statement on the Review of the Local Government (Financial Assistance) Act 1995**

Sydney, November 15, 2000

The Local Government Grants Commissions of Australia, noting the Terms of Reference of the review of the Local Government (Financial Assistance) Act 1995, and the exclusion of the issues of the interstate distribution and the quantum of funding, and noting the submissions of the respective State Governments and Commissions, provides the following statement to the Commonwealth Grants Commission as a statement of their collective view on the main issues for the legislative review.

The Commissions acknowledge that Horizontal Fiscal Equalisation remains a relevant goal of Financial Assistance Grants to local government in Australia. Horizontal Fiscal Equalisation recognises the diversity in councils' revenue raising capacity and expenditure needs.

The Commissions generally support the retention of the existing objectives of the Act. They believe that these are appropriate given the overall purpose of the Act. However, the Commonwealth is urged to reconsider objective (D), relating to the improvement of the efficiency and effectiveness of local governments, on the grounds that:

- these attributes conflict directly with the National Principle of Effort Neutrality; and
- these attributes of councils can not be accurately and consistently measured.

The Commissions do not identify any critical omissions from the existing National Principles. The most important issue is the lack of consistency between the National Principles and the objectives of the Act, and it is imperative that this be addressed.

While a higher degree of prescription in the National Principles is not seen as necessary, the Commissions desire that the Commonwealth clarify the precise meaning of the existing National Principles.

The Commissions recognise the basic aims of the minimum grant as a provision within the legislation. While in conflict with the achievement of Horizontal Fiscal Equalisation, the continuation of the minimum grants rests on the notion that all councils should be entitled to receive a share of commonwealth financial assistance to local government. It is noted also that some scope may exist for modifying the minimum entitlement from its current level.

The Commissions are committed to transparency in the grant allocation process. Assisting councils in understanding their grant outcomes is regarded as being a key aspect of Commissions' activities and each Commission is endeavouring to improve the transparency of its methodology through the publication of data and explanatory material and visits to councils.

The Commissions support for the Aboriginal and Torres Strait Islanders objective within the Act, and the National Principle pertaining to Aboriginal and Torres Strait Islanders, and note that aboriginality is addressed within the methodology applied in each State, and supports the allocations of grants to eligible local governing bodies in relevant jurisdictions.

The Commissions agree on the importance of road funding for local government. There is strong support for maintaining separation of the general purpose and road pools. The Commissions however note the concerns of South Australia in its desire to have the current interstate distribution of funds clarified.

The Commissions take the view that to a large extent the current administrative arrangements are acceptable. A simplification of the escalation factor process is desirable to avoid the necessity for retrospective adjustments of grant entitlements.

In view of the diversity of local government within each state the grant allocation process should remain decentralised.

The Local Government Grants Commissions welcome the involvement of the Commonwealth Grants Commissions in advising the Commissions on the various methodological issues.

## **Appendix J**

### **Auditor-General's Report to the Minister for Local Government on the Northern Territory Grants Commission for the year ended 30 June 2001**

#### **Scope**

I have audited the accompanying financial report of the Northern Territory Grants Commission for the financial year ended 30 June 2001, comprising Statement of Assets and Liabilities and Statement of Income and Expenditure including Statement by Chairman, together with Notes to and forming part of the financial statements. The Northern Territory Grants Commission is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion upon it to the Minister for Local Government

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the requirements of the *Local Government Grants Commission Act* so as to present a view which is consistent with my understanding of the financial position of the Northern Territory Grants Commission and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

#### **Audit Opinion**

In my opinion, the financial report presents fairly the financial position of the Northern Territory Grants Commission as at 30 June 2001 and the results of its operations for the year ended on that date in accordance with applicable Accounting Standards, other mandatory professional reporting requirements, and the *Local Government Grants Commission Act*.

#### **Iain Summers**

Auditor-General for the Northern Territory  
October 2001

Darwin, Northern Territory

**NORTHERN TERRITORY GRANTS COMMISSION****Statement of Assets and Liabilities as at 30 June 2001**

	<b>2001</b>	<b>2000</b>
	<b>\$</b>	<b>\$</b>
Assets	Nil	Nil
Liabilities	Nil	Nil

**Statement of Income & Expenditure for the year ended 30 June 2001**

Income	Nil	Nil
Expenditure	Nil	Nil

Notes to and forming part of the financial statements are attached.

**Statement by Accountable officer**

In my opinion:

- (I) The accompanying Statement of Income and Expenditure presents fairly NT Grants Commission's transactions for the reporting year ended 30 June 2001.

The financial statements are based on proper accounts and records and are in agreement with the accounts and have been properly drawn up so as to present fairly the transactions of the NT Grants Commission for the reporting year ended 30 June 2001 and its financial position at that date.

- (ii) The accompanying Statement of Assets and Liabilities presents fairly the NT Grants Commission's state of affairs at the end of the reporting year; and
- (iii) The financial statements are in accordance with applicable accounting standards.

TED CLARK  
Accountable Officer

October 2001

**NORTHERN TERRITORY GRANTS COMMISSION****Notes to and forming part of the financial statements for the year ended 30 June 2000.**

1. The Commission was established under the provision of the *Local Government Grants Commission Act*, which came into operation on 1 July 1986, in order to comply with the requirements of the then *Local Government (Financial Assistance) Act 1986*.
2. The Commission's activity is to make recommendations to the Minister for Local Government, in respect of the amounts of money to be allocated to local governing bodies from the money provided to the Territory under the Commonwealth's *Local Government (Financial Assistance) Act 1995*.

Funds for this purpose were appropriated to the Department of Local Government. Allocations of Federal Assistance Grants and Road Grants recommended for distribution were:

	<b>Recommendation for distribution in 2001/2002</b>	<b>Recommendation for distribution in 2000/2001</b>
Federal Assistance Grants	\$9,700,667	\$9,335,115
Road Grants	<u>\$9,950,851</u>	<u>\$9,521,428</u>
Total	\$19,717,048	\$18,856,544
	=====	=====

3. The costs of operation of the Commission are met from the funds appropriated to the Department of Local Government and were \$69,637 (1999/2000: \$113,774). No allowance has been made for the estimated cost of administrative support provided by the Department of Local Government.
4. The Commission did not acquire any assets during the period covered by the financial statements.