

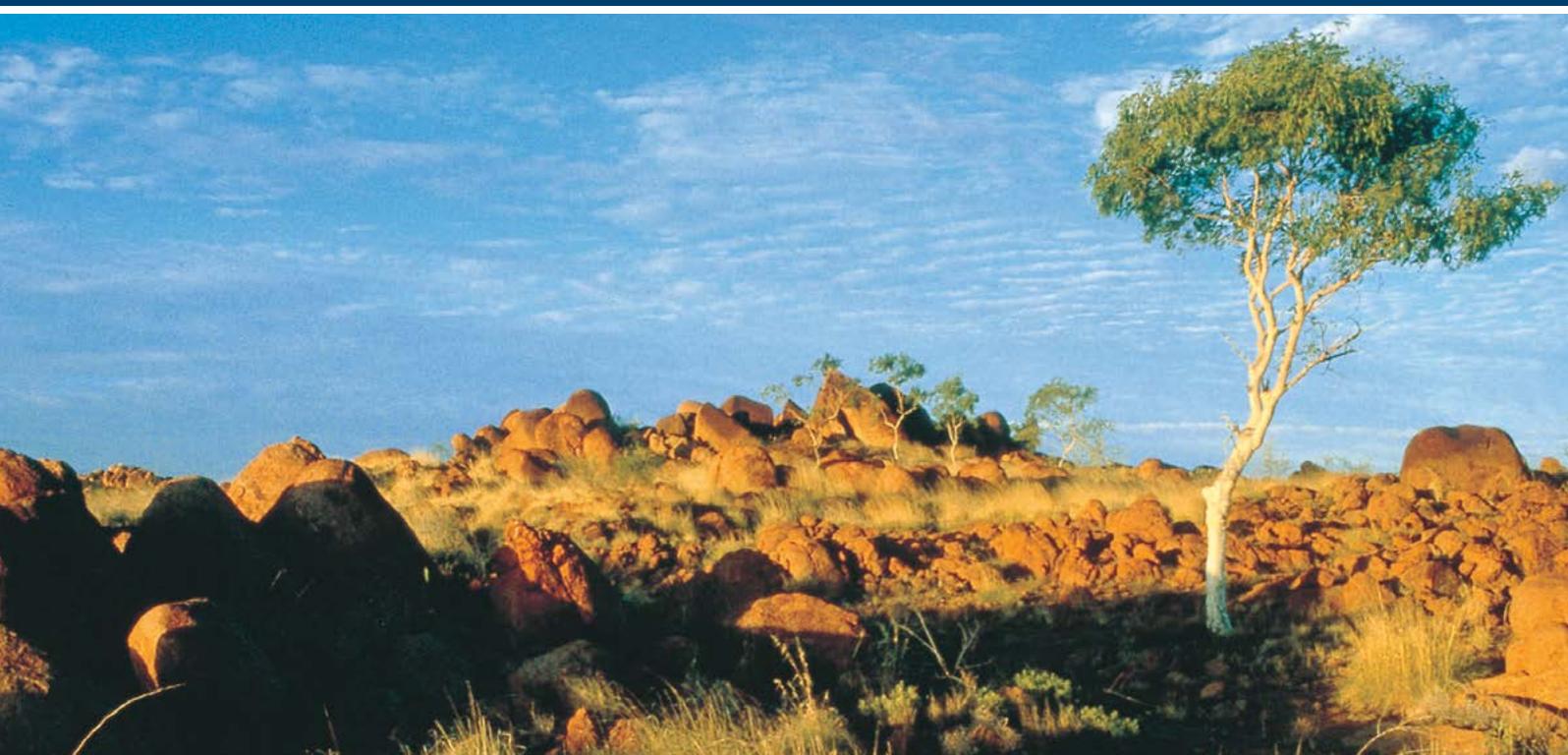


Northern  
Territory  
Government

DEPARTMENT OF LOCAL GOVERNMENT AND REGIONS

# Annual Report

## 2013–2014





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**File No.** LGR2014/00095

The Hon Adam Giles, MLA  
Minister for Local Government and Regions  
Parliament House  
DARWIN NT 0800

Dear Minister

In accordance with the provisions of the *Public Sector Employment and Management Act*, I am pleased to submit the annual report on the 2013–14 activities and achievements of the Department of Local Government and Regions.

Pursuant to the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*, I advise that to the best of my knowledge and belief:

- (a) Proper records of all transactions affecting the department are kept and the employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and the Treasurer's Directions.
- (b) Procedures within the department afford proper internal control, and these procedures are recorded in the Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*.
- (c) There is no indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records.
- (d) The internal audit capacity available to the department is adequate, and the results of internal audits have been reported to me.
- (e) The financial statement included in the annual report has been prepared from proper accounts and records and is in accordance with the Treasurer's Directions.
- (f) All Employment Instructions issued by the Commissioner for Public Employment have been satisfied.
- (g) The department is working in compliance with the *Information Act*.

Yours sincerely

MIKE CHIODO

30 September 2014

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## ABOUT THIS REPORT

This annual report provides a record of the Department of Local Government and Regions' achievements for the 2013–14 financial year. In line with section 28 of the *Public Sector Employment and Management Act*, this report aims to inform the Northern Territory Parliament, Territorians and other stakeholders of:

- the primary functions and responsibilities of the department
- significant activities undertaken during the year
- the department's financial management and performance.

This report provides a summary of the department's progress in achieving its planned outcomes, as outlined in the 2013–14 Budget and the department's corporate plan 2013–15. It also provides an insight into future direction.



# CHIEF EXECUTIVE'S

The Department of Local Government and Regions' primary focus in 2013–14 was on the review of regional governance and consulting with stakeholders to identify options for reform. During the year, the department also maintained its core functions of supporting councils, allocating grants and funding, conducting compliance audits and managing the performance of councils.

The regional governance reforms include creating a new system of regional councils that replace shires, creating 63 local authorities, increasing funding to assist those local authorities and creating a new council in the West Daly area.

Establishing the new council meant demerging the Victoria Daly Regional Council and creating a new local government area and council to be known as the West Daly Regional Council. Those changes are effective from 1 July 2014.

Over the next few years, a further development in regional governance reform could see the creation of regional authorities. These authorities would involve all levels of government, including land councils, working in a more integrated way to ensure a better, more appropriate and more efficient delivery of services to communities.

In September 2013, the Animal Welfare Branch transferred to the Department of Primary Industries and Fisheries. I thank the members of that branch for their valuable contribution to improving animal welfare. This change occurred during a review of the *Animal Welfare Act*, and once the review is completed, it will inform possible changes to animal welfare legislation.

The department monitors councils' performance throughout the year, including via an annual program of compliance audits. From time to time, however, complaints are received about the performance or behaviour of specific councils or individual members of councils, and these matters are assessed and action is taken—formal or less formal as appropriate. The number of complaints in 2013–14 increased on previous years, and this is being investigated and monitored to better understand the reasons for the increase.

The *Local Government Act* was amended during the reporting period and took effect on 2 June 2014. The amendment was primarily to clarify a number of matters raised by councils through the Local Government Association of the Northern Territory (LGANT). Ensuring the Act is user friendly, contemporary and relevant to the Northern Territory continues to be a priority of the department.



Former Deputy Chief Minister, David Tollner, presents then Chief Executive of the department, Allan McGill, with a copy of the public gazette notice for launch of the West Daly Regional Council at a retirement farewell for Allan.

# MESSAGE

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Delivering on an election commitment, in April 2014, the minister announced that government would transfer some departmental functions to the LGANT as a way of strengthening local government. At 30 June, LGANT and the department had commenced arrangements to enable the transfer, which is scheduled for completion in September 2014.

The Northern Territory Electoral Commission conducted a review of the 2012 local government elections in 2013–14 and produced a report with 27 recommendations. The department published the report and received several submissions, which were considered and submitted to the Minister for Local Government and Regions with suggested proposed actions.

On a personal note, I retired on 30 June 2014, and although I was only the department's Chief Executive for a relatively short time, my interest in and support for local government was greatly strengthened. The department has a critical support and regulatory role in ensuring councils develop, represent their communities and operate professionally with a high standard of governance and quality service delivery.

Mike Chiodo was appointed CEO of the department on 1 July 2014.

I thank all staff for their commitment and loyalty to local government and for their efforts throughout the year. There were some challenging issues, but fortunately there are many talented staff in the department with comprehensive corporate knowledge that makes it easier to deal with those challenges. I have valued and appreciated this support and professionalism during my time with the department.

The longer-term financial sustainability of local government continues to be an issue nationally; however, in the Northern Territory, it is a major challenge. For a range of reasons, regional councils have difficulty raising sufficient funds to make them sustainable, and that is a matter requiring constant review. There is no simple fix.

Historically, local government has been seen as being all about the 'three Rs'—roads, rates and rubbish—and these will always be at the core of what local government does. In the contemporary world we live in, however, I believe there are three new and additional 'Rs' that councils need to factor into their decision making: relevance, responsibility and respect. It is essential that councils remain true to their communities.

Finally, local councils are the cornerstone upon which the Territory can be developed, and governments at all levels must work together to ensure the full potential of councils can be realised.

**'Stronger local government results in stronger regions.'**



Allan McGill  
Chief Executive

# SIGNIFICANT EVENTS

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The regional governance reforms saw the creation of a new system of regional councils with 63 local authorities replacing shires.

The Victoria Daly Regional Council was demerged and a new local government area and council, the West Daly Regional Council, was created.

The *Local Government Act* was amended to clarify a number of matters. The amended Act took effect on 2 June 2014.

Delivering on an election commitment, in April 2014, the minister announced that government would transfer some departmental functions to the LGANT to strengthen local government.

An additional \$5 million was committed during 2013–14 to fund 2014–15 local authority priority projects.

The Northern Territory Operational Subsidy to regional councils was increased by \$5 million per annum.

Successfully managed \$80.2 million in local government grants.

Participated in more than 16 forums in the local government sector on matters of regional importance to councils.

The regional offices conducted 47 council service delivery boundary consultations between July and November 2013 to assess views of council constituents on altering council boundaries.

# PERFORMANCE SNAPSHOT

STATUS KEY: ✓ ON TRACK    ▶ MONITOR CLOSELY

Table 1: Actions for strengthening local government capacity

<p><b>1.</b></p> <p>Develop the capacity of local governments to provide legitimate, representative, effective governance, improved service delivery and sustainable development.</p>	Developed six new governance resources for the web-based council toolbox on topics including financial and annual planning, performance measurement, reviewing electoral representation, elected members' policy and council meeting procedure for confidential matters.	✓
	Trialled the rural and remote local government planning manual developed by the Australian Centre of Excellence in Local Government in a number of remote regional councils.	✓
	Held 16 local government forums (four more than the performance target) to work towards strengthening council governance and to support remote regional councils to implement changes to councils' corporate identities, creation of local authorities and relationships.	✓
	Established a regulatory framework for the establishment and development of local authorities.	✓
	Supported local authority policy development and funded regional councils to establish local authorities.	✓
	Referred seven complaints to the Local Government Disciplinary Committee and provided secretariat support.	✓
	Reviewed the participation and operational environment of local boards leading to the development of a local authority framework.	✓
<p><b>2.</b></p> <p>Assist the local government sector to ensure its financial sustainability into the future.</p>	Examined financial reports tabled at council meetings to monitor and assess the status of council sustainability in the Northern Territory.	▶
	Produced policy papers based on the Deloitte 2012 review of councils' financial sustainability recommendations to assist regional councils to improve their financial sustainability.	✓
	Worked with local government stakeholders to develop templates and resources, such as asset and financial management guidelines and policies. These resources will be part of the suite of online toolbox support available to local government in the Territory.	✓
	Conducted a research project defining sustainability in the context of local government in the Northern Territory's remote areas. Reviewed the operating environment of regional councils and explored options for reducing administrative costs and improving operating efficiencies.	✓
	Produced a 2013 report on the sustainability of shire councils, which updated the 2012 report. The report included an assessment of progress made on the 2012 report's recommendations and highlighted outstanding issues relating to council viability. An examination of the establishment and ongoing costs of dividing the Victoria Daly Regional Council into two discrete entities was also included.	▶

# PERFORMANCE SNAPSHOT

STATUS KEY: ✓ ON TRACK    📌 MONITOR CLOSELY

Table 1: Actions for strengthening local government capacity (continued)

<b>3.</b> Strengthen governance and management capability through local government reform.	A commitment to strengthen local governance in regional and remote areas. Under the <i>Local Government Amendment Act 2013</i> , the eight large shire councils became regional councils on 1 January 2014.	✓
	Local authorities were established in 63 communities across the Territory by 30 June 2014. Local authorities are involved in planning, service delivery and budget matters involving their local community.	✓
	Committed an additional \$5 million per annum commencing in 2014–15 to fund local authority priority projects.	✓
	Held 87 community meetings, including semi-structured interviews with local boards, community organisations and residents on current and possible alternative council boundaries.	✓
	Updated the 2012 Review of Councils' Financial Sustainability report to reflect the situation in 2013.	✓
	Committed an additional \$5 million ongoing funding from 2013–14 for councils' operational subsidy.	✓
	Delivered the <i>Local Government Amendment (Restructuring) Act 2013</i> , which gave the minister powers to make restructuring orders as necessary to facilitate the restructuring of local government.	✓
	Completed the establishment of the new West Daly Regional Council.	✓
<b>4.</b> Ensure local governments comply with legislative requirements via reviews, agreements, investigations, advice and support.	Continued to collaborate with local government councils, associations and other key stakeholders to support compliance, reviews and improvements.	✓
	Conducted compliance reviews of five councils.	✓
	Conducted a compliance program for all Northern Territory councils.	✓
	Completed four investigations.	✓
<b>5.</b> Explore alternative service delivery options that maximise local employment opportunities.	Funded grants for local employment opportunities, which support improved council planning and greater job security for employees.	📌
	Supported the direction of Indigenous Employment Program funding to management positions in local government councils.	📌
	The percentage of Indigenous employment by regional councils was 60.2 percent in 2013–14, more than half of total employees.	📌

# PERFORMANCE SNAPSHOT

STATUS KEY: ✓ ON TRACK    ▶ MONITOR CLOSELY

Table 1: Actions for strengthening local government capacity (continued)

6. Ensure legislation is current and appropriate.	Drafted a discussion paper to review the <i>Animal Welfare Act</i> and passed the draft paper to the Department of Primary Industry and Fisheries (responsible for Animal Welfare since September 2013) for release during 2014–15.	✓
	Continued to review the <i>Cemeteries Act</i> (after a discussion paper was released in December 2012) by developing a position paper for further consultation in 2014–15.	✓
	Facilitated amendments to the <i>Darwin Rates Act</i> , which were introduced in the March 2014 sittings of the Northern Territory Legislative Assembly.	✓
	Facilitated amendments to the <i>Local Government Act</i> , which introduced regional councils and local authorities ( <i>Local Government Amendment Act 2013</i> ).	✓
	Facilitated amendments to the <i>Local Government Act</i> to give the Minister for Local Government powers to restructure local government in the Northern Territory ( <i>Local Government Amendment (Restructuring) Act 2013</i> ).	✓
	Facilitated amendments to the <i>Local Government Amendment Act 2014</i> , making a number of changes that clarified and improved certain local government provisions and procedures to the <i>Local Government Act</i> in response to consultation with the local government sector ( <i>Local Government Amendment Act 2014</i> ).	✓
7. Establish a Family Safe Environment Fund.	The fund provided grants totalling \$146 770 in 2013–14 for improved park layouts, installation of CCTV cameras, installation of additional lighting, and improving entrances, exits and signage.	▶
8. Administer local government grants.	Successfully managed \$80.2 million in local government grants.	▶
	Allocated \$32.7 million in grant funding in line with recommendations made by the NT Grants Commission.	▶
	Assisted 29 organisations (including local governments) by provision of grant funding.	✓

# PERFORMANCE SNAPSHOT

STATUS KEY: ✓ ON TRACK    🚩 MONITOR CLOSELY

Table 2: Actions to improve regional service delivery across the Territory

<b>9.</b> Provide strategic advice and assessment of regional issues.	The Alice Springs, Arafura, Barkly, East Arnhem and Katherine regional offices attended Ordinary Council Meetings across the Territory and provided councils with governance capacity building and provided support to elected members, council services staff and local authority members on policy impacting operations, familiarisation with local government legislation and advice on localised issues that arose regarding council service delivery.	✓
	Met budget paper three performance by strategically participating in 12 forums in the local government sector on matters of regional importance to councils as required.	✓
<b>10.</b> Monitor and advise on service delivery, financial management and operational issues.	Regional office staff worked with regional councils across the Territory on annual planning reviews, including service delivery profiling.	✓
	The regional offices conducted 47 council service delivery boundary consultations between July and November 2013 to assess views of council constituents in altering council areas.	✓

Table 3: Increase capacity of staff to deliver services

<b>11.</b> Develop a strong client focus.	Regional staff attended the majority of Ordinary Council Meetings and were available to provide council clients with advice on council and regional matters.	✓
	Regional staff visited new community-based local authorities to build relationships with local authority members and offer support in building their working knowledge of the local authority framework.	✓
<b>12.</b> Implement workforce development plans.	Six workforce development plans were completed.	✓

# PERFORMANCE SNAPSHOT

STATUS KEY: ✓ ON TRACK    ▶ MONITOR CLOSELY

Table 3: Increase capacity of staff to deliver services (continued)

13. Strengthen corporate systems to support staff.	Established an internal system platform for analysing and reporting on unstructured data obtained during community and stakeholder consultation. The aim was to determine whether people in each of three regional areas were generally in favour of a new standalone council and to assess a preferred regional grouping.	✓
	Established an internal project planning system to implement actions and manage risk for the establishment of the West Daly Regional Council by 1 July 2014.	✓
	Conducted a review and rationalisation of local area network drives to improve staff access to historical data and information and to suit the establishment of the new department on 10 September 2013.	✓
14. Deliver cross-cultural training to all staff.	In 2013–14, an employee attended a basic awareness session in Darwin and another employee attended an in-depth awareness session in Alice Springs. At year end, 44 per cent of staff had completed cross-cultural training.	✓

## NORTHERN TERRITORY BUDGET PAPER 3: PERFORMANCE

### Output: Local Government and Regions

Build the strength and capacity of local government in the Territory to provide legitimate representation, effective governance and improved service delivery.

Key deliverables	2013–14 estimate	Outcome
Percentage of key stakeholders satisfied with advice and services provided by the department	> 70%	90%
Percentage of grants and subsidies completed and acquitted back to the department according to funding agreements	> 80%	85%
Funds granted under the Indigenous Matching Jobs program	\$8.1M	\$8.3M

# PERFORMANCE SNAPSHOT

## DEPARTMENTAL BENCHMARKING

The department's key deliverables are to:

- formulate, develop and review the department's operating compliance policies and council administration monitoring procedures
- oversee those bodies' accountability under local government legislation
- conduct a program of compliance reviews with the regional offices to assess whether councils are meeting their financial and administrative responsibilities.

The review program includes scrutiny of:

- governance processes
- executive management compliance
- financial compliance
- administrative compliance
- service delivery against council plans
- procurement
- revenue control (for example, rating).

The purpose of the reviews is to identify collaborative solutions with councils to improve their business administration. In November 2011, a compliance framework was established to record annual breaches of local government legislation.

**Table: Number of compliance reviews November 2011 to June 2014**

Year	Number of reviews	Number of breaches	Change in breaches (%)
2011–12	3	27	n/a
2012–13	6	41	+ 52
2013–14	5	13	- 68

The number of reviews has increased over the three years. Of 16 councils in the Northern Territory, 14 were reviewed within the three years and two reviews were commenced in late 2013–14.

An analysis of review data suggests significant improvement in council compliance. In 2013–14, there was one fewer review compared to 2012–13; however, instances of non-compliance decreased by 68 per cent. This can be partly attributed to the department's work since 2011–12 to provide legislative guidance and tools for councils to improve administration.

# ABOUT US

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## ESTABLISHING THE DEPARTMENT

The Department of Local Government and Regions was established in September 2013 in response to changes in agency arrangements to refocus the Northern Territory Government on effective and quality service delivery and stronger regions.

## OUR VISION

Stronger local government through sustainable and effective programs.

## OUR VALUES

- responsive
- professional
- accountable
- collaborative
- flexible
- diverse
- respectful.

## OUR ROLE

The department is responsible for the development and regulation of local government in the Northern Territory.

### Number of councils

Municipal councils	5
Shire councils (small)	3
Regional councils (large)	9

## OUR STRATEGIC FOCUS

### OUR LEADERSHIP

#### Allan McGill (retired)

*Chief Executive*

Allan joined the department in April 2013. He previously managed Territory Alliance, a construction company formed to deliver housing and infrastructure under the Strategic Indigenous Housing and Infrastructure Program (SIHIP). Prior to that role, Allan held a number of local government positions, including Chief Executive of the Katherine Town Council, Alice Springs Town Council and City of Darwin. Allan retired from the department on 30 June 2014.

#### Diane Hood

(to 20 September 2013)

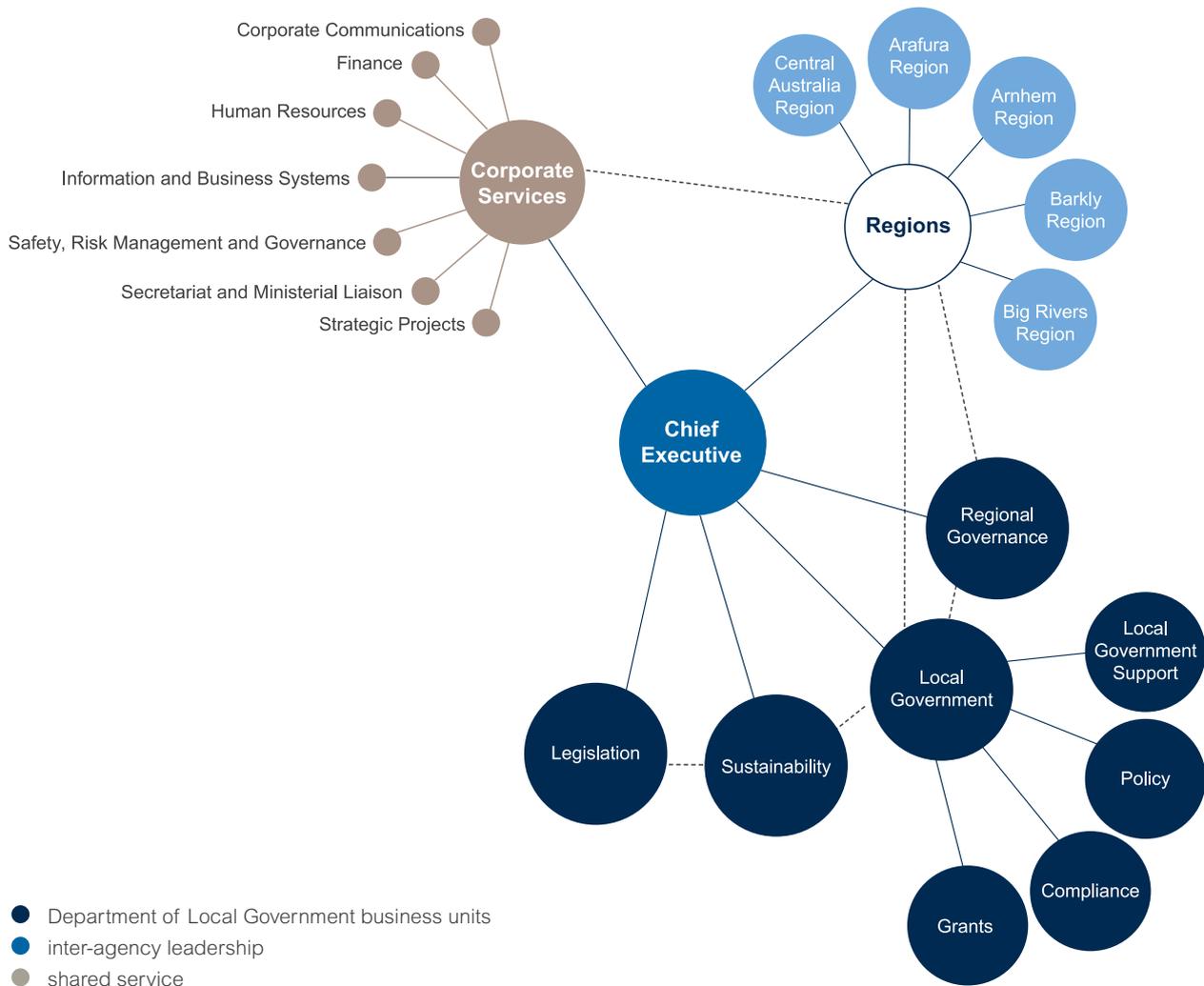
*Acting Deputy Chief Executive*

Diane joined the department in March 2013. She was previously Chief Executive of MacDonnell Shire Council, which services communities between Alice Springs and the South Australian border.

## OUR STRATEGIC FOCUS

- strengthen local government capacity
- improve regional service delivery across the Territory
- increase capacity of staff to deliver services.

# ABOUT US



**Figure 1: Our structure**

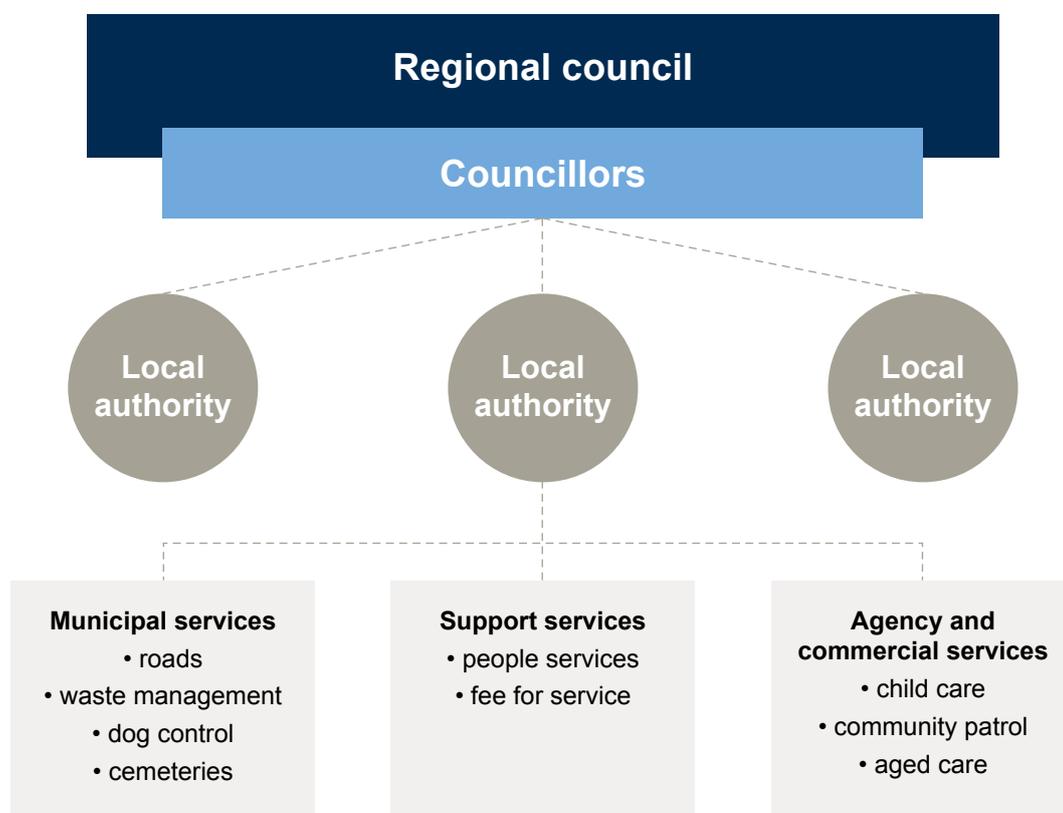
The department has four business units: Local Government and Regions, Local Government Sustainability, Legislation, and Regional Governance. The department also has five regional teams that support the work of Local Government and Regions and Regional Governance and are overseen by Regional Executive Directors.

The department's Regional Executive Directors are administratively based in the Department of the Chief Minister and oversee operations across both departments. The department's corporate support is provided by Organisation Services under a shared services arrangement with the Department of Housing.

# ABOUT US

## FUTURE DEPARTMENTAL PRIORITIES

- 'Framing the Future' – a strategy that lays the foundation to build a prosperous economy—one that creates wealth and jobs, one that is open, competitive and innovative.
- Local Government Association of the Northern Territory Local Government Support Agreement – delivering services to Northern Territory councils.
- Strengthening Local Authority processes, communication and community participation in the decision-making processes of a regional council.
- Providing financial sustainability support to regional councils.
- Top End councils' formation and sustainability support.
- First Circles Engagement will focus on engaging future Indigenous leaders from across the Northern Territory to bring new voices to the conversation and help build the next generation of community leaders.
- Ongoing support and development of local government.
- Increased investment in stakeholder engagement and partnerships.
- Explore the 'regional authority' concept.



# ABOUT US

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## OPERATING ENVIRONMENT AND SUSTAINABILITY

The Department of Local Government and Regions is the government agency responsible for promoting and supporting a strong and sustainable local government sector in the Northern Territory. The local government sector in the Northern Territory comprises 17 local governments: four in urban areas, one in a rural area and 12 in remote and regional areas. Local governments vary significantly in size, capacity and demographic profile.

The Belyuen Shire covers an area of 41 square kilometres, while the Barkly Regional Council has an area of 322 514 square kilometres. In terms of population, the City of Darwin's population was 76 987 in 2013, while 11 local governments across the Territory have populations of fewer than 10 000 each.

This diversity in size and capacity presents a unique challenge for the department in its role of overseeing the local government sector.

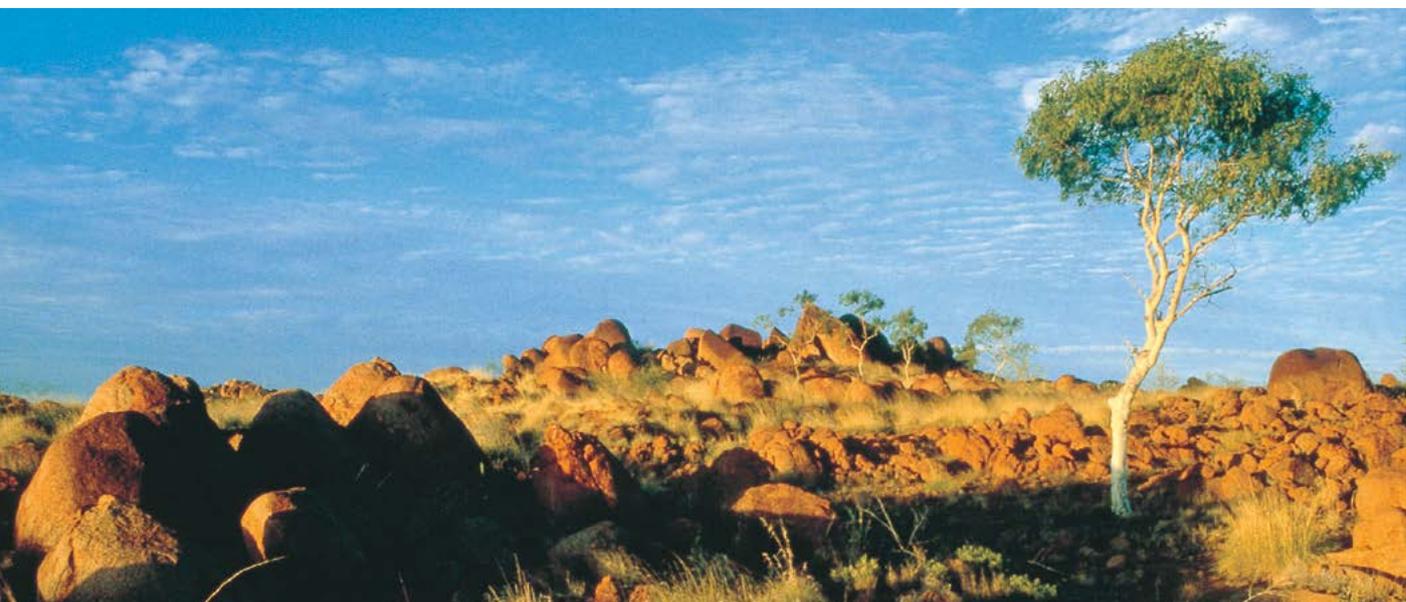
The department works cooperatively with the Territory's local governments, local government sector associations and other key stakeholders to promote good governance, encourage active stakeholder engagement and support the sustainability and delivery of quality services to Northern Territory communities. A strong local

government sector that represents its communities fairly and effectively and delivers services that best meet community needs is central to the health and wellbeing of these communities.

Remote regional councils provide extra services to their communities on top of mainstream local government services. Many of these services are Australian and Territory governments' health and well-being programs and commercial services, such as aged care, community night patrol, Centrelink and essential services. Delivering this range of services presents a challenge to Territory's local governments to manage different administrative processes and deliverables.

The Minister for Local Government and Regions is responsible for the administration of the *Local Government Act*, which provides for a system of local government in the Territory. Among other things, the Act provides a framework for the administration and financial management of local governments and for the scrutiny of their affairs.

The department supports the local government sector to be sustainable by supporting councils to operate efficiently and effectively and best use the available resources.



# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## IMPROVED REGIONAL GOVERNANCE

### STRONGER REGIONAL GOVERNANCE

#### REGIONAL GOVERNANCE REFORM

An important concern raised during the 2012 Northern Territory general election was that Territorians living in regional and remote areas felt they had 'lost their voice' in local government service delivery.

As reported in the department's 2012–13 annual report, a Regional Governance Working Group of 23 community leaders, elected representatives, land councils and industry representatives was tasked with developing regional governance options to ensure a strong local voice. Following extensive community consultations in 2012–13 on regional governance models, including 177 community visits and 279 meetings across the Territory, the working group proposed a preferred immediate option: a new category of local government called 'regional councils' that replaced the existing eight shires and 63 new local bodies called 'local authorities'. The changes took effect on 1 January 2014.

#### REGIONAL COUNCILS AND LOCAL AUTHORITIES

Government made a commitment in the second half of 2012 to strengthen the existing local governance arrangements in regional and remote areas. The first legislation to support this was the *Local Government Amendment Act 2013*, which introduced regional councils and local authorities as new categories of local government, aimed at returning the voice of people at the local level. On 1 January 2014, the eight large shire councils in regional and remote areas became eight regional councils.

Under the *Local Government Act*, local authorities were established in 63 communities across the Territory by 30 June 2014.

Community governance is strengthened through the new legislation and Minister's Guideline, which mandates regional councils to establish and operate the local authorities.

Local authorities are involved in planning, service delivery and expenditure matters in their local community. Regional councils must report to their local authorities on the progress of local priority projects, for which government granted an additional \$5 million per annum from 2014–15.

Meetings of local authorities will occur from 1 July 2014.

#### Local authorities at 30 June 2014

The membership of local authorities encourages diversity and representativeness as detailed in the table below.

Of 603 total local authority members, 42 per cent (253) of members were female and 58 per cent (350) of members were male.

Regional council	No of local authorities	Member of local authority		
		Male	Female	Total
Barkly	7	42	18	60
Central Desert	9	47	23	70
East Arnhem	9	66	43	109
MacDonnell	13	43	55	98
Roper Gulf	10	36	49	85
Tiwi Islands	3	24	17	41
Victoria Daly	5	28	23	51
West Arnhem	4	33	15	48
West Daly	3	31	10	41
<b>Total</b>	<b>63</b>	<b>350</b>	<b>253</b>	<b>603</b>

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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## BOUNDARIES REVIEW

As part of the regional governance review project and after proposals of the Regional Governance Working Group, the department undertook a program of community consultation about current and possible alternative council boundaries in 2013–14.

Eighty-seven meetings were held with local boards, community organisations, community residents, individual councillors and council staff. Australian Government agencies, the Local Government Association of the Northern Territory and Members of the Legislative Assembly were also briefed on the review.

As a result of the consultation, the department completed an assessment of possible alternative boundaries in four areas: West Daly, Maningrida, Groote Eylandt and unincorporated areas in the Top End.

The assessment identified the West Daly Regional Council area as being where significant interest was shown for a new council.

Complementing the department's assessment of alternative boundaries, Deloitte was engaged to update its 2012 review of councils' financial sustainability and advise on the establishment and ongoing costs of possible additional regional councils. In summary, Deloitte found that while there had been significant improvements in a number of areas since the last report, regional councils' long-term financial sustainability will only be achieved through substantial or disruptive adjustments to regional councils' revenue and/or expenditure.

Aside from the West Daly region (see the case study), no other alternative council boundaries options were progressed during 2013–14.

The full report is available on the department's website [www.nt.gov.au/localgovernment](http://www.nt.gov.au/localgovernment).

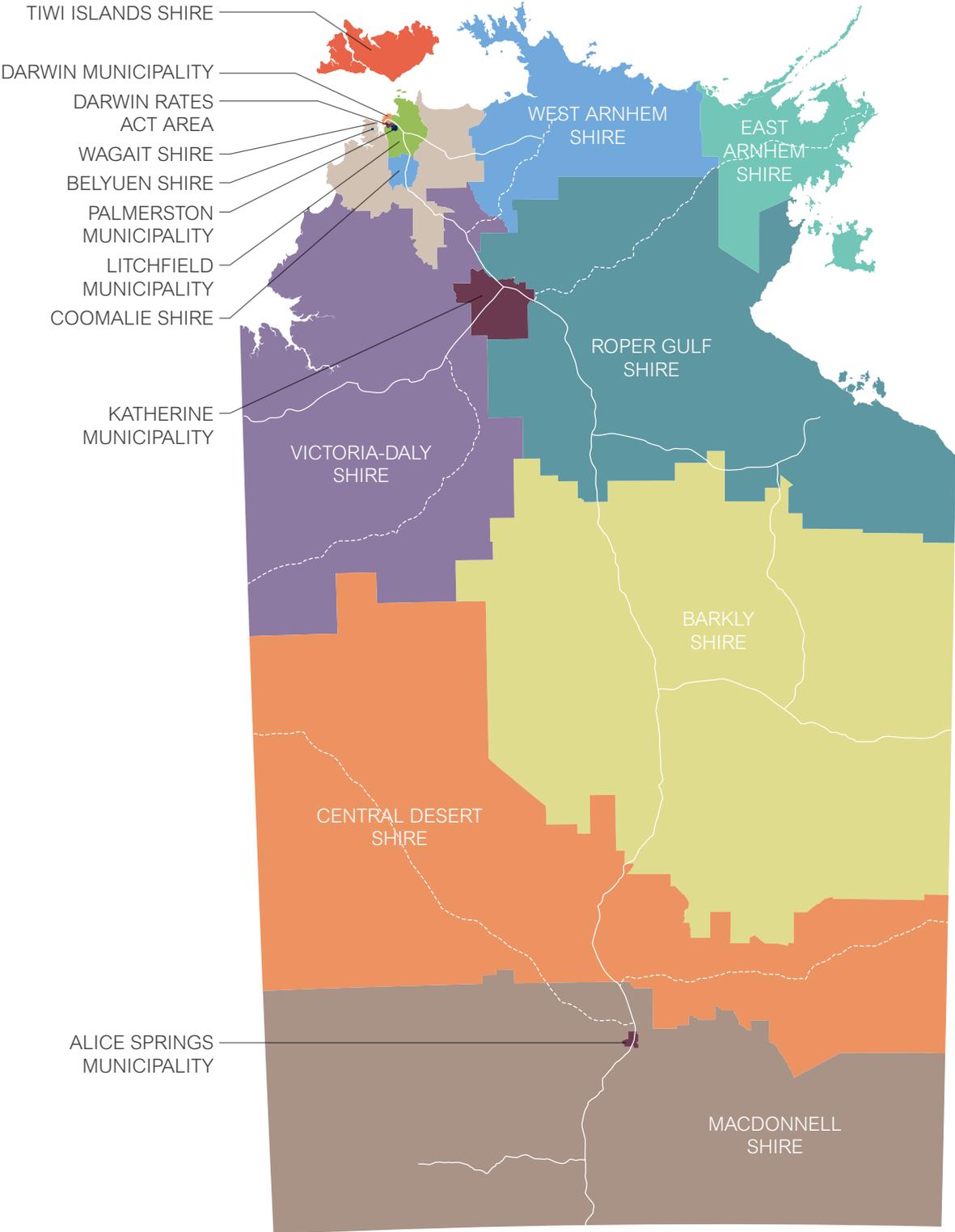
## MOVING FORWARD

The department has three areas of focus in 2014–15:

- bedding in the operations of the new local authorities that were established in 63 communities across the Territory
- devolving greater self-management and support to the local government sector itself via a service level agreement with the Local Government Association of the Northern Territory
- further work on several initiatives to assist councils' financial sustainability, including areas highlighted in the Deloitte review.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## MAP OF NORTHERN TERRITORY LOCAL GOVERNMENT AREAS



# STRENGTHENING LOCAL GOVERNMENT CAPACITY

Table of local authorities established in regional council areas

<b>Barkly Regional Council</b>	<b>MacDonnell Regional Council</b>	<b>Tiwi Islands Regional Council</b>
Ali Curung	Amoonguna	Milikapiti
Arlparra	Apatula	Pirlangimpi
Alpurrurulam	Areyonga	Wurrumiyanga
Ampilatwatja	Haasts Bluff (Ikuntji)	
Elliott	Imanpa	<b>Victoria Daly Regional Council</b>
Tennant Creek	Kaltukatjara	Daly River
Wutungurra	Kintore (Walungurru)	Kalkaringi/Dagaragu
	Ltyentye Apurte	Pine Creek
<b>Central Desert Regional Council</b>	Mt Liebig (Amundurrngu)	Timber Creek
Anmatjere (Nturiya, Pmara Jutunta, Wilora, Ti Tree)	Ntaria	Yarralin
Atitjere	Papunya	
Engawala	Titjikala	<b>West Arnhem Regional Council</b>
Lajamanu	Wallace Rockhole	Gunbalanya
Laramba		Maningrida
Nyirripi	<b>Roper Gulf Regional Council</b>	Minjilang
Willowra	Barunga	Warruwi
Yuelamu	Borrooloola	
Yuendumu	Bulman	<b>West Daly Regional Council</b>
	Jilkminggan	Palumpa
<b>East Arnhem Regional Council</b>	Manyallaluk	Peppimenarti
Angurugu	Mataranka	Wadeye
Galiwin'ku	Minyerri	
Gapuwiyak	Ngukurr	
Gunyangara	Numbulwar	
Milingimbi	Wugularr	
Milyakburra		
Ramingining		
Umbakumba		
Yirrkala		

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

CASE STUDY

## WEST DALY REGIONAL COUNCIL

On 1 November 2013, a well-attended meeting of Indigenous clan groups in the West Daly region and the Chief Minister, the Minister for Local Government and Regions and the Member for Daly, affirmed that the people wanted a stronger voice and greater control over the delivery of services in their local area. As a result, and in line with the result of the boundaries review, in December 2013 the Minister for Local Government and Regions announced that the Victoria Daly Regional Council would be split in two, with a new West Daly Regional Council in the Wadeye-Peppimenarti-Palumpa area and the continuing Victoria Daly Regional Council in the remaining area. The new arrangements were to commence on 1 July 2014.

A Transition Committee comprising 18 representatives from both the new and continuing council areas, the Local Government Association of the Northern Territory, the Northern Territory and Australian governments and the Northern Territory Parliament was appointed to oversee the transition.

The Transition Committee met monthly during 2013–14 to work through decisions such as council name, ward boundaries, method of appointing a mayor and councillors, and transition methodology. Over the six-month period, the Transition Committee deliberated over 54 recommendations to enable the creation of the new West Daly Regional Council and transition of the continuing Victoria Daly Regional Council.

Working closely with the Transition Committee, the department undertook a comprehensive role in creating the new council, such as employment transfers, asset transfers, financials, organisational structure, council offices, corporate systems, agency service delivery contracts, business registration, council policies and plans, and communications. The cooperative approach of the Victoria Daly Regional Council was essential through the transfer process, as was the patience of staff working in the new council region who all transferred voluntarily in what proved a seamless transition.

Top: Former Minister for Local Government, Dave Tollner, receiving the Oath of Office from councillors (left to right) Andrew Brown, Harold Wilson, Mark Martin, Tobias Nganbe and Wally Minjin on 4 July 2014 culminating from the department's work in 2013–14.

Bottom: Former Minister Tollner with Harold Wilson, Mayor of West Daly Regional Council, signing an Oath of Office certificate at the launch of the West Daly Regional Council on 4 July 2014.

The *Local Government Amendment (Restructuring) Act 2013* gave the minister the power to make restructuring orders as necessary to facilitate the restructure of local government. In establishing the West Daly Regional Council, two restructuring orders were determined. The first was to establish a prospective council, which is a transitional body corporate whose functions and powers are to prepare for its future role as a fully constituted council and to take any actions necessary. The second was to formally constitute the new West Daly Regional Council, appoint councillors, amend the boundary of the Victoria Daly Regional Council and transfer the rating proposal.

The culmination of the department's work in 2013–14 was the establishment of the new West Daly Regional Council, which will formally commence on 1 July 2014.



# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## LOCAL GOVERNMENT SUPPORT

The department develops the strength and capacity of the Northern Territory local government sector by supporting regional, shire and municipal councils and local authorities to provide legitimate representation, effective governance, improved service delivery and sustainable development. Local government support is provided by:

- developing resources, tools and templates for the online council toolbox
- providing one-on-one support and advice to council administration
- collaborating with the Local Government Association of the Northern Territory and facilitating stakeholder meetings
- administering grant programs that strengthen local employment and community engagement.

During 2013–14, the department's key focus was to:

- support regional councils to establish local authorities
- manage the Indigenous Employment Program and support councils to maximise Indigenous employment and workforce development
- undertake effective and timely administration of the Local Government Disciplinary Committee
- administer the Strengthening Local Authorities Funding program.

## LOCAL GOVERNMENT COUNCIL REVIEWS

The Northern Territory *Local Government Act* requires the department to establish a program of compliance reviews. The purpose of this is to ensure councils are conducting their business lawfully. If any breaches of the Act are identified during reviews, the department works closely with councils to rectify any non-compliant matters.

When the department reviews councils, it is required to report any instances of non-compliance to the Chief Executive, the council itself and, in some circumstances, the Minister for Local Government and Regions.

The department also monitors councils' reporting to ensure they meet their statutory reporting obligations within certain timeframes, such as rate declarations, budgets and shire plans (which must be submitted to the department by 31 July each year). Councils' annual reports and audited financial statements must be submitted to the department by 15 November each year.

Under the Act, the department has the power to conduct investigations. For example, if there are reasonable grounds to suspect a material irregularity in or affecting the conduct of a council's affairs, the department may direct an investigation into the affairs of the council. In 2013–14, the department conducted six investigations.

In 2013–14, the department conducted compliance reviews of the following councils:

- City of Palmerston
- MacDonnell Regional Council
- Wagait Shire Council
- Coomalie Community Government Council
- City of Darwin.

## LOCAL GOVERNMENT DISCIPLINARY COMMITTEE

The Local Government Disciplinary Committee deals with complaints about breaches of the code of conduct by elected members of local government bodies during 2013–14.

The committee consists of:

- a legal practitioner nominated by the Attorney-General
- a nominee of the minister
- a nominee of the Local Government Association of the Northern Territory (LGANT).

In 2013–14, the department referred seven complaints to the disciplinary committee.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## OTHER COMMITTEES

### **Local Government (Administration and Legislation) Advisory Committee**

The Local Government (Administration and Legislation) Advisory Committee is established under the Local Government (Administration) Regulations. The Chair is the CEO of LGANT and members are appointed as follows:

- a (further) person appointed by LGANT
- two members appointed by the department
- two members appointed by Local Government Managers Australia
- two council officers co-opted to the committee after a selection process approved by the minister.

The committee meets quarterly and advises the minister on matters such as rating, portability of long service leave, audit committees, electoral matters and other administration and legislation related issues.

### **Local Government Accounting and Advisory Committee**

The Local Government Accounting and Advisory Committee is established under the Local Government (Accounting) Regulations. The Chair is the member representing the Institute of Chartered Accountants, and members are appointed by the Minister for Local Government as follows:

- two nominees of LGANT
- two nominees of the department with experience in local government
- two nominees of Local Government Managers Australia
- two nominees of the Institute of Chartered Accountants and Certified Practising Accountants of Australia
- two representatives of the Northern Territory Finance Reference Group.

The committee meets quarterly and advises the minister and the department on matters such as council investments, asset management, audit committees, financial sustainability, long-term financial plans, financial indicators and other financial management, accounting practices and legislation-related issues.

[Refer to appendices for membership.](#)

## LOCAL GOVERNMENT GRANTS

The department manages a range of local government grant programs. In 2013–14, it allocated a total of \$53.68 million in local government grants to 29 local government councils and other organisations.

Refer to page 81 for a full list of grants administered by the department.

## FINANCIAL ASSISTANCE GRANTS

In 2013–14, the Financial Assistance Grants entitlements totalled \$32.7 million and were allocated to local government councils as an approximate 50 per cent pre-payment at the end of 2012–13. The balance was paid in quarterly instalments during 2013–14. The grants are funded by the Australian Government and distributed in accordance with Northern Territory Grants Commission's recommendations.

There are two funding pools: general purpose funding that supports councils to deliver core local government services, and local roads grants. Road grants support maintenance and repair of roads managed by the local government, including the road network managed by LGANT.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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## NORTHERN TERRITORY GRANTS COMMISSION

The Northern Territory Grants Commission is an independent statutory authority. Its role is to recommend the allocation of financial assistance grants to the Australian Government Minister for Local Government for approval. Full details of the commission's activities and funding methodologies will be published in its annual report.

## NORTHERN TERRITORY OPERATIONAL SUBSIDY

The Operational Subsidy is the main support offered to councils by the Northern Territory Government to assist in providing local government services in rural and remote areas of the Northern Territory. It is paid to the eight local government regional councils together with the Belyuen, Coomalie and Wagait councils. The subsidy is not available to the municipal councils.

The 2013–14 NT Operational Subsidy entitlement totalled \$25.6 million, of which approximately 50 per cent was paid to councils in June 2013. As part of the Northern Territory Government's commitment to improving services in regional and remote areas, it increased the NT Operational Subsidy in 2013–14 by a further \$5 million.

## RESERVES AND OTHER ORGANISATIONS GRANTS

These grants are provided to organisations that provide local government-type services for the benefit of the community, such as Blatherskite Park and the Nhulunbuy Public Cemetery Trust. Approved grants for 2013–14 totalled \$659 047. An allocation of \$100 000 was approved to the Yilli Rreung Housing Aboriginal Corporation.

Only 50 per cent of the approved allocation was paid because the corporation became eligible for alternate funding under Stronger Futures – Municipal and Essential Services, during the year.

## SPECIAL PURPOSE GRANTS

These grants are open to local governments and other incorporated organisations that provide local government-type services to improve community infrastructure and local government service delivery outcomes.

In 2013–14, approximately \$3.96 million was allocated to support community services throughout the Northern Territory. This amount included the capital funding provided through the Department of Infrastructure for the upgrade of sporting facilities at Lajamanu and Yuendumu communities.

In this submission-based grants program, the department assesses applications and provides recommendations to the minister for consideration and approval. Funds are generally granted to projects that provide services and facilities that meet the community's needs and priorities.

## FAMILY SAFE ENVIRONMENT FUND

The Family Safe Environment Fund commenced on 1 January 2013 and provides funding of \$250 000 per annum.

The program aims to provide a safe environment for park users and nearby residents by reducing antisocial behaviour, acts of vandalism and graffiti. Funding is granted for initiatives such as:

- improved park layout
- installation of CCTV cameras
- installation of additional lighting
- improving entrances, exits and signage.

For example, a grant was awarded to the City of Darwin in 2013–14 for the installation of energy-efficient LED lighting to activate Tamarind Park on the Esplanade.

Of the available program funds, grants of \$146 770 were paid in 2013–14.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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## NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS

The Natural Disaster Relief and Recovery Arrangements (NDRRA) provides financial disaster relief and recovery assistance to local government bodies for repairs to community roads and other essential public assets. Local government bodies that provide resources for other community relief and recovery efforts in a natural disaster may also be eligible for reimbursement under NDRRA.

Assistance may be in the form of a grant or reimbursement to council for expenditure already incurred. Financial assistance must be in accordance with the NDRRA principles.

In 2013–14, the department paid a total \$747 222 to four councils and the Local Government Association of the Northern Territory for damage sustained as a result of monsoonal troughs. This funding enabled the councils to restore their local road networks, remove trees and repair damage caused by fallen trees.

## CLOSING THE GAP (LOCAL BOARD AND INFRASTRUCTURE) FUNDING

### **Closing the Gap – local representative boards**

The funding supported the continued development of local boards for the improvement of governance structures and practices. The funding was available to regional councils to assist in the delivery of key outcomes outlined in the regional council strategic and operational plans, developing local government capacity and build stronger communities.

In 2013–14, the department paid a total of \$535 399 from this program. Funding is based on applications from regional councils that have majority Indigenous populations.

### **Closing the Gap – infrastructure maintenance capital grants**

The funding supported community board-nominated and council-endorsed infrastructure projects. The funding was available to regional councils to assist in providing community infrastructure that facilitates community activity and integration.

In 2013–14, the department paid a total of \$980 337 from this program. Funding is based on project applications from regional councils that have majority Indigenous populations.

### **Regional council conversion**

In 2013–14, the department funded shire councils to support the introduction of regional councils on 1 January 2014. Financial support (totalling \$1.334 million) was provided for shire councils to reclassify their local government area as regional councils.

### **Local authority establishment funding**

In 2013–14, the department provided regional councils with establishment, functioning support and training funding (totalling \$630 000) for local authority members for 63 local authorities across the Northern Territory.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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## Community engagement funding

In partnership with the Australian Government, the department provided funds from the Community Engagement Funding program in 2013–14. One-off funding of \$538 862 to five former shire councils was to improve community engagement with local governments in regional and remote areas.

## Regional council establishment funding

In December 2013, the Minister for Local Government and Regions announced the Victoria Daly Regional Council (VDRC) would be split into two separate councils from 1 July 2014, with a new West Daly Regional Council (WDRC) established in the Wadeye-Peppimenarti-Palumpa area, and the continuing VDRC in the remaining area.

A Transition Committee was subsequently formed to advise the minister on the establishment of operational and functional aspects of the new council. The Transition Committee supported the WDRC's head office to be located in Darwin and for the first 12 months of operations, corporate services processing functions to be outsourced to CouncilBiz.

Grant funding of \$100 000 was provided to the prospective WDRC to cover office fit outs and furnishing, equipment and office leasing, website development, staff recruitment, insurance and other activity associated with ensuring the new WDRC was a fully functional council from 1 July 2014.

During the year, a Special Purpose Establishment Grant of \$1 million was provided to the prospective WDRC to cover the cost of repairs and replacement of assets that were transferred from the VDRC from 1 July 2014.

Grant funding of \$68 565 was provided to VDRC to reimburse the council for expenditure incurred on activities directly associated with the establishment of WDRC.

Grant funding of \$206 500 was provided to CouncilBiz to enable the entity to establish internal capacity to deliver corporate services processing functions to WDRC from 1 July 2014. The funding provided was to cover costs such as software licensing, recruitment, office equipment and computer hardware purchases.

Expenditure to fund the establishment of WDRC totalled \$1.375 million.

## Asset Management and Financial Planning Grant

In 2013–14, the department granted \$90 000 to LGANT to extend the employment of a project officer to continue working with councils in developing long-term asset and financial management plans. The aim of the plans was to assist in the long-term financial sustainability of local government and community assets.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

CASE STUDY

During a project on local government roads with the Barkly Regional Council, Barkly departmental staff found this tree while driving on a remote road to an even more remote outstation south of Elliott.

This local government-funded main road to Jangirulu Outstation follows a straight fence line. The road at this point has the fence line on one side and thick scrub on the opposite side.

The tree opposite was allowed to remain in the middle of the road because ghost gums are of sacred significance to Aboriginal people. The compromise was to simply grade the road on either side of the tree while still maintaining straight alignment of the road.



## INDIGENOUS EMPLOYMENT PACKAGE

The Indigenous Employment Package is part of a \$30 million, three-year commitment to support local government service delivery and local employment opportunities. This includes Indigenous employment in civil works crews (road construction and maintenance, parks and gardens, grass and weed management), waste collection and dump management, front desk and back office customer service, library services, emergency services, council building maintenance and plant maintenance.

The package is aimed at providing certainty in long-term job opportunities for Indigenous people and workforce planning by examining skill set levels, retention rates and succession planning.

The plans focus on current skill levels of Indigenous employees, training and career development, devising strategies to combat retention and recruiting issues and ensuring the program's strategic objectives are satisfied. Details of employees under the program as of 30 June 2014:

### Indigenous Employment Program

Regional council	Male	Female	Total
Barkly	60	13	73
Belyuen	1	0	1
Central Desert	35	4	39
East Arnhem	44	20	64
MacDonnell	89	15	104
Roper Gulf	57	17	74
Tiwi Islands	20	7	27
Victoria Daly	62	20	82
West Arnhem	36	12	48
<b>Total</b>	<b>404</b>	<b>108</b>	<b>512</b>

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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In 2013–14, three grants totalling \$10.8 million were allocated under the Indigenous Employment Package.

1. The **Indigenous Workforce Matching Grant**, totalling \$8.2 million, funds 50 per cent of employment costs to support approximately 530 Indigenous employees in positions with regional councils. In 2013–14, nine councils were supported through this grant.
2. The **Mentoring Program Grant**, funded by the Australian Government, funds workplace mentors to support Indigenous employees. In 2013–14, a total of \$2.1 million was allocated to eight regional councils.
3. The **Local Area Traffic Management Grant** funds the cost of local Indigenous employees who work on road construction and maintenance, which improves road safety in remote communities. In 2013–14, a total of \$500 000 was allocated to five regional councils.

Since the Indigenous Employment Package commenced in 2011, the total percentage of Indigenous staff in regional councils stands at 60.2 per cent, a decrease of 9.1 per cent on 2012–13. This represents 18 (3.4 per cent) Indigenous staff under the program target of 530.

In 2013–14, Indigenous employment in some regional councils was reduced through the loss of housing maintenance and tenancy program contracts to other providers and staff employed in these programs either transferring to other organisations or ceasing employment with regional councils.

## FINANCIAL SUSTAINABILITY

### 2012 REVIEW ON REGIONAL COUNCIL FINANCIAL SUSTAINABILITY

In November 2011, the former Department of Housing, Local Government and Regional Services engaged Deloitte to conduct a review of the financial sustainability of the Northern Territory's eight regional and three smaller shire councils.

The 2012 Deloitte review concluded that, based on existing practices, the then shire councils are viable in the short term in that they can fund their annual operations, but as shire councils they are potentially unsustainable in the long term, meaning they may be unable to absorb large expenditure shocks or maintain and replace assets as and when required. The report further noted that long-term financial sustainability in shire councils could only be achieved through substantial adjustments to revenue and/or expenditure.

The report provided 32 remedial actions that, if implemented, would assist in mitigating some of the risk of regional councils becoming financially unsustainable.

The report noted that an assessment of council sustainability cannot be solely based on financial matters. Other challenges, such as resource capacity, skills, demographic and environmental dimensions, are just as important to consider when assessing overall sustainability of councils.

Given the varied financial and non-financial elements that influence long-term council sustainability, there will continue to be a high dependency on government funding by councils in future years to ensure current service levels are maintained.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## IMPROVING LOCAL GOVERNMENT FINANCIAL SUSTAINABILITY

The department has continued to use the 2012 Deloitte review of councils' financial sustainability recommendations as a guide in assisting individual regional councils to improve their financial sustainability.

In response to the financial and budget management-related remedial actions identified by Deloitte, the department, in partnership with local government, LGANT, Local Government Accounting Advisory Committee (LGAAC) and other key stakeholders, is progressively developing resources to improve financial management and business practices within councils.

Draft information papers include:

- Defining Financial Sustainability
- Infrastructure and Asset Management
- Long-term Financial Plans
- Depreciation of Council Assets
- Service Types and Levels
- Financial Indicators
- Clarification and Definition of Assets and Asset Registers Policy.

These information papers will be part of the online toolbox support materials available to local government in the Territory.



Adelaide River: new footpaths funded through a special purpose grant.



Purpose-built waste management trailer with cage purchased for Nyirripi community under a Special Purpose Grant.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## LEGISLATION

In 2013–14, the Department of Local Government and Regions was responsible for the following legislation:

### **ANIMAL WELFARE ACT**

Administrative responsibility for this legislation transferred from Department of Local Government and Regions to the Department of Primary Industry and Fisheries on 10 September 2013. This Act provides the scheme for animal welfare matters, including the Animal Welfare Authority and the licensing of premises to be used for teaching and scientific purposes.

The department drafted a discussion paper to review the Act and passed the draft on to the Department of Primary Industry and Fisheries for release during the financial year.

### **CEMETERIES ACT**

The purpose of the *Cemeteries Act* is to regulate the establishment, maintenance and control of cemeteries and to regulate the time, manner and place of burials, cremations and exhumations in the Northern Territory.

The department continued to review the *Cemeteries Act* in 2013–14 after a discussion paper was released in December 2012. To make sure this legislation remains relevant and up to date, it is periodically reviewed by the department. The review includes seeking comment from stakeholders and the general public. A position paper is being developed for further consultation in 2014–15.

The department administers applications under the *Cemeteries Act* for matters such as burials outside of cemeteries and cremations at Darwin Funeral Services.

### **CROWN LANDS ACT (SECTION 79)**

The department is responsible for only section 79 of the *Crown Lands Act*, which deals with the appointment of trustees to reserves. The reserves it applies to are Robbie Robbins Reserve, Olive Pink Botanical Garden Reserve and Blatherskite Park. No trustees were appointed in 2013–14.

### **DARWIN RATES ACT**

This Act provides for the setting and collection of rates by the Northern Territory Government for the *Darwin Rates Act* area, which is not administered by any local government council. This area is predominantly an industrial area, consisting of the Trade Development Zone, part of the East Arm Port area and several adjacent areas including land in Berrimah, Tivendale and Wishart. Amendments to the Act were introduced in the March 2014 sittings of the Legislative Assembly and are yet to be debated. The Darwin Rates Amendment Bill 2014 has provisions to:

- change the name of the Act to become the *Northern Territory Rates Act*
- align the Act with the *Local Government Act*, including exemptions
- introduce differential rating and reference to pieces of rateable land as allotments
- allow the minister to set the interest rate for overdue rates
- allow the minister to declare additional prescribed areas
- modernise the penalty provisions.

### **JABIRU TOWN DEVELOPMENT ACT**

This Act establishes the Jabiru Town Development Authority and sets out its powers and functions.

### **LOCAL GOVERNMENT ACT**

This Act sets out the legislative framework for local government in the Northern Territory, providing for a democratic system of local government. The Northern Territory Electoral Commission is responsible for chapter eight of the Act, which is concerned with local government elections.

The *Local Government Act* includes provisions in relation to councils, council members, council staff, financial management, rates and charges, and regulatory powers.

During 2013–14, the *Local Government Amendment Act 2013*, the *Local Government Amendment (Restructuring) Act 2013* and the *Local Government Amendment Act 2014* were passed and commenced.

The *Local Government Amendment Act 2013* introduced regional councils and local authorities.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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The *Local Government Amendment (Restructuring) Act 2013* gave the minister powers to make a range of orders the minister considers necessary or desirable to facilitate the restructuring of the local government system in the Northern Territory.

A restructuring order was made on 28 April 2014, which established the prospective West Daly Council, expected to commence on 1 July 2014.

The *Local Government Amendment Act 2014* made a number of changes to the *Local Government Act* in response to consultation with the local government sector. The amendments include:

- a council CEO must notify the Electoral Commissioner when there is a council member vacancy
- council members must vote on questions arising for decision at a meeting and if a chair has a casting vote, that vote must be exercised when there is an equality of votes
- a more efficient method to establish disciplinary committees and provision for committee powers to require evidence
- councils must have a caretaker policy in the lead up to a general election
- local government employees have 28 days to claim portability of long-service leave after being given a requirement to make a declaration on the issue
- councils can resolve to decrease council member allowances
- a new process for councils to make submissions and the minister to give a notice about the rate, which may be charged for conditionally rateable land. Council submissions must be received by the end of January and the minister's notice will be given by the end of April
- a new definition of 'school' where schools are exempt from rates by reference to the *Education Act*
- as part of the declaration of rates and charges, councils must state the purpose of the charge
- a time limit, generally three years after the lapse of their relevancy, for which documents must remain on a council website
- a surcharge must not exceed the amount of the loss suffered by the council together with the amount incurred by the council in recovering the surcharge

- the chair of an audit committee must not be a member of council or a member of the council's staff.

The Northern Territory Electoral Commission released its report on the 2012 Local Government Elections in December 2013. In the first half of 2014, the department consulted with the local government sector about the report recommendations and possible legislative changes in relation to Local Government Elections. This work will be followed through in 2014–15.

## **LOCAL GOVERNMENT GRANTS COMMISSION ACT**

The *Local Government Grants Commission Act* establishes the Northern Territory Grants Commission. See page 22 for further information on the Grants Commission.

## **LOCAL GOVERNMENT (KATHERINE RATES) ACT**

This Act validated the rates levied in the municipality of Katherine in 1998 and 1999.

## **NUDITY ACT**

The *Nudity Act* establishes the free beach in the Casuarina Coastal Reserve.

## **POUNDS ACT**

The *Pounds Act* provides a power to establish pounds for wandering cattle and for the duties, responsibilities and obligations of pound keepers.

## **STATUS OF DARWIN ACT AND STATUS OF PALMERSTON ACT**

These Acts provide that Darwin and Palmerston are cities.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## REGIONAL FOCUS

A priority for the department is to continue to improve its regional focus, provide greater support for regional and remote local governments, and work with the local government sector to improve community services, governance and leadership, and community engagement.

As the conduit between the regional local governments and the Northern Territory and Australian governments, the department's regional teams are essential to ensure people living in regional and remote areas have a strong voice in local government.

Territory wide, regional staff attend a significant number of council meetings in the region and provide a liaison, capacity building and support role to elected members, council staff and local board/authority members on local government policy, grants, legislation and other arising issues.

## COUNCIL INFORMATION

Nine regional councils:

**106** elected members

**35** wards

Small shire councils

**13** elected members

**8** wards

Municipal councils:

Five municipalities

**41** elected members

**8** wards

The ninth regional council (West Daly) was due to commence operations on 1 July 2014.

## ARAFURA REGION

Local governments:

- Tiwi Islands Regional Council
- West Arnhem Regional Council

Number of communities: 9

Land area: 57 200 km<sup>2</sup>

### Arafura Regional Engagement

Regional staff attended all Ordinary Council Meetings in the region and provided liaison, capacity-building and support roles to elected members, council staff and local board/authority members on local government policy, grants, legislation and other issues.

In the first half of 2013–14, regional staff were particularly focussed on two phases of local government regional governance consultations. The first phase involved a series of meetings with councils and local boards to discuss and gain feedback on the draft minister's guidelines for local authorities. The second phase focussed on possible boundary changes for West Arnhem Regional Council. More than 40 small group meetings were held with affected communities, organisation stakeholders, traditional owners, council staff, elected members and local boards on the interest in boundary changes that would affect the community of Maningrida.

In the second half of 2013–14, regional staff supported the implementation of local authorities across the region. This included providing advice and support to council staff in policy development, planning and promoting new local authorities across the council areas. They also delivered presentations and workshops and provided ongoing governance support to the newly formed local authorities.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## DARWIN AND SURROUNDS

### Local governments:

- Belyuen Shire
- City of Darwin
- City of Palmerston
- Coomalie Shire
- Litchfield Shire
- Unincorporated area (Dundee, Marrakai)
- Wagait Shire

Land area: 24 100 km<sup>2</sup>

### Darwin Regional Engagement

In addition to having a supportive presence at Ordinary Council meetings held by the councils listed above, departmental staff worked with councils by advising on matters impacting council operations, supporting the development of strategic and service delivery council plans and financial planning.

## EAST ARNHAM REGION

### Local governments:

- East Arnhem Regional Council

Number of communities: 9

Land area: 33 300 km<sup>2</sup>

### East Arnhem Regional Engagement

The East Arnhem Regional Council (EARC) provides local government services to nine service delivery centres in the region: Milingimbi, Ramingining, Galiwin'ku, Gapuwiyak, Yirrkala, Gunyangara, Milyakburra, Angurugu and Umbakumba.

In 2013–14, regional staff developed a close relationship with EARC during the two phases of regional governance consultations. Initial consultation occurred with key stakeholders including council, local boards and communities about the proposed establishment of local authorities, followed by further consultation about possible boundary changes involving the Groote Archipelago.

Intense collaboration was undertaken with council in the second half of 2013–14 as local authorities were implemented. Regional staff toured the region as part of a council delegation to communities during the establishment phase and provided support on operational and legislative questions that arose, governance training and policy development. Regular meetings with council management strengthened the relationship between council and the department, providing a good foundation for further collaboration in 2014–15.

As part of its regular local government liaison and capacity-building functions, regional staff also attended EARC's bimonthly Ordinary Council Meetings, Finance Committee meetings, and as many community advisory board meetings as possible. Advice and support on grant applications was also provided.

During the year, regional staff also liaised with the Nhulunbuy Corporation Limited (NCL), the non-government organisation that provides local government services for the township of Nhulunbuy. Grant applications for the Board of Trustees of the Nhulunbuy Public Cemetery, maintenance of the cemetery, and local by-laws were three of the key issues regional staff discussed with NCL during the year. Staff also attended Town Board meetings in support of the Regional Executive Director.



Titjikala playground upgrade made possible through Special Purpose Grant funds.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

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## BIG RIVERS REGION

### Local governments:

- Katherine Town Council
- Victoria Daly Regional Council
- Roper Gulf Regional Council
- West Daly Regional Council.

Number of communities: 21

Land area: 360 200 km<sup>2</sup>

### Big Rivers Regional Engagement

Regional staff regularly attended scheduled Ordinary Council and Finance Committee meetings of Roper Gulf Regional Council, Victoria Daly Regional Council and Katherine Town Council during 2013–14. Their attendance at council meetings allowed them to strengthen positive working relationships and provide advice and support to staff and elected members.

In 2013–14, staff facilitated quarterly workshops at departmental offices with the Roper Gulf and Victoria Daly Regional Councils governance staff to share information, and highlight current models of best practice community engagement and capacity building of governance and leadership throughout the region.

Big Rivers staff have provided assistance and support to regional councils in establishing local authorities throughout the region and have ensured legislative requirements have been met. Staff continued to provide support and advice to local authority members, community members and support staff to strengthen the capacity of local people to respond to local issues in collaboration with regional councils.

## BARKLY REGION

### Local governments:

- Barkly Regional Council

Number of communities: 8

Land area: 322 700 km<sup>2</sup>

### Barkly Regional Engagement

Regional office staff continued to strengthen relationships with the elected members, local boards and executive of the Barkly Regional Council in 2013–14. They did this by developing a structure of official meetings with senior staff, attending 19 meetings across the region, including council meetings and most community-based meetings of local boards as well as council stakeholder meetings.

The Barkly Regional Council endorsed the membership of seven local authorities during 2013–14.

Regional staff attended all 12 Barkly Regional Co-ordination Committee monthly meetings and undertook actions arising from this forum.

The regional office held six awareness forums about Local Authority Ministerial Guidelines to communities across the region.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## CENTRAL AUSTRALIA REGION

### Local governments:

- Alice Springs Town Council
- MacDonnell Regional Council
- Central Desert Regional Council.

Number of communities: 23

Land area: 551 200 km<sup>2</sup>

### Central Australia Regional Engagement

In 2013–14, the Central Australian Regional Office (CARO) team worked towards fulfilling all strategic actions in the corporate plan by:

- Meeting regularly with the Chief Executive Officers of the three local governments within the region.
- Attended 12 council meetings and 51 local board meetings across the councils and responding to any queries or areas requiring follow up.
- Visited 22 local communities and conducted 44 service delivery reviews to monitor the provision of council service delivery and discuss areas of challenge with local staff.
- Providing input and feedback to head office about regional governance reform and policy, regional council plan appraisal and other documentation.
- The region presented 13 forums to regional councils, service providers and key stakeholders on various topics, including changes to local government framework, cemetery burials and community mediation.

The major focus in 2013–14 was informing the councils, the local boards and community members of the changes to the *Local Government Act*, particularly the changes in the way council must relate to the wider community through local authorities. CARO staff were actively involved in assisting the councils develop policies and resources to implement these changes visiting the councils and explaining the local authority framework.



Front end loader purchased under a Special Purpose Grant for Litchfield Council to assist with waste management.



6 tonne tip truck with purpose-built body for rubbish collection at Yuendumu purchased under Special Purpose Grant funds.

# STRENGTHENING LOCAL GOVERNMENT CAPACITY

## DEPARTMENT ENGAGEMENT ACTIVITY

### Australia–Indonesia Partnership for Local Government Planning and Budgeting

The Australia–Indonesia Partnership for Local Government Planning and Budgeting is a program funded by Australian Aid (the purpose of the Australian Government's aid program is to promote Australia's national interests through contributing to economic growth and poverty reduction).

The program is being delivered as a partnership between Local Government Managers Australia (LGMA), the Australia–Indonesia Partnership for Decentralisation (AIPD) and the University of Technology, Sydney's Centre for Local Government (CLG).

#### About the program

The Australian Government, through organisations such as AIPD, is supporting the government of Indonesia to improve the performance of provincial and local governments. In 2005, a regulation was introduced in Indonesia requiring the introduction of Medium-Term Expenditure Frameworks (MTEFs), which have been implemented from 2008. This program is focussed on supporting the introduction of MTEFs and in achieving the broader objective of performance improvements in provincial and local governments.

#### The Darwin tour

On 26 April 2014, the third study tour delegation from Indonesia was welcomed to Australia. The study tour took place over 14 days and focussed on 'Challenges in Public Services in remote regions'.

Priority participants for this study tour were from districts in remote regions in the AIPD program locations, particularly in the fields of planning, education and health. Participants were drawn from provinces in West Papua, Papua and East Nusa Tenggara.

After attending the Local Government Managers Association conference in Melbourne, the delegation visited the Northern Territory from 6 to 8 May 2014.

On 7 May 2014 the Minister for Local Government and Regions and the Department of Local Government and Regions hosted the visiting Indonesian delegation of local government officials. As part of the day's arrangements, the delegation toured Parliament House and attended the public gallery to witness question time during the Parliamentary Sittings on that day. The delegation then visited the departmental office for briefings on Northern Territory local government.

Local government authorities in Indonesia also have responsibility for health and education, and a visit to the Tiwi Islands allowed delegates to compare the administration of a variety of government services in a community context.

The delegates visited the Tiwi Islands Regional Council, school, health clinic and the local museum at Wurrumiyanga and heard presentations about each of these services.

The facilities available for the residents of Wurrumiyanga impressed the delegates, and they asked many questions of the health centre manager during their visit. The delegates were very interested in local government service delivery in the community and had an enjoyable discussion with the mayor and councillors over lunch.

The delegation tour and discussions were invaluable for all of those who participated. The exchange of technical expertise between delegates, departmental staff and local government members and staff provided an opportunity for collective professional development, education and building relationships.

# IMPROVE REGIONAL SERVICE DELIVERY ACROSS THE TERRITORY

## SERVICE DELIVERY AND FINANCIAL SUSTAINABILITY

The department updated the 2012 Deloitte Review of Financial Sustainability during 2013–14. The purpose of the update was to determine whether there had been a significant change in the financial circumstances of the regional councils that may result in a different conclusion to that formed in the similar review conducted in 2012. The recent review assessed what progress had been made in implementing recommendations.

During the year, the sustainability unit continued to collaborate with the local government sector on developing eight information papers for use by councils that address and improve financial management and administrative business processes.

The information papers discuss topics on asset policy and management, financial planning, service types and levels, and performance indicators.

Improvements made by councils in these strategic policy and business processes flow through to effective use of resources delivering council services in communities.

The local authority framework was established during 2013–14, and local authorities now have

avenues for raising matters related to service delivery in their communities with the regional council, which must provide specific responses to individual local authorities.

Regional office staff worked with regional councils across the Territory on annual planning reviews including service delivery profiling.

A comprehensive council service delivery profiling exercise was conducted for the new West Daly Regional Council between April and June 2014. The exercise was aimed at ensuring the continuity of services previously delivered by the Victoria Daly Regional Council, identifying new services and ensuring the continuity of employment of council service delivery staff transferring from the Victoria Daly Regional Council to the new council.

Regional office staff attended Ordinary Council Meetings across the Territory and gave council services staff and local authority members information on policy impacting operations and advice on localised issues affecting council service delivery.

Funding is allocated for maintenance of the road pictured.

Despite encroaching shrubbery, the occasional pothole and termite mounds, the road is in reasonable condition. This funded and maintained section of road leads to Kunayungku outstation, 50 kilometres west of Tennant Creek, with approximately 40 kilometers dead straight alignment from Tennant Creek.

The road after Kunayungku outstation swings south. It is a mining road that continues past the outstation for some distance to access mining exploration tenements.

### CASE STUDY



# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## BUILDING OUR WORKFORCE

The Department of Local Government and Regions was established in September 2013 from the former Department of Local Government to further build on regional engagement and reforms.

In 2013–14, the Local Government Regional Governance project and reforms moved into a second phase. A detailed description of the project is at pages 15–19 of this annual report. Three key bodies of work were completed in the reporting period: regional councils were established, a framework for local authorities was legislated and the process to establish the new West Daly Regional Council was completed.

Staff resources were engaged to complete all three of these key outcomes; the first two by 1 January 2014 and the third by 30 June 2014.

During the reporting period, the unit temporarily increased staff from three to 12 (two full time, five temporary and five contract staff) to deliver the required outcomes. In addition, three contractors were engaged to complete specific sub-projects that supported the work of the project staff.

The three projects were all delivered on time and on budget.

## PLANNING AHEAD

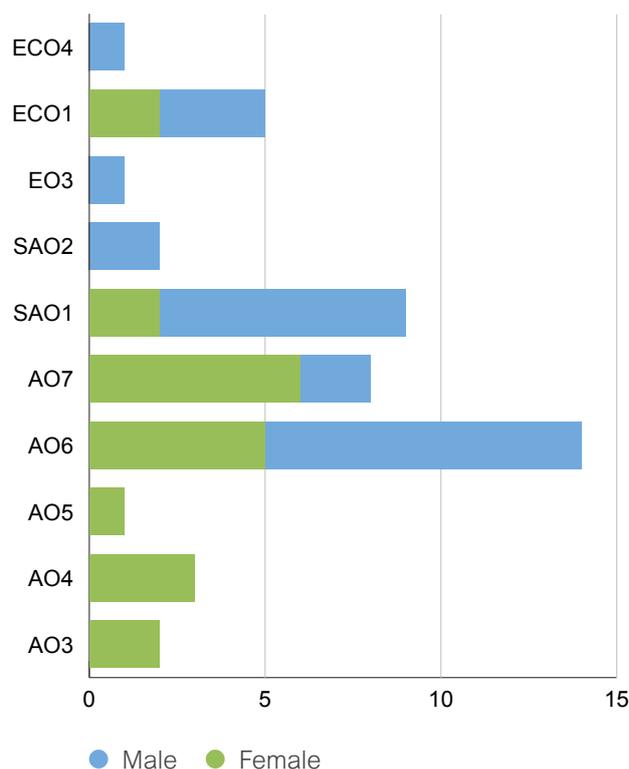
In 2014–15, the department will make some changes to its internal functions from devolution to a third party. The changes will require a revision of the department's strategic direction and the department's organisation structure.

## WORKFORCE PROFILE AT 30 JUNE 2014

43 employees



Employee numbers by designation and gender at 30 June 2014



# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## OUR TEAMS

Employee numbers by division teams at 30 June 2014

- Executive (3)
- Local Government Support (5)
- Compliance (4)
- Grants (2)
- Regional Governance (7)
- Sustainability (2)
- Legislation (4)
- Regional teams (16)

Employee numbers by regional teams at 30 June 2014

During 2013–14, up to 33 staff from the Regional Governance, Local Government Support, Grants, Sustainability, Legislation and the Regional teams participated in the Regional Governance Project.

- Central Australia
- Big Rivers
- Arafura
- East Arnhem
- Barkly

**Total staff: 43**



# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## COMMENCEMENTS AND SEPARATIONS IN 2013–14

- 15 employees commenced
- 9 employees separated
- 19.6% staff turnover compared to 34% in 2012–13

Human resource consultants advise and support managers on recruitment and selection processes to ensure appropriate principles are applied. In 2013–14, no appeals were received—the same result as 2012–13.

Employees who are new to a permanent position in the Northern Territory Public Sector are supported by their manager and human resource consultant through a probation process.

## LOOKING AFTER OUR PEOPLE

### Engagement activities in 2013–14

- Regular team meetings held with the Chief Executive and departmental managers.
- 22 Chief Executive newsletters distributed and 85 web-based internal broadcasts.
- Departmentally supported staff information sharing system

### Recognising our employees and teams

The department's Staff Recognition Awards value outstanding achievement by individuals and teams. Individuals and teams are nominated by their colleagues.

#### This year's winner

[Darwin region, Local Government – Ronald Hutcheson](#)

- Ron (Manager, Compliance) is recognised for his commitment to ongoing improvement, innovative thinking and exceptional performance and results in the role. Ron is a highly regarded member of the local government team.



### Health and wellbeing

The wellbeing of employees in the workplace is a priority for the department. In 2013–14, the department provided staff with a health and wellbeing program that included regular on-site human resource consultation access, an Employee Assistance Program, free influenza vaccinations, increased flexible work arrangements, and social and charity events and activities.

### Work–life balance

Under the Northern Territory *Public Sector Employment and Management Act*, there are a number of work–life balance initiatives available to the department's employees, including:

- flexible working hours
- purchasing additional recreation leave or taking recreation leave at half pay
- working from home or regional offices
- career breaks or extended leave options.

In 2013–14, the department supported two employees in flexible working hours.

### Work health and safety

Throughout the year, in partnership with the Department of Housing and the Department of Community Services, the department continued to develop and refine its work health and safety management practices.

The department has an integrated communications strategy around work health and safety. It includes posters in frequented areas and communication about specific issues as they arise.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## Work health and safety incidents reported at 30 June 2014

Incident type	2012–13	2013–14
Body stressing	2	1
Slips, trips and falls	0	1
Vehicle incidents	1	0
Being hit by an object	1	0
Hazard identification	1	0
<b>TOTAL INCIDENTS REPORTED</b>	<b>5</b>	<b>2</b>

## Workers' compensation claims at 30 June 2014

Workers' compensation	2012–13	2013–14
Claims as at 1 July	4	2
New claims	2	0
Claims resolved	2	0
Open claims as at 30 June	2	2
Staff currently receiving workers' compensation payments	2	2
<b>Compensation paid</b>	<b>\$16 545</b>	<b>\$79 433</b>

## DEVELOPING OUR PEOPLE

### CROSS-CULTURAL TRAINING

Cross-cultural awareness workshops help staff better understand the challenges, barriers and enablers present and be positioned to work successfully in a culturally diverse environment. In 2013–14, one employee attended a basic awareness session in Darwin and another attended an in-depth awareness session in Alice Springs.

### BUILDING A POSITIVE CULTURE

#### Meeting public sector management principles

The *Public Sector Employment and Management Act* (PSEMA) requires agencies to report on how they have upheld public sector principles.

The human resource management, merit, equality of employment opportunity and performance and conduct principles outlined in the Act are observed through the application of processes within the department. This is partly done through initiatives such as the human resource section in the department's service centre, a one-stop online shop that answers employees' questions about their employment and the department's induction program, which ensures employees are informed and aware of their responsibility to observe the principles. Human Resource and Workforce Development staff also provide advice and support.

The department meets the human resource management principle, sections (a) to (c), as follows:

- (a) Employment based on merit: encouraged through departmental recruitment training and policy and guidelines in the Service Centre. (Note that this also meets the merit principle PSEMA s5D).
- (b) Equality of employment opportunity (this also meets PSEMA principle s5E): demonstrated by the availability of departmental training programs for Indigenous staff (see above), participation in the Office of the Commissioner for Public Employment (OCPE) program for employment of persons with a disability and support of female staff to enrol in public sector women's training.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

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- (c) Working environments in which employees:
- (i) are treated fairly, reasonably and in a non-discriminatory way
  - (ii) are remunerated at rates appropriate to their responsibilities
  - (iii) have reasonable access to training and development (see training details above)
  - (iv) have reasonable access to redress when adversely affected by improper or unreasonable decisions.

The department meets this last area of the human resource management principle through its induction program, training on the code of conduct, and recruitment and performance management. The department ensures fair remuneration by using the Northern Territory Government job evaluation process and complying with appropriate bargaining agreements.

The department's induction program addresses the need for staff to conduct themselves according to the performance conduct principle (PSEMA s5F). This ensures staff are aware of the need to conduct themselves in a manner that is objective, impartial, professional, to the best of their ability and reflects integrity and accountability. Employees are also reminded about treating others with courtesy, respect and consideration and making the best use of resources while avoiding conflicts of interest. The department actively promotes the values of the Northern Territory Public Sector:

- commitment to service
- ethical practice
- respect
- accountability
- impartiality
- diversity.

## Managing change

The interagency change management committee previously established in the departments of Housing and Community Service ceased to operate in November 2013.

The Department of Local Government and Regions establishes consultative committees, with staff and union representation, for any substantive departmental changes, either planned or being actioned.

## Study assistance

Staff are encouraged to increase their professional development through formal studies in areas relevant to the department's core business. During the reporting period, the department supported one employee studying a Bachelor of Law.

## Leadership development

The department invests in developing its leadership capabilities by supporting staff to participate in Northern Territory Government leadership programs. In 2013–14, one employee was supported to attend the Public Sector Management Program and another was supported to attend the Future Leaders Program.

## Performance agreements

Participating in Personal Development Plans is expected of all staff. Personal Development Plans are:

- Important individual conversations between staff and their manager to plan future priorities and development opportunities.
- An opportunity to reflect on achievements and challenges.
- A tool to capture regular feedback and direction provided throughout the year.

Constructive Personal Development Plan discussions cultivate productive working relationships, build capable, high-performing teams and achieve results.

The Northern Territory Public Service Capability and Leadership Framework is an effective tool that can be used in the Personal Development Plan process. Information on the Personal Development Plan process is available on the department's intranet, together with a suite of tools for managers and employees to complement this process.

If required, Human Resources provides support to managers and staff to address performance issues.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## Recruitment and selection training

In the reporting period, five employees attended training in Darwin and Katherine to increase awareness around merit-based selection and recruitment. Participants received practical instruction for selection panels on best-practice selection methods. The course covered topics such as the merit principle, natural justice, conflicts of interest, selection report writing, and issues relating to grievances and appeals.

## Preparing ministerial and executive documents training

In February, six employees attended 'Preparing Ministerial and Executive Documents' training in Nhulunbuy, Katherine and Alice Springs.

## Project management training

Accredited project management training was offered in April 2014 to increase staff awareness, with a strong focus on the aspects of stakeholder engagement and communication, procurement, contract management and administration. One employee commenced the Certificate IV in Project Management Practice in Alice Springs.

## Employment programs

Under a shared services model for corporate services, employees early in their careers are held under the Department of Housing and complete shared work placements between the department, the Department of Housing and the Department of Community Services. In the reporting period, the department hosted work placements for one apprentice undertaking a Certificate III in Business Administration through Charles Darwin University and one Indigenous cadet undertaking a Bachelor of Laws through the Australian National University.

## COMMITMENT TO IMPROVEMENT AND PERFORMANCE

### Governance and Accountability Framework

- Governance framework launched October 2012.
- Guides how decisions are made and risks are managed.
- The Organisation Services structure has been developed in line with the governance framework.



# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## Governance

The Department of Local Government and Regions, Department of Housing and Department of Community Services have an integrated governance model through which the departments are directed, controlled and held to account for their actions. The model guides how decisions are made, risks are managed and strategic planning is undertaken.

Our governance principles are:

- Service delivery that is professional, responsive and client centric.
- Ethical and responsible decision making is expected across all levels of the department.
- People are central to the department's success, and we are committed to effective people management and staff wellbeing.
- Stakeholder engagement is a key focus, with effective and regular engagement that informs our strategic direction and programs.
- Leadership and management through robust governance and effective executive leadership.
- Risk management practices that support a risk management environment across the department.
- Financial integrity and accountability is safeguarded.
- Communication with all parties that ensures information is relevant, timely, accessible and transparent.

## Accountability

The Executive Management Leadership Team (EMLT) is the department's principal policy-setting and decision-making authority that supports the Chief Executive as the accountable officer. The EMLT was supported by six sub-committees who report directly to EMLT.

The EMLT was supported by three committees in 2013–14 that oversaw specific matters on the EMLT's behalf.

The three committees were the Risk and Audit Committee, the Information Management Committee and the Work Health and Safety Committee. Details provided later in the report.

In addition, a Shared Services Steering Committee was established to make decisions about the shared services provided.

## Executive Leadership Management Team

### Members at 30 June 2014:

**Allan McGill**

*Chief Executive (Chair)\**

**Peter Boyce**

*Senior Executive Director, Organisation Services\**

**Jim Rogers**

*Regional Executive Director, Arnhem\**

**Steven Edgington**

*Regional Executive Director, Barkly\**

**John de Koning**

*Regional Executive Director, Big Rivers\**

**Len Griffiths**

*Regional Executive Director, Central Australia*

\*shared services arrangement. See 'Our Structure' on page 12 for more information.

The ELMT was supported by shared services staff:

- Chief Financial Officer
- Director, Corporate Communications.

The corporate responsibilities of the three departments are provided by Organisation Services.

Service statements existed for each service. These outline the services and functions provided under a shared services model.

## Internal committees

These committees support the department's Executive Management Leadership Team and the Chief Executive to operate effectively and efficiently under the governance and accountability framework.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## Risk Management

### Risk and Audit Committee:

Provides objective assurance and assistance to the Chief Executive in meeting the department's responsibilities as defined in the *Public Sector Employment and Management Act*.

In 2013–14, the Risk and Audit Committee considered and coordinated risk management, auditing and governance for the department.

Departmental shared services developed project planning tools, such as project plans, that include information on identifying and mitigating risk.

Membership at June 30 2014:

- an independent Chair
- representatives of regional offices
- representatives of Organisational Services of Department of Local Government and Regions, Department of Housing and the Department of Community Services.

## Information Management Committee

This committee governs the department's information management. It provides advice on cross-government information management initiatives, appropriate technology and architecture, sets strategic direction and endorses information, communications and technology (ICT) initiatives to ensure alignment with the department's ICT policies and business objectives.

### Members:

- Chair and Director, Information and Business Systems, Organisation Services
- Manager, representing Department of Local Government and Regions
- Executive Director, representing Department of Community Services and the Executive Management Leadership Team
- Regional Executive Director, Barkly, representing the regions
- Director, representing Department of Housing
- Senior Executive Director, Remote Housing, representing Executive Management Leadership Team

Work unit representatives:

- Director, Strategic Projects, Organisation Services
- Senior Manager, Business Intelligence, Organisation Services
- Manager, Business Systems, Organisation Services.

In 2014–15, the committee will be reconstituted to reflect changes to the tri-department arrangements.

A case study at page 44 is an example of an initiative of the committee.

## Work Health and Safety Committee

The Work Health and Safety (WHS) Committee operates across nine tri-department locations and meets quarterly.

The committee's role is to identify WHS issues and trends, seek feedback on WHS issues and coordinate WHS compliance.

In 2013–14, WHS training and information sessions were conducted across the tri-department locations with employees at all levels.

Membership of the Work, Health and Safety Committee comprises representatives of the Department of Local Government and Regions, Department of Housing and of Department of Community Services.

## Gifts or benefits

Any employee who is offered a gift or benefit must advise their supervisor and obtain approval before accepting any offer. Executive staff can approve acceptance of gifts and benefits. In 2013–14, the department had one gift/benefit declaration.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## Efficient shared organisation services

The department shared corporate services under an agreement with the Department of Housing and the Department of Community Services. In 2013–14, the following services were provided:

- corporate communications
- finance
- human resources
- information and business systems
- safety, risk management and governance
- secretariat and ministerial liaison
- strategic projects (manages major strategic information and communication technology projects to deliver systems and solutions across shared services).

The innovative shared service arrangement maximises government resources across the three departments and supports our strategic direction and performance by:

- providing essential corporate support
- coordinating our corporate governance and accountability frameworks
- managing our specialist inter-agency committees to support the Executive Management Leadership Team.

A shared understanding of roles and responsibilities across departments and regular inter-agency meetings and collaboration supports continuous improvement and efficiencies through the shared services arrangement.

## Legislation compliance

The department complies with the following legislation:

- *Public Sector Employment and Management Act*
- *Financial Management Act*
- *Procurement Act*
- *Contracts Act*
- *Anti-Discrimination Act*
- *Work Health and Safety Act*
- *Information Act*
- *Public Information Act*.

Refer page 90 for an index of reporting against the legislation.

## RECORDS MANAGEMENT IMPROVEMENT

Two projects were launched during 2013–14 in relation to the department's electronic data and records management system (EDRMS). The projects were necessary as a result of the administrative changes that established the three departments from the former Department of Housing, Local Government and Regional Services in 2012 and 2013.

One project created agency-specific operating environments in the former EDRMS. New agency-specific record types and new security measures were created to capture each department's records in the system. The changes ensure that new Department of Local Government and Regions records are visible only to our department staff or to staff in shared services functions. At year end this project was ongoing, with large numbers of former DHLGRS legacy records requiring functional analysis to determine ownership prior to applying new agency security.

The second project was to transfer functional records to other departments following the administrative changes. For the Department of Local Government and Regions, this was transferring records of the Water Safety Branch (Department of Sport, Recreation and Racing), the Animal Welfare Branch (Department of Primary Industry and Fisheries), and Pool Fencing Regulation (Department of Lands, Planning and Environment).

Although many records physically transferred with the units when the administrative changes took effect, the Department of Corporate and Information Services coordinated the transfer of electronic records and metadata held in the EDRMS. At year end, Shared Services were performing data cleansing to remove the metadata of transferred records from the EDRMS.

## CASE STUDY

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## TRANSPARENCY AND OPENNESS

### Access to information

In accordance with the *Information Act*, the department has a process in place for interested people to access information held by the department. The department's Information Officer assists with enquiries and processes applications to access government and personal information or correct personal information.

Each year the department publishes a list of the information held and the process to access it. That list and the department's information access policy are available on the department's website or by contacting the Information Officer on 08 8999 8490.

During 2013–14, the department did not receive or respond to any information access requests under the *Information Act*.

### Personal information

The department undertakes to protect the personal information it holds by collecting only the information that is necessary to perform its functions, holding the information for only the period of time required by business, legislative or historical reasons, and protecting such information from unauthorised disclosure or access.

No privacy breach notifications were lodged during the 2013–14 reporting period.

### Corporate communications

Transparency and effective communication is essential to building trust with our stakeholders and ensuring our employees are well informed.

In addition to meeting legislative reporting obligations, the department endeavours to report on its activities regularly via its website and by presenting and tabling reports in local and national forums.

Timely, accurate and appropriate internal information is facilitated through regular Chief Executive newsletters to all staff and internal broadcasts.

## Integrity

### Our values

The Northern Territory Public Sector Code of Conduct, department values and our governance principles guide our people in their day-to-day activities, decisions and dealings with stakeholders. The department values (page 11) reinforce our commitment to fostering a department culture that is positive, professional and respectful.

### Disclosure of interests

In line with the Code of Conduct and the *Public Sector Employment and Management Act*, all employees are required to declare any financial or other interests of themselves or their relatives, friends or associates. This includes any actual, potential or perceived conflicts of interest.

The department has disclosure policies and procedures in place that are regularly reviewed and communicated across the department to maintain our integrity.

Staff are required to disclose any conflict of interest—real or perceived—by completing an online form, arranging for a review by their Manager and emailing to their Governance Unit.

There were seven disclosures of a conflict of interest during 2013–14, which were managed per the department's policy.

Additionally, all department employees must:

- obtain permission from the Chief Executive for outside employment and renew it on an annual basis
- complete a declaration of interest and confidentiality form for all procurement activities if an employee is involved in contract processes.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## Compliance with the *Information Act*

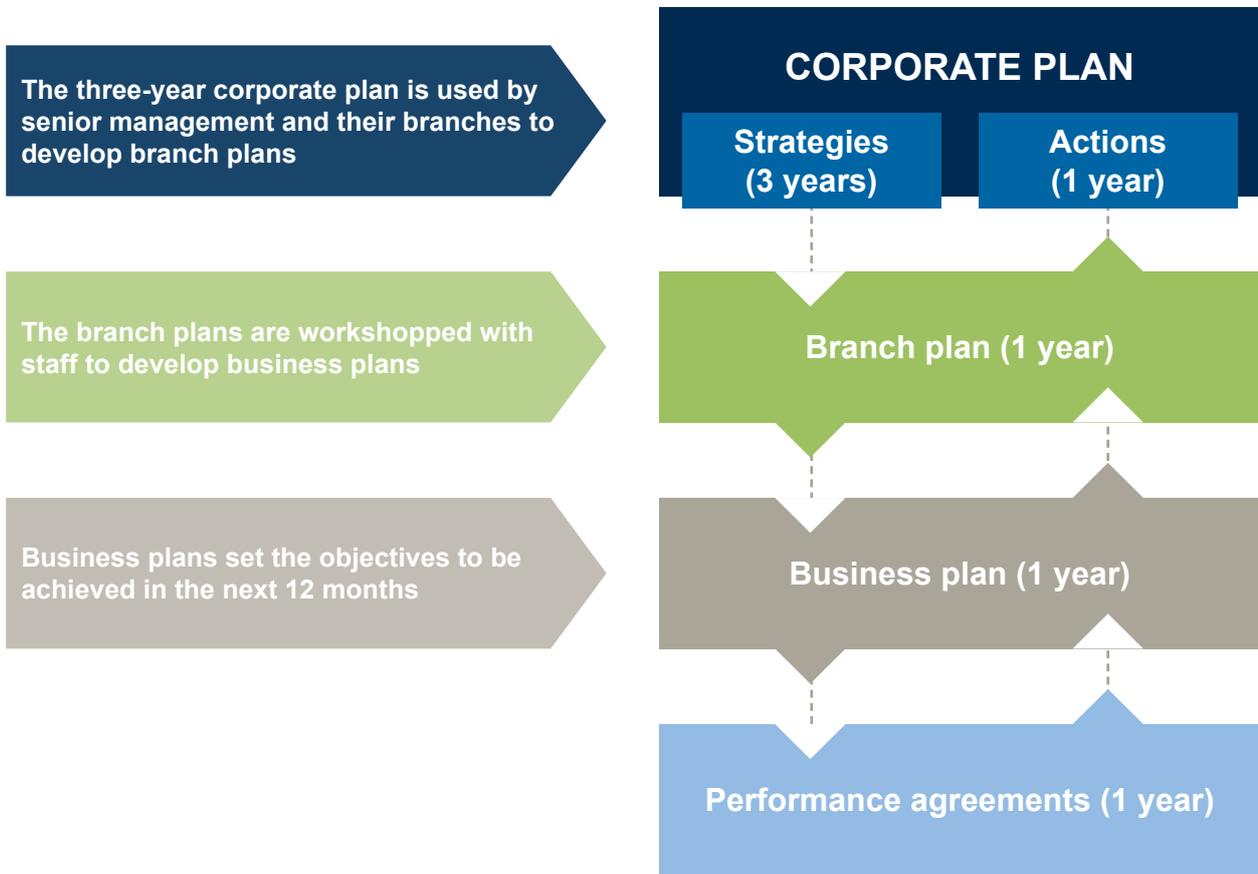
In 2013–14, the department worked towards compliance with Part 9 of the *Information Act* – records and archives. It developed improved procedures to ensure full and accurate records of its activities and operations are created, discoverable, and secure and disposed of appropriately.

The department received records and information management advice, support and training in best practices and the use of the Northern Territory Government’s EDRMS (record keeping system). The department’s records dataset is shared with other Northern Territory departments, and a major project was launched in 2013–14 to ensure the separation and security of the department’s records from those of the other agencies. See case study on page 44.

## PLANNING AND DECISION MAKING

### Corporate planning framework

The department’s corporate planning framework ensures staff at all levels understand the strategic direction of the department. Branch plans were reviewed during 2013–14 and business plans and performance agreements were updated. Collaboration with staff is encouraged throughout the planning process.



# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

## AUDITS AND REVIEWS

Auditing helps to ensure the department is operating effectively and efficiently and is compliant with appropriate legislation.

### External compliance audits

The Department of Corporate and Information Services (DCIS) delivers corporate and information management services to the department. DCIS provides centralised management of accounting, fleet, human resources, information technology, procurement, property leasing and records services.

DCIS certified that to the best of its knowledge and belief, proper records are kept of transactions undertaken by DCIS on behalf of the department and the employees under DCIS control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions.

The Auditor General conducted various compliance audits of DCIS during 2013–14 to provide audit assurance that DCIS's controls and record keeping practices are maintained at a high level and there are no negative flow-on effects to the department.

Several internal audits and reviews were also undertaken during the year to enhance compliance and improve efficiency.

### Grants Management Audit

This report was initially commissioned as an internal audit to test compliance and assess the efficiency of controls over grants management in the Department of Housing, the former Department of Local Government and former Department of Regional Development and Women's Policy.

Following a meeting convened to present the interim results of the audit, the terms of reference were amended to identify common themes relating to the control environments in each department and to consolidate the findings of previous grants management audits and consultancies.

These earlier reports were each prepared at a time when the departments were effectively divisional operations of the then Department of Housing, Local Government and Regional Services (DHLGRS).

Following the disaggregation of the DHLGRS in September 2012, the core functions within the new departments remained broadly the same, with each continuing to rely on grant disbursements to fund a significant proportion of their outputs.

The ensuing report identified some of the recurrent themes in internal control that had the potential to undermine the integrity of the grant management processes in each department and were likely to remain relevant following the October 2013 restructuring when the Department of Local Government evolved into the Department of Local Government and Regions and the Department of Regional Development and Women's Policy evolved into the Department of Community Services.

### Procurement Activities Review

During 2013–14, an external review was conducted to test compliance and efficiency of key controls in the administration of procurement in the department.

Recommendations of the review were the basis for an action plan for the department to address matters raised.

### Review of Community Consultation for the Northern Territory Government's Local Governance Review

In 2013, the department was asked by the Minister for Local Government to consult with the community on an options paper for local governance reform.

The consultation was driven by the government's election commitment to review the functions and responsibilities of the shires.

The review was a constructive examination of the process of consultation in order to improve the department's practice into the future. There were no further significant public consultations in 2013–14 subsequent to the report's finalisation.

### Insurance

The Northern Territory Government has a self-insurance policy. In accordance with that policy, the department does not insure risks.

# INCREASING CAPACITY OF STAFF TO DELIVER SERVICES

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## **Financial integrity**

The department's financial management practices are in line with the Northern Territory *Financial Management Act*, Treasurer's Directions, *Procurement Act* and *Contract Act*, policies and procedures, including the Accounting and Property Manual and financial delegations. These are available to all employees and are subject to regular review. The department's financial results are disclosed in the financial report (page 50).

## **Delegations**

The department's finance, procurement and contract and human resourcing delegations were established in 2012 to guide employees at all levels on their decision-making responsibilities and authority. The delegations structure is designed to promote efficiency and be responsive to organisation changes.

# FINANCIAL PERFORMANCE

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# CERTIFICATION OF THE FINANCIAL STATEMENTS

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## DEPARTMENT OF LOCAL GOVERNMENT AND REGIONS

### FINANCIAL REPORT

#### CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Department of Local Government and Regions have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and Notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2014 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



MIKE CHIODO

Chief Executive Officer

29 AUGUST 2014



KEN TINKHAM

Chief Financial Officer

28 AUGUST 2014

# FINANCIAL OVERVIEW

## FOR THE YEAR ENDED 30 JUNE 2014

### Department of Local Government and Regions

The Department of Local Government and Regions is responsible for the development, support and regulation of a strong and resilient local government sector in the Northern Territory.

Services provided by the department help strengthen local government representation, performance and sustainability.

### Summary of financial performance

The department's financial performance resulted in a surplus of \$127 000 compared to a budgeted deficit of \$5.2 million. The better-than-expected result is largely due to under-expenditure in purchases of goods and services and grants and subsidies.

The original budget was adjusted downwards during the year due to Commonwealth funding for 2013–14 being provided at the end of the 2012–13 year, earlier than had been anticipated in the 2013–14 budget. Subsequently, actual receipts and expenditure also reduced in 2013–14.

### Summary of financial performance

	2013–14 budget \$M	2013–14 estimate \$M	Change	2013–14 actual \$M	Variance	2012–13 actual \$M	Variance
Total income	80.7	59.5	-23%	61.98	0%	77.6	25%
Total expenses	82.8	64.7	-19%	61.85	-8%	77.35	25%
Net operating result	-2.1	-5.2		0.13		0.25	

# FINANCIAL OVERVIEW

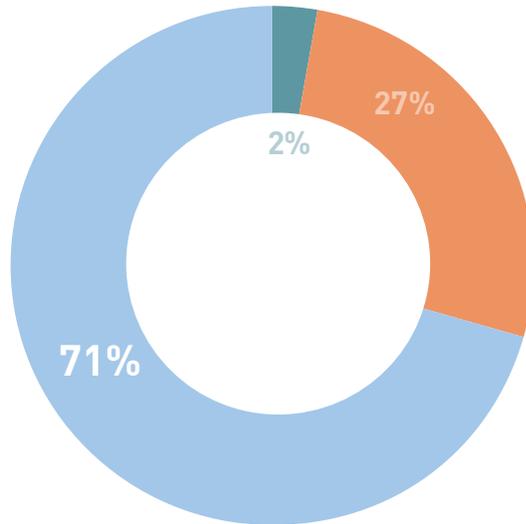
## FOR THE YEAR ENDED 30 JUNE 2014

### OPERATING INCOME

Total operating income for 2013–14 was \$61.98 million, which is largely made up of output appropriation (71%) and grants and subsidies (27%). The revenue actually received matches the revenue expected to be received, with the sales of goods and services slightly higher than budgeted (\$65 000 or 4%).

- Output appropriation \$43.7M
- Grants and subsidies revenue \$16.4M
- Sales of goods and services \$1.6M

2013–14 Operating income profile



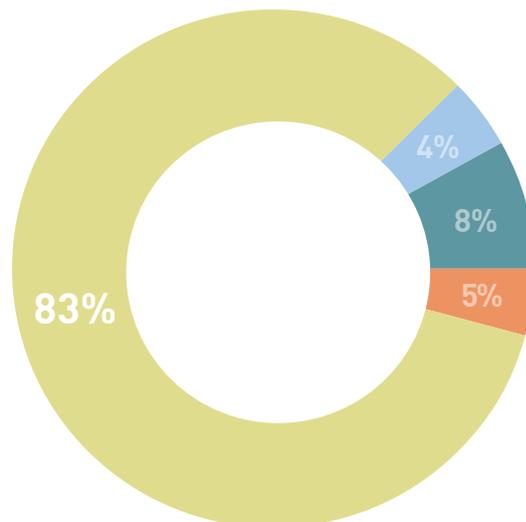
### OPERATING EXPENSES

Total operating expenses for 2013–14 were \$61.85 million, with current and capital grants and subsidies making up a combined 87% of this expenditure. Employee expenses account for 8% of total expenditure.

Operating expenditure was \$5.2 million less than the final budget, with the timing of grants and subsidies payments accounting for \$3 million of the under expenditure, and under expenditure of \$1.6 million on purchases of goods and services.

- Employee expenses \$5M
- Purchases of goods and services \$2.7M
- Current grants and subsidies \$51.3M
- Capital grants and subsidies \$2.5M

2013–14 Operating expenses profile



# FINANCIAL OVERVIEW

## FOR THE YEAR ENDED 30 JUNE 2014

### Balance Sheet

The Balance Sheet shows the department's net worth and financial position.

The \$9 million net assets is largely due to the cash-at-bank position resulting from better-than-budgeted operating results. The department does not hold any significant property assets.

### Statement of Cash Flow

The Statement of Cash Flow represents cash received and applied during the year from operating, investing and financing activities. The table below summarises the movement of cash over the year. The better-than-expected cash position at the end of the financial year reflects lower-than-budgeted expenditure.

#### Summary of Cash Flow

	2013–14 budget \$M	2013–14 actual \$M	Variance \$M	Change	2012–13 actual \$M	Variance \$M
Cash at beginning of the year	8.37	8.37	0	0%	8.37	0
Cash received	61.77	60.6	1.17	2%	60.6	84.68
Less cash spent	66.94	61.76	5.18	8%	61.76	76.31
Cash at end of reporting period	3.2	7.21	-4.01	-56%	7.21	8.37

# COMPREHENSIVE OPERATING STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
<b>INCOME</b>			
Grants and subsidies revenue			
Current		16,433	31,329
Appropriation			
Output		43,566	44,669
Commonwealth		150	50
Sales of goods and services			
Goods and services received free of charge	4	224	133
Other income		7	14
<b>TOTAL INCOME</b>	<b>3</b>	<b>61,979</b>	<b>77,599</b>
<b>EXPENSES</b>			
Employee expenses			
		5,064	5,196
Administrative expenses			
Purchases of goods and services	5	2,672	2,940
Repairs and maintenance		5	-
Other administrative expenses		233	161
Grants and subsidies expenses			
Current		51,329	68,681
Capital		2,549	375
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>61,852</b>	<b>77,353</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>127</b>	<b>246</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Asset Revaluation Reserve	12	-	1,805
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>1,805</b>
<b>COMPREHENSIVE RESULT</b>		<b>127</b>	<b>2,051</b>

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

# BALANCE SHEET

## FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and deposits	6	7,232	8,373
Receivables	7	25	60
Advances and investments		666	1,000
Prepayments		6	-
<b>Total Current Assets</b>		<b>7,929</b>	<b>9,433</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	3,599	3,599
<b>Total Non-Current Assets</b>		<b>3,599</b>	<b>3,599</b>
<b>TOTAL ASSETS</b>		<b>11,528</b>	<b>13,032</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deposits held		1,663	3,243
Payables	10	147	206
Provisions	11	489	534
<b>Total Current Liabilities</b>		<b>2,299</b>	<b>3,983</b>
<b>Non-Current Liabilities</b>			
Provisions	11	195	237
<b>Total Non-Current Liabilities</b>		<b>195</b>	<b>237</b>
<b>TOTAL LIABILITIES</b>		<b>2,494</b>	<b>4,220</b>
<b>NET ASSETS</b>		<b>9,034</b>	<b>8,812</b>
<b>EQUITY</b>			
Capital		6,856	6,761
Asset revaluation surplus	12	1,805	1,805
Accumulated funds		373	246
<b>TOTAL EQUITY</b>		<b>9,034</b>	<b>8,812</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2014

	Note	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>2013–14</b>					
Accumulated Funds		246	127		
		<b>246</b>	<b>127</b>	-	<b>373</b>
Asset revaluation surplus	12	1,805	-	-	1,805
Capital – Transactions with Owners	12	1,805	-	-	1,805
Equity injections					
Equity transfers in		2,794	-		
Other equity injections		3,967	-		
		<b>6,761</b>	-	<b>95</b>	<b>6,856</b>
<b>Total Equity at End of Financial Year</b>		<b>8,812</b>	<b>127</b>	<b>95</b>	<b>9,034</b>
<b>2012–13</b>					
Accumulated Funds		-	246	-	246
		-	<b>246</b>	-	<b>246</b>
Asset revaluation surplus	12	-	1,805	-	1,805
Capital – Transactions with Owners	12	1,805	-	-	1,805
Equity injections					
Equity transfers in		-	-	2,794	2,794
Other equity injections		-	-	3,967	3,967
		-	-	<b>6,761</b>	<b>6,761</b>
<b>Total Equity at End of Financial Year</b>		-	<b>2,051</b>	<b>6,761</b>	<b>8,812</b>

*The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.*

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Grants and subsidies received			
Current		16,433	31,329
Appropriation			
Output		43,566	44,669
Commonwealth		150	50
Receipts from sales of goods and services		1,814	1,427
<b>Total Operating Receipts</b>		<b>61,963</b>	<b>77,475</b>
<b>Operating Payments</b>			
Payments to employees		(5,152)	(4,304)
Payments for goods and services		(2,918)	(2,952)
Grants and subsidies paid			
Current		(51,329)	(68,681)
Capital		(2,549)	(375)
<b>Total Operating Payments</b>		<b>(61,948)</b>	<b>(76,312)</b>
<b>Net Cash From/(Used in) Operating Activities</b>	<b>13</b>	<b>15</b>	<b>1,163</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Repayment of advances		333	-
<b>Total Investing Receipts</b>		<b>333</b>	<b>-</b>
<b>Net Cash From/(Used in) Operating Activities</b>	<b>13</b>	<b>15</b>	<b>1,163</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Receipts</b>			
Deposits received/(paid)		(1,579)	3,243
Equity injections			
Other equity injections		90	3,967
<b>Total Financing Receipts</b>		<b>(1,489)</b>	<b>7,210</b>
<b>Net Cash From/(Used in) Financing Activities</b>		<b>(1,489)</b>	<b>7,210</b>
Net increase/(decrease) in cash held		(1,141)	8,373
Cash at beginning of financial year		8,373	-
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>6</b>	<b>7,232</b>	<b>8,373</b>

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

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2. Statement of Significant Accounting Policies
3. Comprehensive Operating Statement by Output Group

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9. Fair Value Measurement of Non-Financial Assets
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### 1. OBJECTIVES AND FUNDING

The Department of Local Government and Regions is responsible for the development and regulation of local governments in the Northern Territory and the enforcement and administration of the *Local Government Act*.

Services provided by the department help improve local government performance and sustainability.

Additional information in relation to the Department of Local Government and Regions and its principal activities may be found throughout the annual report.

The department is predominantly funded by and is dependent on the receipt of parliamentary appropriations. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the agency are summarised into several output groups. Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by Output Group.

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Department of Local Government and Regions to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

**AASB 13 Fair Value Measurement, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009 11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]**

AASB 13 replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. It clarifies the definition of fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. With some exceptions, the standard requires entities to classify these measurements into a fair value hierarchy based on the nature of the inputs. Additional disclosures following from the standard are included in the notes to the financial statements.

**AASB 119 Employee Benefits (2011), AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]**

AASB 119 amends the definition of short-term employee benefits and the accounting for defined benefit superannuation obligations. The standards do not impact the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### AASB CF 2013-1 Amendments to the Australian Conceptual Framework, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

AASB CF 2013-1 incorporates Chapters 1 and 3 of the IASB's *Conceptual Framework for Financial Reporting* into the AASB Framework for the Preparation and Presentation of Financial Statements. It also withdraws SAC 2 Objective of General Purpose Financial Reporting. The standards do not impact the financial statements.

### AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)

The standard amends AASB 7 *Financial Instruments: Disclosures* to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The standard does not impact the financial statements.

### AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132 & 134 and Interpretation 2]

The standard amends a number of pronouncements as a result of the 2009-2011 annual improvements cycle. In particular, amendments to AASB 101 *Presentation of Financial Statements* clarify requirements for comparative information, and amendments to AASB 116 *Property, Plant and Equipment* clarify classification of servicing equipment. The standard does not impact the financial statements.

### b) Australian Accounting Standards and Interpretations Issued but not yet Effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 <i>Financial Instruments (Dec 2010)</i> , AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127], AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8], AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> .	AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2017	Not expected to have a material impact on future reporting periods

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
<p>AASB 10 <i>Consolidated Financial Statements</i>, AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i> [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 &amp; 1038 and Interpretations 5, 9, 16 &amp; 17], AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i> [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 &amp; 2011-7 and Interpretation 12], AASB 2013-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</i> [AASB 10, 12 &amp; 1049]</p>	<p>Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 <i>Consolidated and Separate Financial Statements</i>.</p> <p>AASB 2012-10 defers the mandatory application of AASB 10 <i>Consolidated Financial Statements</i> and related Standards to not-for-profit entities until annual reporting periods beginning on or after 1 January 2014.</p> <p>AASB 2013-8 assists not-for-profit entities to apply AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i>.</p>	1 Jan 2014	Not expected to have a material impact on future reporting periods
AASB 12 <i>Disclosure of Interests in Other Entities</i>	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	1 Jan 2014	Not expected to have a material impact on future reporting periods
AASB 1055 <i>Budgetary Reporting</i>	Sets out budgetary reporting requirements for not-for-profit entities within the general government sector.	1 Jan 2014	Not expected to have a material impact on future reporting periods

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)</i>	Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 <i>Financial Instruments: Presentation</i> .	1 Jan 2014	Not expected to have a material impact on future reporting periods
AASB 2013-3 <i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	Addresses disclosures about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	1 Jan 2014	Not expected to have a material impact on future reporting periods

### c) Agency and Territory Items

The financial statements of the Department of Local Government and Regions include income, expenses, assets, liabilities and equity over which the Department of Local Government and Regions has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies, such as unfunded superannuation and long-service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements. The Department of Local Government and Regions does not collect any Territory items on behalf of the Central Holding Authority.

### d) Comparatives

Where necessary, comparative information for the 2012–13 financial year has been reclassified to provide consistency with current year disclosures.

### e) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

### f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2013–14 as a result of management decisions.

### g) Accounting Judgments and Estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(r) and Note 11: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 16: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year government bond rate.
- Allowance for Impairment Losses – Note 2(o): Note 7: Receivables and Note 14: Financial Instruments.
- Property, Plant and Equipment, Note 8.

### **h) Goods and Services Tax**

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

### **i) Income Recognition**

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

### **Grants and Other Contributions**

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

### **Appropriation**

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then on passed to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

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### Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the agency
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

### Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

### Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

### Contributions of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non reciprocal transfers, are recognised, unless otherwise determined by government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

### j) Repairs and Maintenance Expense

Funding is received for repairs and maintenance works associated with agency assets as part of output revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

### k) Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

### l) Cash and Deposits

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 18.

### m) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an ageing schedule under credit risk in Note 14: Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

All receivable are generally settled within 30 days.

### n) Property, Plant and Equipment

#### Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

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### **o) Revaluations and Impairment**

#### **Revaluation of Assets**

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land

Fair value is the amount for which an asset could be exchanged or liability settled between knowledgeable willing parties in an arm's length transaction.

#### **Impairment of Assets**

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 12 provides additional information in relation to the asset revaluation surplus.

### **p) Leased Assets**

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

#### **Finance Leases**

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

#### **Operating Leases**

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

### **q) Payables**

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

### **r) Employee Benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

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No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the Department of Local Government and Regions and as such no long service leave liability is recognised in agency financial statements.

### **s) Superannuation**

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS)  
or
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

### **t) Contributions by and Distributions to Government**

The agency may receive contributions from government where the government is acting as owner of the agency. Conversely, the agency may make distributions to government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, government.

### **u) Commitments**

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 15.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

### **v) Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when the agency becomes a party to the contractual provisions of the financial instrument. The agency's financial instruments include cash and deposits, receivables, advances, payables and deposits held in trust. Note 14 provides additional information on financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

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### w) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### 3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Local Government and Regions		Corporate and Governance		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>INCOME</b>							
Grants and subsidies revenue							
Current		16,433	31,329	-	-	16,433	31,329
Appropriation							
Output		41,914	42,751	1,652	1,918	43,566	44,669
Commonwealth		150	50	-	-	150	50
Sales of goods and services							
Goods and services received free of charge	4	224	133	-	-	224	133
Other income		-	12	7	2	7	14
<b>TOTAL INCOME</b>		<b>60,320</b>	<b>75,679</b>	<b>1,659</b>	<b>1,920</b>	<b>61,979</b>	<b>77,599</b>
<b>EXPENSES</b>							
Employee expenses							
		4,597	4,730	467	466	5,064	5,196
Administrative expenses							
Purchases of goods and services	6	1,501	1,534	1,171	1,406	2,672	2,940
Repairs and maintenance		-	-	5	-	5	-
Other administrative expenses		224	133	9	28	233	161
Grants and subsidies expenses							
Current		51,329	68,663	-	18	51,329	68,681
Capital		2,549	375	-	-	2,549	375
<b>TOTAL EXPENSES</b>		<b>60,200</b>	<b>75,435</b>	<b>1,652</b>	<b>1,918</b>	<b>61,852</b>	<b>77,353</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>120</b>	<b>244</b>	<b>7</b>	<b>2</b>	<b>127</b>	<b>246</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
		-	-	-	-	-	-
<b>COMPREHENSIVE RESULT</b>		<b>120</b>	<b>244</b>	<b>7</b>	<b>2</b>	<b>127</b>	<b>246</b>

*This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
<b>4. GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>		
Department of Corporate and Information Services	224	133
<b>TOTAL GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>	<b>224</b>	<b>133</b>

### 5. PURCHASES OF GOODS AND SERVICES

The net surplus/(deficit) has been arrived at after charging the following expenses:

**Goods and services expenses:**

Consultants	165	160
Advertising	5	1
Marketing and promotion	24	84
Document production	9	11
Legal expenses	130	230
Recruitment	3	14
Training and study	18	22
Official duty fares	117	214
Travelling allowance	45	65
Motor vehicle expenses	184	278
Goods and services free of charge	224	133
Agent service arrangements	1,105	1,074
Other operational expenses	643	654
<b>TOTAL GOODS AND SERVICES EXPENSES</b>	<b>2,672</b>	<b>2,940</b>

### 6. CASH AND DEPOSITS

Cash on hand	1	1
Cash at bank	7,231	8,372
<b>TOTAL CASH AND DEPOSITS</b>	<b>7,232</b>	<b>8,373</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
<b>7. RECEIVABLES</b>		
Current		
Accounts receivable	43	56
Less: Allowance for impairment losses	(41)	(32)
<b>Net accounts receivables</b>	<b>2</b>	<b>24</b>
GST receivables	23	36
<b>TOTAL RECEIVABLES</b>	<b>25</b>	<b>60</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

Land		
At fair value	3,599	3,599
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,599</b>	<b>3,599</b>

## 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 2014 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2013–14 is set out below:

	Land \$'000	Total \$'000
Carrying Amount as at 1 July 2013	3,599	3,599
<b>CARRYING AMOUNT AS AT 30 JUNE 2014</b>	<b>3,599</b>	<b>3,599</b>

### 2014 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2013–14 is set out below:

Carrying Amount as at 1 July 2012	-	-
Additions/(Disposals) from asset transfers	1,794	1,794
Revaluation increments/(decrements)	1,805	1,805
<b>CARRYING AMOUNT AS AT 30 JUNE 2013</b>	<b>3,599</b>	<b>3,599</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### 9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

#### a) Fair Value Hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

2014	Level 2 \$'000	Total Fair Value \$'000
<b>Asset Classes</b>		
Land (Note 8)	3,599	3,599
<b>Total</b>	<b>3,599</b>	<b>3,599</b>

There were no transfers between Level 1 and Levels 2 or 3 during the period.

#### b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

Asset Class	Level 2 Technique
Land	Cost

There were no changes in valuation techniques during the period.

The Australian Valuation Office has provided valuations for the land.

	2014 \$'000	2013 \$'000
<b>10. PAYABLES</b>		
Accounts payable	22	76
Accrued expenses	125	130
<b>TOTAL PAYABLES</b>	<b>147</b>	<b>206</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

2014  
\$'000

2013  
\$'000

### 11. PROVISIONS

#### Current

##### *Employee benefits*

Recreation leave	333	360
Leave loading	53	49
Other employee benefits - airfares	16	26

##### *Other current provisions*

Payroll Tax	40	44
Fringe Benefits Tax	7	10
Superannuation	40	45
<b>Total current provisions</b>	<b>489</b>	<b>534</b>

#### Non-Current

##### *Employee benefits*

Recreation leave	195	237
<b>Total non-current provisions</b>	<b>195</b>	<b>237</b>

#### TOTAL PROVISIONS

684 771

### 12. RESERVES

#### Asset Revaluation Surplus

##### *(i) Nature and purpose of the asset revaluation surplus*

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

##### *(ii) Movements in the asset revaluation surplus*

Balance as at 1 July	1,805	-
Increment/(Decrement) – land	-	1,805
<b>Balance as at 30 June</b>	<b>1,805</b>	<b>1,805</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

2014      2013  
\$'000      \$'000

### 13. NOTES TO THE CASH FLOW STATEMENT

#### Reconciliation of Cash

The total of agency 'Cash and deposits' of \$7.232 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

#### Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities

<b>Net Surplus/(Deficit)</b>	<b>127</b>	<b>246</b>
<i>Non-cash items:</i>		
R&M - Minor New Work Non Cash	5	-
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	35	(60)
Decrease/(Increase) in prepayments	(6)	-
(Decrease)/Increase in payables	(58)	206
(Decrease)/Increase in provision for employee benefits	(76)	673
(Decrease)/Increase in other provisions	(12)	98
<b>Net Cash from Operating Activities</b>	<b>15</b>	<b>1,163</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

2014	2013
\$'000	\$'000

### 14. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Department of Local Government and Regions include cash and deposits, receivables, payables and finance leases. The Department of Local Government and Regions has limited exposure to financial risks as discussed below.

#### a) Categorisation of Financial Instruments

The carrying amounts of the Department of Local Government and Regions' financial assets and liabilities by category are disclosed in the table below.

##### Financial Assets

Cash and deposits	7,232	8,373
Receivables	25	60
Advances	666	1,000
Prepayments	6	-

##### Financial Liabilities

Deposits held in trust	1,663	3,243
Payables	147	206
Provisions	684	771

#### b) Credit Risk

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and ageing analysis of receivables is presented below.

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>Internal Receivables</b>			
<b>2013–2014</b>			
Not overdue	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2012–2013</b>			
Not overdue	24	-	24
<b>Total</b>	<b>24</b>	<b>-</b>	<b>24</b>
<b>External Receivables</b>			
<b>2013–2014</b>			
Not overdue	25	-	25
Overdue for more than 60 days	41	41	-
<b>Total</b>	<b>66</b>	<b>41</b>	<b>25</b>
<b>Reconciliation of the Allowance for Impairment Losses</b>			
Opening		32	
Recovered during the year		(19)	
Increase/(Decrease) in allowance recognised in profit or loss		28	
<b>Total</b>		<b>41</b>	
<b>2012–13</b>			
Not overdue	36	-	36
Overdue for more than 60 days	32	32	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>Total</b>	<b>68</b>	<b>32</b>	<b>36</b>
<b>Reconciliation of the Allowance for Impairment Losses</b>			
Opening		-	
Increase/(Decrease) in allowance recognised in profit or loss		32	
<b>Total</b>		<b>32</b>	

### c) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

#### 2014 Maturity analysis for financial assets and liabilities

	INTEREST BEARING				NON- INTEREST BEARING	Total
	Fixed or Variable \$'000	Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
<b>Assets</b>						
Cash and deposits	-	-	-	-	7,232	7,232
Receivables	-	-	-	-	25	25
Advances	-	-	-	-	666	666
Prepayments	-	-	-	-	6	6
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,929</b>	<b>7,929</b>
<b>Liabilities</b>						
Deposits held	-	-	-	-	1,663	1,663
Payables	-	-	-	-	147	147
Provisions	-	-	-	-	684	684
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,494</b>	<b>2,494</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### 2013 Maturity analysis for financial assets and liabilities

	INTEREST BEARING				NON- INTEREST BEARING	Total
	Fixed or Variable \$'000	Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
<b>Assets</b>						
Cash and deposits	-	-	-	-	8,373	8,373
Receivables	-	-	-	-	60	60
Advances	-	-	-	-	1,000	1,000
<b>Total Financial Assets</b>	-	-	-	-	<b>9,433</b>	<b>9,433</b>
<b>Liabilities</b>						
Deposits held	-	-	-	-	3,243	3,243
Payables	-	-	-	-	206	206
<i>Provisions</i>	-	-	-	-	771	771
<b>Total Financial Liabilities</b>	-	-	-	-	<b>4,220</b>	<b>4,220</b>

#### d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

##### (i) Interest Rate Risk

The Department of Local Government and Regions is not exposed to interest rate risk as agency financial assets and financial liabilities are non-interest bearing. Therefore, a market sensitivity analysis is not required.

##### (ii) Price Risk

The Department of Local Government and Regions is not exposed to price risk as the department does not hold units in unit trusts.

##### (iii) Currency Risk

The Department of Local Government and Regions is not exposed to currency risk as the department does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### e) Net Fair Value

The fair value of financial instruments is estimated using various methods.

These methods are classified into the following levels:

**Level 1** – derived from quoted prices in active markets for identical assets or liabilities.

**Level 2** – derived from inputs other than quoted prices that are observable directly or indirectly.

**Level 3** – derived from inputs not based on observable market data.

Fair values of financial instruments categorised by level of inputs used to measure fair value are:

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>2014</b>					
<b>Financial Assets</b>					
Cash and deposits	7,232	7,232	-	-	7,232
Receivables	25	25	-	-	25
Advances and investments	666	666	-	-	666
Prepayments	6	6	-	-	6
<b>Total Financial Assets</b>	<b>7,929</b>	<b>7,929</b>	<b>-</b>	<b>-</b>	<b>7,929</b>
<b>Financial Liabilities</b>					
Deposits held	1,663	1,663	-	-	1,663
Payables	147	147	-	-	147
Provisions	684	684	-	-	684
<b>Total Financial Liabilities</b>	<b>2,494</b>	<b>2,494</b>	<b>-</b>	<b>-</b>	<b>2,494</b>
<b>2013</b>					
<b>Financial Assets</b>					
Cash and deposits	8,373	8,373	-	-	8,373
Receivables	60	60	-	-	60
Advances and investments	1,000	1,000	-	-	1,000
<b>Total Financial Assets</b>	<b>9,433</b>	<b>9,433</b>	<b>-</b>	<b>-</b>	<b>9,433</b>
<b>Financial Liabilities</b>					
Deposits held	3,243	3,243	-	-	3,243
Payables	206	206	-	-	206
Provisions	771	771	-	-	771
<b>Total Financial Liabilities</b>	<b>4,220</b>	<b>4,220</b>	<b>-</b>	<b>-</b>	<b>4,220</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

### 15. COMMITMENTS

There are no expenditure commitments for the Department of Local Government and Regions as at 30 June 2014 or 30 June 2013.

### 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Department of Local Government and Regions had no contingent liabilities or contingent assets as at 30 June 2014 or 30 June 2013.

### 17. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

### 18. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

Nature of Trust Money	Opening Balance 1 July 2013 \$'000	Receipts \$'000	Payments \$'000	Closing Balance 30 June 2014 \$'000
Jabiru Town Development Authority	3,243	70	(1,650)	1,663
<b>TOTAL ACCOUNTABLE OFFICER'S TRUST ACCOUNT</b>	<b>3,243</b>	<b>70</b>	<b>(1,650)</b>	<b>1,663</b>

### 19. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

The Department of Local Government and Regions had no write-offs, postponements, waivers, gifts or ex gratia payments at 30 June 2014 or 30 June 2013.

### 20. SCHEDULE OF TERRITORY ITEMS

The Department of Local Government and Regions does not collect any Territory items on behalf of the Central Holding Authority.

# APPENDICES

## LEGISLATIVE COMMITTEES

### Local Government Disciplinary Committee

Membership as at 30 June 2014

Names	Nominating body
Ms Gabrielle Martin	Department of Attorney General and Justice
Ms Ruth Brebner	Minister for Local Government and Regions
Mr Iain Summers	Local Government Association of the Northern Territory (LGANT)
Alderman Garry Lambert	Local Government Association of the Northern Territory (LGANT)

### Local Government Accounting and Advisory Committee

Members as at 30 June 2014

Names	Nominating body
Ms Meeta Ramkumar Mr Neil Murray	Department of Local Government and Regions
Ms Julie Crisp Mr Lawrence Autencio	Institute of Chartered Accountants (ICA) CPA Australia
Mr Marc Gardner Ms Julie Bryce	Local Government Managers Australia (LGMA)
Mr Miles Craighead Mr Greg Arnott	Northern Territory Finance Reference Group
Mr Muhammad Waqas Mr Tony Tapsell	Local Government Association of the Northern Territory (LGANT)

### Local Government (Administration and Legislation) Advisory Committee

Members as at 30 June 2014

Names	Nominating body
Mr Allan McGill	Department of Local Government and Regions (DLGR)
Ms Lee Williams	Department of Local Government and Regions (DLGR)
Mr Tony Tapsell (Chair)	Local Government Association of the Northern Territory (LGANT)
Mrs Jeanette Anictomatis	Local Government Association of the Northern Territory (LGANT)
Mr Mark Blackburn	Local Government Managers Australia (LGMA)
Ms Cathryn Hutton	Local Government Managers Australia (LGMA)
Mr Derrick Tranter	Council Officer
Mr Ben Dornier	Council Officer

# APPENDICES

## Reserve trusts

Members as at 30 June 2014

Names	Reserves
Barbara Robyn Evan Glover Stewart Alfred Adcock David Allan Cunningham Bradden Anthony Bellette (Chair) Harry Newton Cook Wulf Heimrich Kurt Pfau	Blatherskite Park Reserve
Elizabeth Anne Prell (Chair) James Andrew Cocking Helen Kilgariff Stephen Ross Morton Susan Mary Dugdale Geoffrey Brian Kenna Jeanette Gail Wormald	Olive Pink Botanic Garden Reserve
Joan Patricia Hassall Marguerite Helen Gayaso William Edward Josephs John McDonald McLaren (Chair) Elaine Margaret Gardiner Bruce William Bremner	Robbie Robbins Reserve

## GRANTS PROGRAM

### Local government grants programs

The Department of Local Government and Regions provides grants funding assistance to eligible organisations, community groups and individuals through a number of funding programs.

### Northern Territory Operational Subsidy

*Grant recipients in 2013–14*

Council	Grant funding \$'000
Tiwi Islands Regional Council	1 203 766
Belyuen Community Government Council	62 782
Coomalie Community Government Council	423 471
Wagait Shire Council	127 698
West Arnhem Regional Council	2 924 640
East Arnhem Regional Council	5 294 739
Victoria Daly Regional Council	3 178 205
Roper Gulf Regional Council	3 475 297
Barkly Regional Council	3 445 923
Central Desert Regional Council	2 099 989
MacDonnell Regional Council	3 370 588
	<b>\$25 607 098</b>

# APPENDICES

## Reserves and other organisations

These grants are provided to organisations that provide local government-type services for the benefit of the community.

*Grant recipients in 2013–14*

Organisation	Brief description	Grant funding \$'000
Katherine Town Council	Operational funding for the community of Binjari	216 162
Blatherskite Park Reserve	Operational funding	145 000
Daly Waters Progress Association	Operational funding	8 963
Jabiru Town Development Authority	Operational funding	90 000
Roper Gulf Regional Council	Operational funding for the community of Larrimah	8 922
Robbie Robins Reserve	Operational funding	75 000
Yilli Rreung Housing Aboriginal Corporation	Operational funding for the Bagot community	100 000
Nhulunbuy Public Cemetery Trust	Operational funding	10 000
Roper Gulf Regional Council	Operational funding for the Mataranka (Elsay Cemetery)	2 000
Australia Day Council Inc. (NT)	Towards the sponsorship of the 2014 Australia Day Awards	3 000
		<b>\$659 047</b>

# APPENDICES

## Special Purpose Grants

The pool for needs-based grants in 2013–14 totalled \$3 959 184. Funding is for specific purposes related to the needs of individual local government bodies and other community organisations. The focus of needs-based funding has been in the areas of training, recreation facilities, plant and equipment, social infrastructure and building (construction/renovations).

Council	Purpose	Grant funding \$'000
Coomalie Community Government Council	Construction of footpaths (being cycle and pedestrian combined) in the Batchelor township	151 000
Coomalie Community Government Council	Purchase of a backhoe	112 900
Litchfield Council	Purchase a front-end loader to assist with waste management	70 000
Litchfield Council	Construction of an undercover storage area at the McMinns Lagoon Recreation Reserve	11 000
Belyuen Community Government Council	Construction of a concrete pathway and wheelchair access ramp at the entrance of the council office	23 770
Belyuen Community Government Council	Purchase two motor vehicle diagnostic scan tools for the workshop and a camera with GPS for the civil works program	10 795
Katherine Town Council	Upgrades to various areas within the Katherine Town Council Sports Complex	40 000
Roper Gulf Regional Council	Towards the upgrade of lot 30 Bulman to include the purchase and installation of two fenced, pre-fabricated two-bedroom transportable buildings with shared verandah	154 050
Barkly Regional Council	Upgrading the Elliott Regional Service Centre including entrance, front counter and flooring	75 000
Barkly Regional Council	Arlparra office upgrade, including purchase and installation of a multifunction centre, telephone system and teleconferencing facilities, security system, doors and conference chairs	42 936
Alice Springs Town Council	Repair and resurface all eight netball courts in Alice Springs	70 000
Central Desert Regional Council	Purchase a second-hand wheeled loader for Yuendumu	120 000
Central Desert Regional Council	Towards the upgrade of the Yuendumu softball and football ovals, including backstop fencing, dugouts, shade structures, grandstand seating and scoreboard	35 149
MacDonnell Regional Council	Purchase two rear-loading five cubic metre refuse compactor trucks	282 200

# APPENDICES

## Special Purpose Grants (continued)

Council	Purpose	Grant funding \$'000
MacDonnell Regional Council	Upgrade the parks at Apatula and Imanpa with playground equipment, shade structures and seating	103 400
West Arnhem Regional Council	Purchase a water tank for Gunbalanya	26 870
West Arnhem Regional Council	Purchase a 2.5-tonne forklift for Gunbalanya	24 537
Warlpiri Youth Development Aboriginal Corporation	Match the Commonwealth grant of \$37 500 to allow the corporation to meet the operational cost of the Yuendumu pool during 2014	37 500
Victoria Daly Regional Council	Undertake a landfill feasibility study in the Timber Creek township area	60 000
Thamarrurr Development Corporation	Reticulate the nature strip for dust suppression at the community of Wadeye	90 909
Nhulunbuy Public Cemetery Trust	Assist with tree removal around various headstones at the Nhulunbuy cemetery	1 200
East Arnhem Regional Council	Purchase five sea containers to provide secure storage for Angurugu's vehicle fleet	90 338
Central Desert Regional Council	Upgrade parks at Lajamanu, Wilora, Laramba, Nyirripi, Atitjere and Pmara Jutunta by installing playground equipment, shade shelter, seats and tables	70 000
Alice Springs Town Council	Towards the rectification of 42 pedestrian ramps in the Alice Springs CBD	100 000
Roper Gulf Regional Council	Upgrade Lot 297 Ngukurr community to enable accommodation of qualified contractors	253 600
Coomalie Community Government Council	Renovations and upgrades to the council's administration buildings at Batchelor and Adelaide River	146 030
City of Darwin	Redevelop the existing skate park located at the Jingili Water Gardens	150 000
Victoria Daly Regional Council	Assist with the cost of relocating demolished asbestos materials from a vacant block in Peppimenarti to the community dump and secure with appropriate fencing	37 000
Central Desert Regional Council	Upgrade ovals and facilities at Yuendumu and Lajamanu	1 569 000
		<b>\$3 959 184</b>

# APPENDICES

## CLOSING THE GAP (LOCAL BOARD AND INFRASTRUCTURE) FUNDING

### Closing the Gap – local representative boards

Council	Purpose	Grant funding \$'000
Roper Gulf Regional Council	Provide governance training for local authorities, including follow up support for two subsequent local board meetings	31 120
Barkly Regional Council	Governance training for local authorities including the services of 'Matrix on Board' trainers as well as ongoing training and support	50 000
Central Desert Regional Council	Employ a governance contractor for 12 months and casual local government support officer	215 394
MacDonnell Regional Council	Governance training workshops for the members of the 13 local authorities, including a LGANT trainer	113 885
West Arnhem Regional Council	Formal governance training for five local authorities	125 000
<b>TOTAL</b>		<b>\$535 399</b>

### Closing the Gap – Infrastructure Maintenance Capital Grants

Council	Purpose	Grant funding \$'000
Belyuen Community Government Council	Construct a new basketball surface, replace surrounding fence, removal of overgrown bushes around community's basketball court fence line	74 249
Tiwi Islands Regional Council	Complete works at the Wurrumiyanga swimming pool facility, including repair tiles, shade sails and a drinking fountain.	42 082
Victoria Daly Regional Council	Purchase audio visual equipment kits for eight communities, including laptop computers	28 960
Roper Gulf Regional Council	Purchase and install two transportable amenity blocks at the Beswick sport and recreation facility	114 500

# APPENDICES

## Closing the Gap – Infrastructure Maintenance Capital Grants (continued)

Council	Purpose	Grant funding \$'000
Roper Gulf Regional Council	Refurbishment of a staff house - Lot 382 in Borroloola	90 955
Barkly Regional Council	Design, supply and install a concrete skate park at Purkiss Reserve, Tennant Creek	115 000
Central Desert Regional Council	Part 1: purchase office furniture, computers and NBN connections for the nine local authorities Part 2: complete the upgrade of the Yuelamu office	246 591
MacDonnell Regional Council	Maintenance and facility upgrades to the swimming pools at Areyonga, Kintore and Santa Teresa. Including replacing pumps, chlorinator and cells, park furniture and shade sails	100 000
West Arnhem Regional Council	Enable alterations and refurbishment of the Minjilang council office	168 000
<b>TOTAL</b>		<b>\$980 337</b>

## Regional Governance Reform

Council	Local authority establishment funding \$'000	Regional council conversion funding \$'000
Tiwi Islands Regional Council	30 000	100 720
Central Desert Regional Council	90 000	184 480
Barkly Regional Council	70 000	153 120
MacDonnell Regional Council	130 000	230 080
West Arnhem Regional Council	40 000	112 640
Victoria Daly Regional Council	80 000	173 280
Roper Gulf Regional Council	100 000	199 680
East Arnhem Regional Council	90 000	180 320
<b>Total</b>	<b>\$630 000</b>	<b>\$1 334 320</b>

# APPENDICES

## FAMILY SAFE ENVIRONMENT FUND

The Family Safe Environment Fund commenced in January 2013. The program funding pool is \$250 000 per annum over the next four years and will cease in 2015–16.

The primary aim of the program is to provide a safe environment for park users and nearby residents through the reduction of incidences of antisocial behavior, wilful vandalism and graffiti. This will be achieved by providing funding for initiatives such as:

- improved park layout
- installation of CCTV cameras
- installation of additional lighting
- improving entrances, exits and signage

<b>Council</b>	<b>Purpose</b>	<b>Grant funding \$'000</b>
City of Darwin	Installation of energy-efficient LED lighting and electrical wiring to activate Tamarind Park	42 000
City of Palmerston	Production and installation of 68–70 warning/danger signs for stormwater drainage entry and exit points	14 700
Katherine Town Council	Solar-powered lighting to reduce antisocial behaviour along Railway Terrace	40 070
Coomalie Community Government Council	Installation of solar park lighting in Bicentennial park and the Batchelor oval	50 000
		<b>\$146 770</b>

# APPENDICES

## INDIGENOUS EMPLOYMENT PACKAGE

The Indigenous Employment Package is part of a \$30 million, three-year commitment to support local government services delivery and local employment opportunities.

Council	Indigenous Jobs Development funding \$'000	Local Area Traffic Management funding \$'000	Workforce Mentoring funding \$'000
Barkly Regional Council	941 605	50 000	188 750
Belyuen Community Government Council	12 624		
Central Desert Regional Council	660 359	55 000	249 750
East Arnhem Regional Council	1 193 922	130 000	371 750
MacDonnell Regional Council	1 323 674	55 000	310 750
Roper Gulf Regional Council	1 600 629	70 000	310 750
Tiwi Islands Regional Council	555 944	35 000	188 750
Victoria Daly Regional Council	1 239 686	55 000	310 750
West Arnhem Regional Council	738 305	50 000	188 750
<b>TOTAL</b>	<b>\$8 266 748</b>	<b>\$500 000</b>	<b>\$2 120 000</b>

## COMMUNITY ENGAGEMENT FUNDING

Council	Grant funding \$'000
Victoria Daly Shire Council	150 000
Local Government Association of the Northern Territory	62 032
Central Desert Shire Council	103 280
MacDonnell Shire Council	123 550
West Arnhem Shire Council	100 000
<b>TOTAL</b>	<b>\$538 862</b>

# APPENDICES

## REGIONAL COUNCIL ESTABLISHMENT FUNDING

Council	Purpose	Grant funding \$'000
CouncilBiz	Instalment 1: delivery of corporate services to the West Daly Regional Council	96 500
CouncilBiz	Instalment 2: delivery of corporate services to the West Daly Regional Council	110 000
Victoria Daly Regional Council	Reimburse expenditure costs incurred on activity directly associated with the establishment of the West Daly Regional Council	68 565
West Daly Regional Council	Assist with the establishment costs of the West Daly Regional Council	100 000
West Daly Regional Council	Establishment grant	1 000 000
<b>TOTAL</b>		<b>\$1 375 064</b>

## ASSET MANAGEMENT AND FINANCIAL PLANNING

Council	Purpose	Grant funding \$'000
Local Government Association of the NT	Continue assisting member councils with developing long-term asset and financial plans	90 000

# APPENDICES

## INDEX OF REPORTING AGAINST LEGISLATIVE REQUIREMENTS

Name of Act	Page in annual report
<i>Anti-Discrimination Act</i>	44, 48
<i>Cemeteries Act</i>	28
<i>Contracts Act</i>	44,48
<i>Crown Lands Act</i> (section 79)	28
<i>Darwin Rates Act</i>	28
<i>Financial Management Act</i>	44, 48, 50-79
<i>Information Act</i>	44, 45, 46
<i>Jabiru Town Development Act</i>	28
<i>Local Government (Katherine Rates) Act</i>	29
<i>Local Government Act</i>	28
<i>Local Government Grants Commission Act</i>	29
<i>Nudity Act</i>	29
<i>Pounds Act</i>	29
<i>Procurement Act</i>	44, 48
<i>Public Information Act</i>	44, 45
<i>Public Sector Employment and Management Act</i>	1, 38, 39, 43, 44, 45
<i>Status of Darwin Act</i>	29
<i>Status of Palmerston Act</i>	29
<i>Work Health and Safety Act</i>	38, 39, 42, 43, 44

## INDEX OF REPORTING AGAINST EMPLOYMENT INSTRUCTIONS

Under the *Public Sector Employment and Management Act*, Employment Instructions provide direction to agencies on human resource management matters. Each instruction specifies required reporting in department annual reports. The department's performance against Employment Instructions is indexed below.

Employment Instructions	Pages
Number 1 – Filling vacancies	38
Number 2 – Probation	38
Number 3 – Natural justice	41
Number 4 – Employee performance management and development system	40
Number 5 – Medical examinations	No reporting requirements
Number 6 – Employee performance and inability	40
Number 7 – Discipline	39
Number 8 – Internal agency complaints and section 59 grievance reviews	41
Number 9 – Employee records	45
Number 10 – Equity of Employment Opportunity Programs	36
Number 11 – Occupational Health and Safety Standards Programs	38
Number 12 – Code of conduct	40, 45
Number 13 – Appropriate workplace behaviour	39, 40, 45

# APPENDICES

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## ABBREVIATIONS AND ACRONYMS

Acronym	Unabbreviated
AIPD	Australia–Indonesia Partnership for Decentralisation
CARO	Central Australian Regional Office
CLG	Centre for Local Government
DCIS	Department of Corporate and Information Services
DHsg	Department of Housing
DoCS	Department of Community Services
EARC	East Arnhem Regional Council
EMLT	Executive Management Leadership Team
LGA	Local Government Area
LGAAC	Local Government Accounting Advisory Committee
LGANT	Local Government Association of the Northern Territory
LGMA	Local Government Managers Australia
MLA	Member of the Legislative Assembly
MTEFs	Medium-Term Expenditure Frameworks
NCL	Nhulunbuy Corporation Limited
NDRRA	Natural Disaster Relief and Recovery Arrangement
PSEMA	Public Sector Employment and Management Act
SIHIP	Strategic Indigenous Housing and Infrastructure Program
VDRC	Victoria Daly Regional Council
WDRC	West Daly Regional Council

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