

LGANT submission on the Productivity Commission’s Review of the National Agreement on Closing the Gap draft report

Local Government Association of the Northern Territory

The Local Government Association of the Northern Territory (LGANT) is the peak voice of local government in the NT, representing 16 of the 17 councils. Membership consists of four municipal, three shire and nine regional councils, and one associate member.

LGANT’s strategic direction is set by a nine-member Board elected from member regional, shire and municipal councils. Three of the nine Board members identify as Aboriginal.

LGANT provides leadership, support, representation, and advocacy on behalf of our member councils for the benefit of their communities.

Elected members

Nearly 60% of all local government elected members in the NT are Aboriginal, and around 89% of regional council elected members are Aboriginal.

Of the 154 elected members in the NT (as at August 2023), 92 are Aboriginal elected members.

Nine of the NT’s 17 councils have majority Aboriginal elected members, and four of those are entirely Aboriginal elected members.

Given these figures, the local government sector is arguably the most culturally capable of all three spheres of government in the NT.

Local Authorities

Local Authorities were established in 2014 under the former NT *Local Government Act 2008* and their role strengthened in the current Act. Local Authorities are an instrument of regional councils and their inclusion in the structure of such councils is intended to ensure communities have a say in their regional councils’ planning, prioritisation, funding and delivery of services and infrastructure for their community; and the provision of information and feedback to communities about the councils’ decisions and activities in those communities.

Local Authorities also have an important formal role raising a wide range of social, economic, environmental and cultural issues with their regional council for action and advocacy.

There are 67 Local Authorities across the nine regional councils in the NT. Although no official data is collected, almost all Local Authority members are Aboriginal.

Local government in the NT

Local government councils look after matters close to our homes including local roads, street signage, lighting, footpaths, parking, cycle ways, parks and playgrounds, sporting fields and swimming pools, pet control, land and coast care programs, libraries, waste management, and community programs such as child and aged care – and in some places, provide Centrelink and Australia Post services.

The local government sector in the NT collectively employs around 3,000 people and is often the largest employer of Aboriginal people in remote and regional areas. The 2022 Australian Local Government Workforce Skills and Capability Survey NT Report confirmed the NT has the highest proportion of Aboriginal employees in the local government sector nationally.

Local government councils make other significant contributions to the NT economy including collectively managing and controlling assets and infrastructure valued at \$2.6 billion, over 13,000 kilometres of roads, and receiving and expending over \$505 million in the NT annually.

As the sphere of government closest to the community, local government councils are important stakeholders in delivering services and infrastructure to Aboriginal people, particularly in regional and remote areas of the NT where there are no other, or less capable, service providers, including Aboriginal Community Controlled Organisations (ACCOs).

Unfortunately, regional councils' revenue in the NT is restricted due to limited rate bases and grants received often being tied so they don't have the capacity to absorb additional Closing the Gap (CtG) initiatives or major reforms from within.

LGANT and Closing the Gap

LGANT is the only local government association in Australia that is a signatory to CtG. Something we are proud of.

The joint NT Government, LGANT and Aboriginal Peak Organisation NT (APONT) media release announcing the first NT CtG Implementation Plan (IP) in August 2021 states that the plan 'sets out how NT policies and projects are aligned to the National Agreement, and what we will do to ensure we achieve the priority reforms.'

The Productivity Commission's July 2023 Review of the National Agreement on CtG draft report questions whether governments have fully grasped the scale of change required to their systems, operations and ways to deliver the unprecedented shift they have committed to. LGANT would agree in regard to the local government sector and we require specific resourcing to not only achieve the outcomes we have set for ourselves, but for the sector to better contribute to the IPs.

LGANT, and the local government sector more broadly, has the potential to be a much stronger partner in implementation of the National Agreement and the NT's IPs but is currently restricted due to competing demands, resourcing constraints, and a lack of a genuine partnership approach from the other two spheres of government.

Resourcing constraints

LGANT implements its commitments under the NT's CtG IPs through an existing human resource. Unfortunately, a lot of this resource is used trying to keep up with the bureaucracy that CtG has become (eg. Partnership Working Group (PWG)), rather than implementing CtG actions.

I understand the Australian Local Government Association (ALGA) has the same issue in respect to their requirements of the Joint Council, National PWG, and subsequent Working Groups and Steering Committees - and then being able to synthesise the sheer volume of information for member associations. It's simply too much.

To give CtG the policy space it deserves, LGANT requires additional resourcing to ensure other business is not compromised. Unfortunately, previous requests by LGANT and the ALGA for dedicated resourcing of association-based Aboriginal Affairs Coordinators and project funds, for initiatives to help local government sector transform and also assist in achieving socio-economic targets, have been unsuccessful.

There are a number of examples where the local government sector is not involved or considered or has missed an opportunity to be involved and influence outcomes and decisions due to its inability to resource the bureaucracy (e.g., sector strengthening plans and policy partnerships). This is impacting on the ability of the local government sector to prioritise CtG and implement actions to deliver meaningful transformation.

Local government sector as a government party

LGANT would like to see clarity and consistency on the intent of 'government parties' in the National Agreement which will have a flow on effect to jurisdictional arrangements.

For example, not including jurisdictional local government policy makers and regulators in the CtG governance structure together with the local government peak organisations is likely an oversight of CtG and LGANT recommends this gap be closed to enable the reforms and changes required, particularly priority reform three: transforming government organisations.

Further to this, LGANT, as a peak body, cannot direct its member councils to dedicate resources to implementation of the National Agreement or the NT's CtG IPs and it is unlikely that the 17 local government councils in the NT, let alone the other 520 councils across Australia can do much without a better approach.

Additionally, there are various references to the 'public sector' throughout the draft report and it is unclear if it includes local government or not. The same can be said for some of the references to 'government agencies' and 'jurisdictions' in the draft report.

LGANT's experience to date as a signatory to CtG suggests that the National Agreement and the CtG bureaucracy at large probably don't consider local government as part of the public sector and this is somewhat confirmed by elements of the draft report – but this chops and changes throughout.

As an example, refer to the first paragraph on page 45 which states priority reform three applies to government organisations without exception and this entails transforming the ways of working of over 2.4 million public sector workers across federal, state, territory and local government organisations. This is one of only a very few references to local government in the whole draft report.

LGANT recommends these ambiguities be clarified in the final report and the definitions section of the National Agreement so the roles and responsibilities of the local government sector more broadly in implementing the National Agreement and is clearer.

Information requests:

1. Effectiveness of policy partnerships

See resourcing comments above including policy partnerships.

2. Shifting service delivery to ACCOs

One of the major barriers the local government sector in the NT is experiencing in implementing CtG is the apparent lack of respect for the sector's Aboriginal elected members as genuine partners.

As mentioned earlier:

- nine of the NT's 17 councils have majority Aboriginal elected members;
- four of those are entirely Aboriginal elected members;
- nearly 60% of all local government elected members in the NT are Aboriginal;
- approximately 89% of regional council elected members are Aboriginal;
- of the 154 elected members in the NT (as at August 2023), 92 are Aboriginal elected members; and
- 67 Local Authorities with an average of ten members each.

Despite this, the NT Government has made policy decisions effecting Aboriginal people that exclude local government councils. This includes a change to the definition of ACCOs to explicitly exclude local government councils. In regional and remote areas of the NT there are often no other service providers, including ACCOs, so local government councils are often the only option.

As a signatory to CtG, LGANT understands the intent of priority reform but has major concerns about the impact of it on service delivery to regional and remote community members without carefully considered planning. LGANT would also suggest that increasing the amount of government funding for Aboriginal programs and services going through ACCOs should not come at the expense of local government funding in the NT.

Given the understanding of community priorities and important role local government councils currently play in delivering services and infrastructure to Aboriginal people in the NT, a planned transition and change journey should be mapped out in partnership with other CtG signatories.

This could mean, for example, that a local government council and an ACCO partner to deliver a service currently delivered by that council (e.g., childcare) in an area that is likely already constrained by infrastructure, staff and supply chains, to build ACCO capacity with the intent of handing over the service to the ACCO when it is able and willing.

LGANT has suggested this partnership approach to both the Australian and NT governments, but it has seemingly fallen on deaf ears. Doing business and delivering services in regional and remote parts of the NT is tough, expensive and different to delivering services in municipal areas such as Melbourne or even Darwin.

LGANT also understands that the local government sector has had very limited involvement in development of the four strengthening plans (Early Childhood Care and Development; Health; Housing, and Disability). Resourcing and including the local government sector in the development of these plans could help with the transition plan of delivery of such services by local government to ACCOs.

The local government sector understands that service provision can be imperfect for all the reasons mentioned above - but a transitional partnership approach would help in both maintaining service for community members while also delivering on this CtG priority reform. Different thinking is required in the NT.

3. Transformation of government services

LGANT recommends Australian and jurisdictional local government policy makers and regulators be added to the CtG governance structure. For example, the NT Government Local Government Unit (LGU) should be on the NT PWG and develop actions for IPs just as other teams and agencies do.

4. Indigenous data sovereignty and priority reform 4

- N/A.

5. Legislative and policy change to support priority reform 4

- N/A

6. Characteristics of the organisation to lead data development under the agreement

Given the role of local government in delivering services, ensure the sector is appropriately involved in governance structures so they can share/ provide relevant data.

7. Performance reporting tools – dashboard and annual data compilation report

- N/A

8. Quality of implementation plans and annual reports

LGANT would like to share a few observations of our experience as a party developing the NT's IPs:

- It's been very challenging. When LGANT raised concerns with NIAA recently, we were told they were "teething issues".
- Local government is not seen by other two spheres of government as a genuine partner or to have equal footing and is not consulted on a variety of agenda items or

development and implementation of actions that will either impact or benefit the sector. An example is the development of a cultural responsiveness framework that is currently being developed by the NT Government and the APO NT to improve and strengthen the cultural security of the NT Public Service (including an anti-racism strategy). Given the limited resources of the local government sector in the NT, this could present an opportunity for the NT Government to demonstrate a partnership approach by including tools that can be utilised by the local government sector to help reach the CtG targets.

- There were significant delays in the development of IP2 (e.g., it was over 12 months late) due to issues with the negotiation of actions.
- Jurisdictions all appear to be developing IPs in isolation of each other with no sharing of learnings and best practice resulting in duplication and poor use of resources.
- There is very limited information flow from National PWG to NT PWG for those not in the NT Government. LGANT was told to get the information from ALGA (see resourcing issue above) but the best solution in the end was for LGANT to be added to the National PWG as an observer in order to receive information. To this, governance mapping should be undertaken to enable better decision making and clearer communication.
- There doesn't appear to be any alignment of jurisdictional IPs with the Australian Government IP and the Australian Government then have no skin in the game in jurisdictional IPs.
- Unfunded and aspirational actions are included in IPs so they're being used as an advocacy tool rather than its real purpose (LGANT is guilty of this).
- Often the actions are not SMART and are difficult to determine how they help meet the priority reform or socio-economic targets.
- No strategic prioritisation of actions or coordinated budget submissions are undertaken, instead parties are expected to source funding through their own mechanisms.

9. Independent mechanism in the broader landscape

- N/A

10. Senior leader or leadership group to drive change in the public sector.

If the local government sector is considered part of the 'public sector' for the purpose of this draft report and CtG more broadly, then the local government policy makers and regulators should be included in any senior leader or leadership group tasked with promoting and embedding changes to the public sector systems and culture as changes to local government legislation would likely be required.

In the NT for example, this could mean that the Local Government Unit within the Department of the Chief Minister and Cabinet joins the Aboriginal Affairs Senior Officers Group.

11. Sector-specific accountability mechanisms

- N/A

Draft recommendation 5: Include a statement of CtG in government agencies' annual reports

Further to commentary above, it appears the requirement for annual reports is only for Australian and state and territory government's, not local government. LGANT requests this is made explicit in the final report and/or the National Agreement to remove ambiguity.

Conclusion

In closing, it is universally recognised that local government is the closest to the people and the most trusted of the three levels of government so could greatly assist in providing transformational change if it was suitably recognised and resourced under the CtG framework – noting this will be also a challenge given there are 537 councils across Australia.

LGANT would welcome further discussions with the Productivity Commission on the draft report before it is finalised and advice and/or recommendations made to the Joint Council.