

CEO Handbook

Local Government in the Northern Territory

Chapter 1

Contents

1. Overview of the Territory population and economy	3
2. The local government sector	4
3. Responsibilities of local governments	5
4. Working in partnership with Aboriginal Territorians	5
5. Types of local government.....	6
6. Local Authorities.....	8
7. Legislative framework.....	8
7.1. By laws	9
8. Administration of local government in the NT	9
8.1. The Minister	9
8.2. The Department.....	9
8.3. Local Government Association of the NT.....	10
9. Additional resources and references	10
Appendix - Local Government Act Provisions	11

Local Government in the Northern Territory

Local Government is created by laws of the states and territories - a local government Act. The Act provides the rules for the creation and operation of councils, and as each state and territory has its own local government Act, its role differs slightly across Australia, however the focus is looking after the needs of local communities.

Local government in the Northern Territory is constituted under the [Local Government Act 2019](#) (the Act) and *Local Government (General) Regulations 2021*. The Act provides for the nature and extent of responsibilities and powers, and the system of local government in the Territory.

The Act and *Local Government (Electoral) Regulations 2021* outline the procedures for conducting local government elections and by-elections to fill vacancies.

The Northern Territory has the smallest number of local government councils of all Australian jurisdictions, in line with its smaller population. However, a number of these councils service some of the largest local government areas and most dispersed and diverse communities in the nation. The majority of councils are dependent on Northern Territory Government and Commonwealth funding to support the cost of their operations, given the limited opportunities for revenue raising particularly in regional and remote areas of the NT.

1. Overview of the Territory population and economy

The Northern Territory has a geographically dispersed and isolated population base. Three quarters of the population reside in the Territory's five regional centres (Darwin, Nhulunbuy, Katherine, Tennant Creek and Alice Springs), which also serve as vital supply and service bases for smaller remote communities. The majority of Territorians live in Darwin and the satellite city of Palmerston and surrounds (the current population of Darwin is 149,582), and the Central Australia region (including Alice Springs) is the second most populated area. Regional centres include Katherine, Tennant Creek, Nhulunbuy, Angurugu, Maningrida, Wadeye and Wurrumiyanga. The remainder of the population lives in the hundreds of small communities, remote outstations and homelands throughout the Northern Territory.

The Northern Territory economy is largely cyclical and project-based, and prone to volatility, particularly once transition from investment to less labour intensive operational phases of major projects occurs. The government sector, mining and construction play a large role in the Northern Territory economy, contributing 50.6 per cent collectively to the Territory economy and 56.9 per cent of employment in 2015-16. Several regional towns have developed around mining or other dominant industries. Industries such as horticulture, pastoral, fishing and tourism are relevant to local government communities.

A defining characteristic of the Northern Territory's regions is the proportion of the population who identify as Aboriginal. Based on projections from the Australian Bureau of Statistics, the Territory's Aboriginal population was 74,546 at 30 June 2021, representing 30.8 per cent of the overall population, with 77 per cent of Aboriginal Territorians living in remote or very remote locations.

Up to date information on the NT economy, population and key indicators are provided by the NT Department of Treasury and Finance:

[Link to NTG webpage, [NT Economy Overview - Northern Territory Economy](#)]

2. The local government sector

The NT Local Government Sector is a relatively young sector that has gone through significant change over a short time-span. The development of local government is set in the context of the transition to self-government for the Northern Territory in 1978 and traditional First Nations governance that continues to influence traditional land owner relationships, governance, decisions and decision-making processes.

Local government councils make a significant contribution to the NT economy and collectively employ around 3,000 people, and are often the largest single employer of Aboriginal people in remote and regional areas. Overall around 50 per cent of the Territory's local government workforce is Aboriginal.

In terms of elected members, 64 per cent of all elected members in the NT are Aboriginal and over 90 per cent of regional council elected members are Aboriginal.

Presently, 17 local government entities provide services to approximately 222,000 people across the Territory¹. Unincorporated areas of the Territory include the towns of Alyangula, Nhulunbuy and Yulara; developments such as the Darwin Waterfront, Northcrest and a number of other areas with small populations such as Bynoe, Dundee and Marrakai without a council, totalling approximately 8,000 people.

Amalgamation of smaller councils

In 2008, the NT Government amalgamated remote community government councils into eight shires. Municipal councils remained unchanged, and opposition from landholders and residents in the former Litchfield shire and other areas resulted in Litchfield, Coomalie, Belyuen and Wagait retaining their independent council status rather than amalgamating into a Top End Shire. Following the 2008 reforms all shires had at least 4,400 residents and coverage of significantly enlarged geographical areas. In addition, several portions of land and small populations remained in unincorporated areas.

Prior to 2008 the community government councils were centred on a single community settlement. There were 63 community government councils or other organisations (such as Progress Associations) performing local government functions in the NT. Community government councils had an identity and clear role, usually being the reference and consultation point for local matters, local employment, local servicing and infrastructure. However, these local government bodies (councils) often lacked the critical mass, administrative capacity and resources to provide adequate services to the community. Limited revenue raising capacity meant they were reliant on Territory and Commonwealth funding including a range of small grants. The accountability requirements and administration of a large number of grants cobbled together to deliver services placed strain on administration.² Resources were often inadequate to fund the cost of service delivery in remote communities.³

The amalgamations coincided with "The Intervention" (Northern Territory Emergency Response), a major Commonwealth government initiative focused on Territory remote communities; as well as cessation of the Commonwealth government's Community Development and Employment Project (CDEP) scheme. In combination these changes had a major combined impact on remote communities with many community members still feeling aggrieved by the forced changes, citing diminished governance capacity, reduced technical and service capability and limited access to resources and assets.

There have been a number of changes to the *Local Government Act* since the amalgamations. These changes introduced Local Boards and then Local Authorities for Regional Councils, with the most recent changes in 2019 and a LA review in 2022 seeking to provide greater flexibility, empowerment and responsiveness to remote communities.

¹ Australian Bureau of Statistics, 'Data by region' <<https://dbr.abs.gov.au/index.html>>

² Department of Lands, Housing and Local Government, *Local government in the 1990s*, p17

³ Michel T, Gerritsen R and Thyne I, *Northern Territory Scoping Study*, p9

3. Responsibilities of local governments

Councils deliver services that are generally considered to be best performed by the level of government closest to the community.

Services, facilities and programs are provided by councils for the benefit of its area, residents and visitors. Council-delivered services include road and road-side maintenance, waste management, and development and maintenance of local facilities such as parks, public toilets, cemeteries and sports grounds / swimming pools. Councils may also deliver community services such as aged care and child care. Council services aim to be accessible, responsive and appropriate to the needs, interests and aspirations of all members of its communities. Seeking and managing community feedback on its services, facilities and programs is an important role of local Councils. In the NT, councils are often the provider of last resort or act as agents to deliver services for other spheres of government.

4. Working in partnership with Aboriginal Territorians

The business of local government involves empowering and supporting Aboriginal people and nations across the NT. Ensuring local councils are culturally safe organisations is therefore of paramount importance. Cultural awareness and cultural competency are key components of organisational cultural safety. Community wellbeing is supported by accessible and appropriate services that are tailored to the needs of each community.

Most regional councils are enmeshed in the demands of two way governance; creatures of western governance but in decision making and achieving community outcomes they need to operate by respecting traditional governance and delivering in a culturally appropriate way. Most councils have cultural safety and cultural competence requirements of their staff, have workforce strategies to facilitate local Aboriginal recruitment, and engage with their communities in a way that is informed by culture and respects traditional authority. LGANT has committed to collecting and monitoring cultural safety frameworks and cultural awareness programs in councils as part of the NT's Closing the Gap Implementation Plan.⁴

Land and Sea Ownership

The Act requires a recognition of traditional ownership and the delivery of services in harmony with traditional ownership.

Approximately 48 per cent of the land in the NT and 80 per cent of the coastline are owned by Aboriginal traditional custodians. The majority of the remaining land and waters are, or are likely to be, subject to native title. The Land Rights Act establishes four land councils: the Anindilyakwa Land Council, the Tiwi Land Council, the Northern Land Council and the Central Land Council. The Land Councils represent the interests of Traditional Owners and other Aboriginal people in the Territory.

In recognition of the crucial role land and waters provide to Aboriginal people, the NT Government has a range of strategies recognising land and seas ownership which support economic and social aspirations of Aboriginal people. Many of these strategies and actions involve local government councils as key stakeholders and partners.

⁴ Closing the Gap, NT Implementation Plan 2023-24

https://aboriginalaffairs.nt.gov.au/__data/assets/pdf_file/0008/1297124/closing-the-gap-implementation-plan-annual-report-2023-2024.PDF

Closing the Gap

Closing the Gap is an agreement between the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (the Coalition of Peaks) and all Australian Governments. Local government is a party to the Closing the Gap agreement through the Australian Local Government Association (ALGA) and councils play a key role in its success through place-based programs adapted to local needs.

The Northern Territory (NT) Government, Aboriginal Peak Organisations NT (APONT) and the Local Government Association of the NT have developed the Northern Territory's second Closing the Gap NT Implementation Plan for 2023/24.

Local government works closely with APONT organisations to delivery on the priority reforms and advance the targets under Closing the Gap.

<https://aboriginalaffairs.nt.gov.au/our-priorities/closing-the-gap>

5. Types of local government

The Northern Territory is currently divided into 17 local government areas, known as councils. There are three types of council in the Northern Territory – municipal councils, regional councils and shire councils. The type depends on a council's size and location.

There are five municipal councils that operate in larger towns and cities. These councils are:

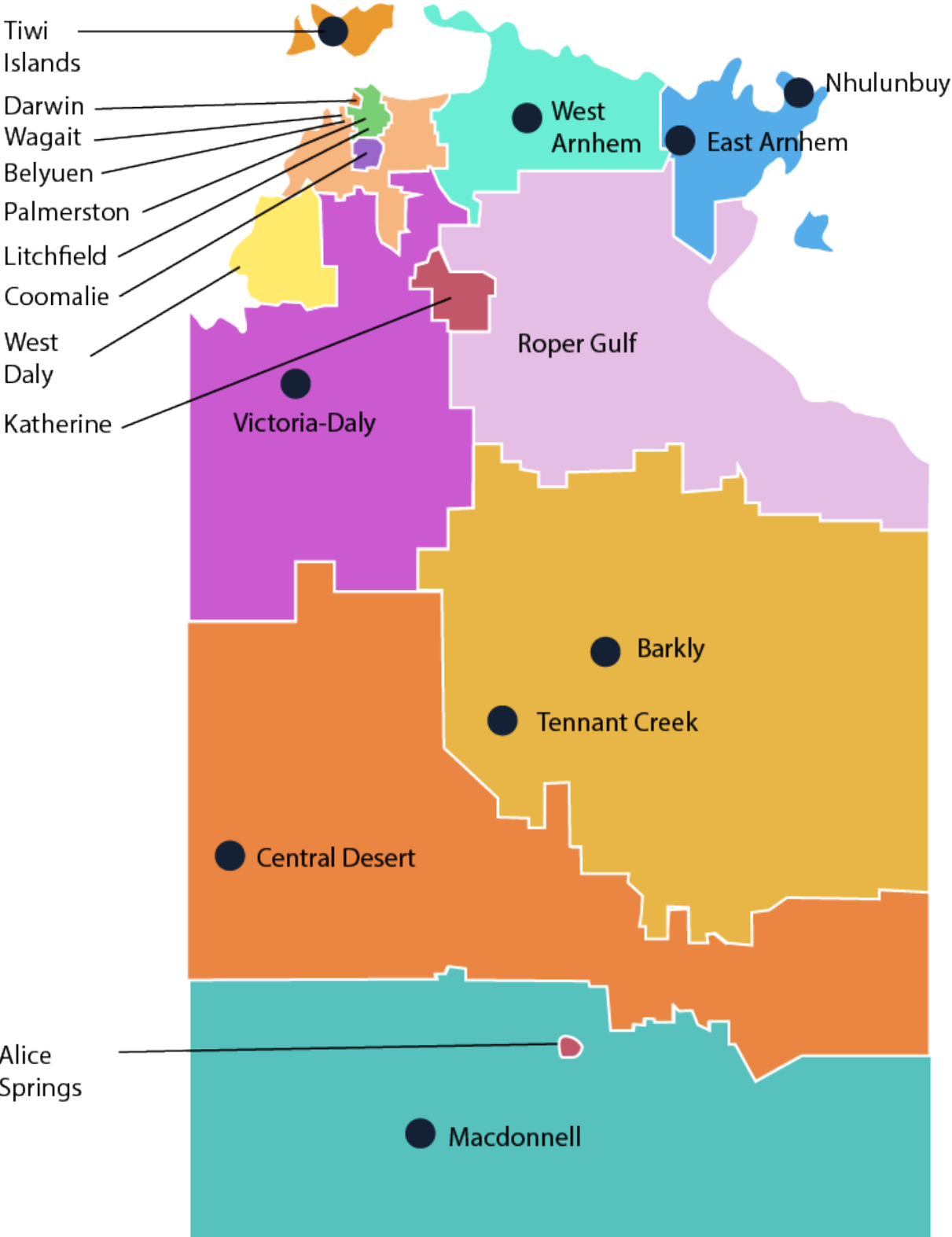
- Alice Springs Town Council
- City of Darwin
- City of Palmerston
- Katherine Town Council
- Litchfield Council

There are nine regional councils that operate in the regional and remote areas. These councils are:

- Barkly Regional Council
- Central Desert Regional Council
- East Arnhem Regional Council
- MacDonnell Regional Council
- Roper Gulf Regional Council
- Tiwi Islands Regional Council
- Victoria Daly Regional Council
- West Arnhem Regional Council
- West Daly Regional Council

The three shire councils operate in local government areas established for specific communities. The shire councils are:

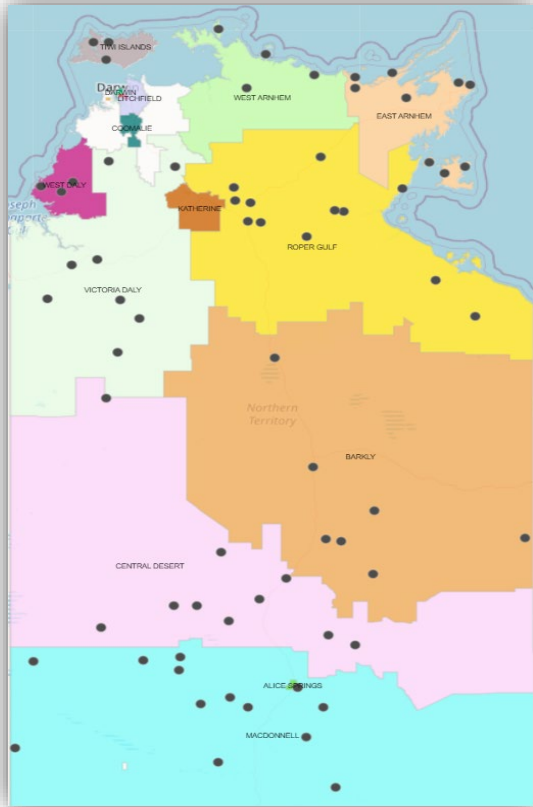
- Belyuen Community Government Council
- Coomalie Community Government Council
- Wagait Shire Council



Map of NT councils

6. Local Authorities

There are 67 LAs connected to larger remote communities under nine regional councils.



Local Authorities:

- Involve local communities in local government business
- Help communities give their opinions on local government business and take their views to council
- Involve local communities in developing policies for their area and contribute to the regional plan
- Advocate for communities
- Make recommendations to the council about budget allocations for the area.
- Make decisions on Local Authority projects for their community.
- Exercise delegated council powers

Local Government Act 2019, Chapter 5

Guideline 1 – Local Authorities

LAPF funding guidelines

7. Legislative framework

The *Local Government Act 2019* is the principle regulatory framework for local government in the NT.

The Administrator may make regulations under the Act which are a form of delegated legislation and usually provide for procedural guidance or the administrative detail for provisions of the Act.

Regulations currently in force are:

- *Local Government (General) Regulations 2021*
 - *Local Government (Electoral) Regulations 2021*
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The Minister may make guidelines for the purposes of the Act. The guidelines are to provide direction and guidance but are not delegated legislation. Current guidelines are:

- Guideline 1: Local Authorities
- Guideline 2: Appointing a CEO
- Guideline 3: Borrowing
- Guideline 4: Assets
- Guideline 5: Budgets
- Guideline 6: Annual report
- Guideline 7: Procedural Fairness in Deciding Code of Conduct Complaints

The CEO of the agency may also issue general instructions or approve forms for use in reporting and recording.

The Local Government Act 2019, Part 19.8

7.1. By laws

The Act prescribes powers for local government to make By-Laws. Councils are responsible for making and enforcing their own by-laws. The by-laws are drafted by the Office of Parliamentary Council. The Local Government Unit can assist councils to make, amend or repeal council by-laws.

The by-laws may cover topics such as parking, streets, drinking in public places, litter and waste management, planning and building, recycling, animal management and a variety of other local issues.

Local Government Act 2019, Chapter 13

8. Administration of local government in the NT

8.1. The Minister

The Minister for Local Government is responsible for the overall administration of councils and has responsibility for the sector within the Northern Territory Government. The Minister for Local Government has powers to make decisions about local government specified in the *Local Government Act 2019* (the Act).

This includes the power to establish or abolish new councils or local authorities and powers to suspend and dismiss all the elected members if there are alleged to be serious breaches of the Act by the council or councillors.

8.2. The Department

The Department of the Chief Minister and Cabinet (CM&C) has responsibility for local government policy, regulation and administration.

CM&C has staff located across the Northern Territory who provide support and assistance to councils, local authorities and council committees. The role of the Local Government Unit is to support councils to deliver their responsibilities under the Act and to provide information to councils on policy changes, funding opportunities and governance.

CM&C Local Government Unit also undertakes compliance reviews. Each council in the Northern Territory will be reviewed once every four years. Compliance reviews are conducted by inspectors of local

government appointed under the Act by the Minister for Local Government. The inspectors of local government may make recommendations to the council to make changes to their administrative affairs, based on the outcome of a review.

8.3. Local Government Association of the NT

The Local Government Association of the Northern Territory (LGANT) is the peak body representing the local government sector in the NT, and supports the local government sector and subscription member councils through a range of activities including policy development and advice; specialist services and infrastructure project management.

LGANT operates as a company limited by guarantee under the [Corporations Act 2001](#).

9. Additional resources and references

[Local Government Resource Hub | Department of the Chief Minister and Cabinet](#)

[Local Government Act 2019 \(NT\)](#)

[Local Government \(General\) Regulations 2021](#)

Appendix - Local Government Act Provisions

Item	Legislative Reference	Essential Elements	Calendar Action
Role, functions and objectives of councils	s21 LGA s22 LGA s23 LGA s24 LGA	<p>The role of a council is:</p> <ul style="list-style-type: none"> to act as a representative, informed and responsible decision maker in the interests of its constituency; and to develop a strong and cohesive social life for its residents and allocate resources in a fair, socially inclusive and sustainable way; and to exercise and preform the powers and functions of local government assigned to the council under this Act or another Act. <p>The functions of council include the following:</p> <ul style="list-style-type: none"> to provide services and facilities for the benefit of its area, its residents and visitors; to manage the employment of the CEO; to plan and develop council facilities and services in its area in a sustainable way. <p>A council has the following objectives:</p> <ul style="list-style-type: none"> to provide open, responsive and accountable government at the local level; to be responsive to the needs, interests and aspirations of individuals and groups within its area; to cooperate with Territory and national governments in the delivery of services for the benefit of its area; to seek to ensure a proper emphasis on environmentally sustainable development within its areas a proper balance between economic, social, environmental and cultural considerations. 	
Types of local government	s14 LGA s15 LGA	<p>The Territory is divided into local government areas having regard to:</p> <ul style="list-style-type: none"> geography and natural configuration; and the nature and density of population; and the viability, and appropriateness, of each area as a separate unit of local government administration. <p>Local government areas are classified as municipalities, regions or shires according to their geographical size, the density of their population and urbanisation.</p>	

Item	Legislative Reference	Essential Elements	Calendar Action
<p>Working with communities in regional and remote areas</p>	<p>Ch5 LGA Pt5.1 Guideline 1</p>	<p>The object of this Part is to achieve effective integration and involvement of local communities in the system of local government as it relates to regions.</p> <p>The functions of a local authority are:</p> <ul style="list-style-type: none"> • to involve local communities more closely in issues related to local government; and • to ensure that local communities are given an opportunity to express their opinions on questions affecting local government; and • to allow local communities a voice in the formulation of policies for the locality as well as policies for the area and the region; and • to perform other functions assigned to the local authority by the Minister, in accordance with any guidelines that the Minister may make. <p>A council for a region that has established and maintained one or more local authorities must:</p> <ul style="list-style-type: none"> • seek advice and recommendations from the local authority or local authorities in relation to the following: <ul style="list-style-type: none"> - the councils budget - the council's priorities for expenditure; - the council's service delivery - the council's regional plans - the council's strategic directions; - the council's funding • work with the local authority or local authorities to foster constructive working relationships between the council members and the residents and organisations of the regions. 	