

**COUNCIL OF TERRITORY COOPERATION
Public Hearing**

Bathurst Island - Tuesday 2 February 2010

**Henry Dunn, Tiwi Islands Shire Council
Alan Hudson, Chief Executive Officer, Tiwi Islands Shire Council
Alan Hughes, Tiwi Islands Shire Council
Maurice Rioli, Director**

Mr CHAIRMAN: Welcome. I have to say a few words officially and then we can get into the normal part of the meeting, because it is all recorded.

I declare open this meeting of the Council of Territory Cooperation and welcome the witnesses who are appearing before the council to provide information in line with the council's terms of reference. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances, the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee.

You are reminded that evidence given to the committee is protected by parliamentary privilege. For the purposes of the *Hansard* record, I ask that you state your full names and the capacity in which you are appearing today. I also ask that you state your name each time you speak.

Before we commence, I state the apologies of Ms Alison Anderson, MLA, who is unable to attend the hearing today.

First of all, welcome and thank you very much for having us here and welcome also for you coming. We will start off with everyone's names, so *Hansard* has an idea of who is here.

Mr DUNN: Henry Dunn, Tiwi Islands Shire Council.

Mr HUDSON: Alan Hudson, Chief Executive Officer, Tiwi Islands Shire Council.

Mr HUGHES: Alan Hughes, Tiwi Islands Shire Council.

Mr RIOLI: Maurice Rioli, Director.

Mr CHAIRMAN: I will go around the table. We have Pat Hancock, who is Secretary for the committee; Michael Gunner, member for Fannie Bay; Willem Westra van Holthe, member for Katherine; Marion Scrymgour, member for Arafura; John Elferink, member for Port Darwin; and myself, Gerry Wood, member for Nelson.

Thank you very much for coming today.

Basically, today is finding out how things are going from local government aspects, because obviously there have been some changes over the years, and there have also been changes in your structure. How long have you been here, Alan?

Mr HUDSON: Beginning of November.

Mr CHAIRMAN: You are relatively new. There have been some changes in the structure from the CEO's point of view. You can pass the questions around, but could you give us a run down on the size of the shire, the approximate number of people, what you actually do? What are your functions, especially in relation to your business plan and how you fit into that?

Mr HUDSON: Mr Chairman, first of all, thank you very much for coming out here and for the opportunity to speak to you. The shire is a little different from the other shires, inasmuch as it was an amalgamated council before the formation of the shires. Nonetheless, we do have some problems which are new to this area, not the least of which is the fact it is a closed community (inaudible) by air (inaudible). I think one of the things which make this shire not unique (inaudible) in relation to other shires is that we do not have as

many other service providers. The shire has inherited a multitude of functions, some of which none of the other shires do have, and that, in itself, is one of the areas (inaudible) with the department of local government in terms of how we should structure (inaudible) for us.

Mr CHAIRMAN: Can I ask what those functions are which distinguish you from other councils?

Mr HUDSON: Our turnover is a little over \$20m, of which \$19m is contracted in by way of specific purpose grants. There is a small amount of rates revenue, just over \$0.5m budgeted for; \$1.6m in recurrent funding from the department, but other than that, the majority of our funding, by far away tied grants.

Some of the inherent problems we have in the way the council has functioned in the past come down to how they have budgeted for and accounted for. New accounting principles were introduced, the Australian National Financial Reporting Standards 2005, now our unspent grants are to be accounted for as income. We are still in compliance with Australian standards, and the accountants viewpoint - this is an issue I have discussed with them recently - has been unless there is a demand made for the remainder of that to become a liability we clarify that in terms of producing the actual funding agreements which the contracts saying (inaudible). Unfortunately, what it has done under the old council structure, is it has given people the impression there is money available to be spent which in fact it is not available. There are certain funds which can be used for particular purposes (inaudible) or repayed, only three options. We have the same situation in our current budget. We have identified the weaknesses in our current budget within our structure. Our current budget relies, overall, on surplus funds from various tied grants to (inaudible) to pay the deficits in other areas where we have no revenue.

Mr ELFERINK: Who tied the grants, the Feds or Territory, or both?

Mr HUDSON: Both the Northern Territory and the Commonwealth government.

Mr ELFERINK: What proportion?

Mr HUDSON: I would say it would be very close to about 60:40 in favour of the Commonwealth. It is actually probably a little bit higher than that because we have CDEP and that is the largest grant (inaudible) but, by the same token, some of their grants are (inaudible).

Mr ELFERINK: So your discretionary funding is about \$1m a year out of that \$20m? (could be \$21m)

Mr HUDSON: \$1.6m at the moment. It was \$2.4m the previous year, and it was reduced to \$1.6m. One of the problems that we have, or we are facing, is we have told it is going to be reduced by \$200 000 a year for the next three years, so that ultimately we will be getting \$800 000 in discretionary funding.

Mr CHAIRMAN: Can I just get that clear? Like getting FAGs money and I have a figure here from the Grants Commission for 2008-09. They said general purpose grants \$254 000 approximately, and \$750 000 for roads. So you roughly had a million dollars and that is going to go down. That is the figure that is going down?

Mr HUDSON: No, the funding from the Department of Local Government and Housing...

Mr CHAIRMAN: Is it the Grants Commission Report? Yes, that is the one. So that is where you are losing ...

Mr HUDSON: That is not going down, it is the discretionary funding, part of that relates to (inaudible) funding. We are expecting that to stay the same.

Inaudible

Mr CHAIRMAN: The Community Government Councils used to get an operating fund. Do you still get that from the NT?

Mr HUDSON: A small amount, yes.

Mr CHAIRMAN: Is that going down or is that ...

Mr HUDSON: That is what is going down.

Mr CHAIRMAN: That is the one that is going down? Because the municipalities do not get that. And is that intended to be phased right out do you think, or is it just ...

Mr HUDSON: I do not believe it is intended to be phased right out in comparison to the other shires. Some of the other shires are actually getting increases in funding. This is an application for different funding formula which is passing the advantage to some of the other shires.

Mr CHAIRMAN: And do you know why? It cannot be Aboriginality because there would be 1.97 or something.

Mr HUDSON: No, it is the small size of the population, the fact that our community is not as widely dispersed as other shires' communities where they get \$1000 (inaudible) office (inaudible) valid (inaudible). It is basically an operation (inaudible).

Mr CHAIRMAN: But they do not take into account that regardless of how close you are to Darwin, that is sea .

Mr HUDSON: They are also saying if you are close to Darwin (inaudible).

Mr DUNN: Yes, they are saying that we are not as remote as other shires and our ability to raise revenue off the shire ourselves, as we can, and before then we were the local government we raised \$1.3m a year through our services. Now that has been capped to \$200 000.

Mr CHAIRMAN: So your rates are capped? Is that what you are saying?

Mr DUNN: The rates are the same (inaudible) last time.

Mr HUDSON: Prior to having a revenue base the previous council, we had a community service who affected contacts which raised about \$1.3m.

Mr CHAIRMAN: And you have lost that?

Mr HUDSON: We do not have that anymore.

Mr CHAIRMAN: Is there any reason you cannot have it?

Mr HUDSON: I think that ...

Ms SCRYMGOUR: It needs to come back.

Mr ELFERINK: (Inaudible). This may sound like a blunt question, but with your discretionary funding going under \$1m is there much point in having a council? I mean you administer \$20m a year, but your capacity as a council to make decisions is now, or will, factor down to \$800 000, which is almost - and I do not mean to be flippant - but you are getting to petty cash amounts.

Mr HUDSON: We have had a current management structure where there is the CEO of (inaudible), we have had a Director of Community Development, (inaudible) services, Director of Infrastructure Services, a Director of Corporate Services, and a Director of Commercial Services. We put a proposal to council, only last week, to ...

Ms SCRYMGOUR: Can you just raise your voice, I think they are having difficulty recording?

Mr HUDSON: We actually put a paper to council last week to reduce the number of directors from the current five to two, to replace the Director of Public Services with a, effectively, a Chief Financial Officer.

Mr CHAIRMAN: Which directors are you going to scrap or amalgamate?

Mr HUDSON: Well, Commercial Services, which was changed to Employment Services, many of these functions are now run by discrete managers. The Director of Community Services now runs some – we have had a reallocation of responsibilities but, as I say, the agreement on the director's roles was only reached last Wednesday, so we have not had a chance to redo the chart. That is what I was doing in town yesterday, spending time with the department, because the department's instant reaction when we spoke to the council about it, was to stand off and say we disagreed because we were not giving due consideration

to our governance and our financial management. Factually, the Finance Manager is paid almost identical, is on a similar salary package in terms of it is a redefinition of this role, being a broader financial management role, with mandatory accounting qualifications. So, from our point of view, we are actually raising the bar. We have not had a director of Corporate Services previously who had those qualifications.

The manager for employment workforce is currently working under remediation, so (inaudible) works through other shires as well. He has a good background, he knows the systems in and out, and this is a significant (inaudible). The department's line is that our structure should be based around our core services, not around our wide variety of community services. Despite the fact that there is as much money coming in, no, in fact, there is far more money coming in for this, far more functions and far more responsibility (inaudible) the wide variety of community service functions. (inaudible) in many (inaudible) out of our turnover. It is not a core service at all, it is a major program which requires fairly close scrutiny, it requires management and it requires direction, over and above that, as to how it ties in with the balance of our functions. For the department to say that we need to emphasise corporate services, because that is government's part of the act, to pay someone the same as someone managing \$10m-worth of programs, when we have a finance manager doing the same thing (inaudible) ...

Mr ELFERINK: Can I raise a point of order briefly, and if I could deal with the issue in camera. Sorry to do this gentlemen, but it is important.

Mr CHAIRMAN: What John is asking for, would people be able to leave for a second. We are just going to – is that all right with others ...

Mr ELFERINK: No, that is fine. I do not mind the staff being here, it is just the public and the people giving evidence right now, I just wanted to raise a point of order.

Mr CHAIRMAN: All right.

Mr ELFERINK: I am sorry for this, gentlemen, I know it is a nuisance, but it is an important. I apologise for this ...

In Camera evidence 12:38:59 – 12:45:04 – not transcribed

Mr ELFERINK: Thanks for your patience.

Mr CHAIRMAN: Oh, no, I think that is good.

Mr ELFERINK: They would prefer not to have names.

Mr CHAIRMAN: Okay. We will need to make a motion.

Ms HANCOCK: I have made some notes.

Mr CHAIRMAN: We will move a motion that this portion of the meeting be held in camera. Is everyone in favour of that? Okay. Oh, Elliott, something happened here.

Mr (Unknown): (inaudible) one of our customers.

Mr CHAIRMAN: How are you? Nice to see you. You will have to tell Hansard ...

Mr ELFERINK: Thank you for your patience, gentlemen, I am sorry about that but it was a matter of some concern.

Mr CHAIRMAN: We had been discussed this issue before the meeting adjourned about the presence of public servants. All right. Now, where were we at? I believe you were talking about the department wanted two...

Mr HUDSON: An amended structure.

Mr WESTRA van HOLTHE Which two positions were amalgamated, might I ask again?

Mr HUDSON: The proposal we put to council was that the Director of Infrastructure to be replaced by an engineer with similar responsibilities but with an emphasis on us having in-house technical skills, not so

much from the point of view of us wanting to deal with a construction centre, but provided work on our management work requires some technical knowledge rather than having to second guess or just rely on a layperson's knowledge.

And the Director of Corporate Services, which is the one we are having discussions about, Council had already employed a HR Manager who also looked after all our industrial relations type problems; and today we have our new Financial Controller who is not just an accountant, he is a manager, a very high level manager as the senior person in that area. This is a little bit more than just semantics about the name or the title; this is really saying we need to raise the bar ourselves in terms of our economic management.

Mr CHAIRMAN: Is this also saying that we would really like to run our council in a certain way that is most efficient, considering you have a limited amount of funds?

Mr HUDSON: Given particularly that we have a limited amount of funds, five directors was unsustainable. A Director of Commercial Services was essentially restricted with CDEP (inaudible) most of the active since their past support through CDEP there, that has been a problem for us and will be a problem in the future. The Directors of Community Development and Community Services are, in effect, also tri-service managers because one is located at Milingimbi and one is located in Milikapiti.

So the structure you see in front of you there has been changed; the responsibilities have been re-organised between those two people; they now have broad role and more encompassing roles and it is not a situation where, I guess, the variety of services we are providing fall neatly into those pigeonholes of core services.

Mr CHAIRMAN: So you have basically said to the government: 'We would like to rearrange this structure', and they do not like that idea.

Mr HUDSON: They do not like the idea.

Mr CHAIRMAN: And what is their reason for not liking the idea?

Mr HUDSON: They are saying, basically, particularly in relation to Corporate Services, that it lessening the importance of it, and that will lessen our capacity for financial management and good governance.

I would also point out, council has also agreed the establishment within the office of the Council Secretariat and the person leading that Council Secretariat will be an Executive Officer and I am the key person who deals with the elected members, and when I am not around I have staff members and when I am not around I'll have staff members for that who acts specifically and deals with those issues and who will also provide support services to council which are now done by various people. Someone who can keep track of the obligations to council to attend meetings, to represent council; councillors do have portfolio responsibilities and it is not the people who work (inaudible) at the moment. So we believe that what we put in place is a more appropriate management structure but, if we were to put a Director of Property Services above that, that would be an extra \$140 000 to \$150 000 in costs, which we think is simply unnecessary and not sustainable by this council.

Mr CHAIRMAN: Just to get it clear, what is the total amount of money, or the total amount of money you raise to run the council, not the commercial side of it, just the basic every day parts of the council? Is it \$0.5m in rates and \$1.6m in FAGs money?

Mr HUDSON: That is it.

Mr CHAIRMAN: That is it. So you have to run the whole of council on \$2.1m. How much would your administration cost, presently, if you had this system here?

Mr HUDSON: If we maintain the system here, it would cost very close to – well, I guess the other factor we have to take into account is our current and longer-term commitments to the cost of council (inaudible) ...

Mr CHAIRMAN: We have not come to that yet.

A member: We are getting there, we are aware of it.

Mr HUDSON: We have not come to it yet, but the addition of the cost to council, and the current structure exceeds our available resources.

Mr CHAIRMAN: So, basically, in theory, or maybe even in practice, you do not have money to run the basic core functions of your council.

Mr HUDSON: No.

Mr ELFERINK: Putting it into the context that I get, if you keep doing what you are doing, you are going to go broke.

Ms SCRYMGOUR: That is right.

Mr ELFERINK: If you follow the rules of the department, you have to keep doing what you are doing, which means you are going to go broke, and this comes back to my initial question, is that, with this level of intrusion, you know, you have just told us, essentially, all but 5% of your money is tied grants, so council does not get any decision-making powers over those tied grants, you just have to administer the money. So council decisions are now limited to a dwindling amount of money, which will ultimately be about \$800 000, most of which, in fact, more than most of which, will get dedicated and supporting a system which is being inflicted upon you by the Northern Territory government; is that about right?

Mr HUDSON: That is correct.

Mr CHAIRMAN: Could I ask about the special purpose? Are you talking about the money for agencies, to run the agencies, when you are talking about special purpose payments?

Mr HUDSON: Specific purpose grants are things like childcare. We run three childcare programs - we run a preschool program; an after-school program; a vacationial program; and, sports and recreation programs. We cannot take money out of the childcare, for instance, and use it to bolster a sports and recreation program. We have got buckets of money we have to account for, not only financially, but in performance (inaudible). Physically, we cannot employ someone at the childcare centres, sports and recreation (inaudible).

Mr CHAIRMAN: And that \$19m runs that section?

Mr HUDSON: It does.

Mr CHAIRMAN: Now, what happens with your so-called economic development, this is all part of the business plan, the horticulture, post office, economic development, Centrelink?

Ms SCRYMGOUR: And CDEP.

Mr CHAIRMAN: How much money do you get to run all that and, there is a question I think we have asked all the councils, are you getting enough money to cover all the administration costs that you would have to do to run those? Like, you obviously have to have employed people in this building who take up some of that?

Mr HUDSON: A large part of the problem we have as a shire has been, in the past, some arbitrary decisions about how much needed to be recovered from different programs. The former CEO made blanket decisions about 25% of the programs. For a start, that is not sustainable; secondly, it is not a position which could be viably negotiated with any of the funding bodies. Our stance that we are taking at the moment is that we are actually quantifying the cost of doing wages, making payments, a portion insurance, so we are actually quantifying specific amounts which we need to share which, to date, have – well, what I would like to do, actually, is to show you our current financial statements up to 31 December, and this is before we changed the configuration, before we changed our accounting system, to recover a lot of these costs, a lot of these specific purpose grants – probably the best example would be childcare.

Our childcare centre at Nguu receives \$550 000 for its operation and is contributing only \$5000 in administrative costs. That is a negotiable situation for us; to go back to them to do what we have to do to do it properly, and we cannot just arbitrarily go back and say 10, 15 or 25%. We need to go back and say we are prepared to swing wages that represents a proportion of our costs (inaudible). These are the insurances, some of the insurances are bolstered by the requirements specifically to do with child care, so they will need to meet the lion's share of those costs. It really needs to be done properly, and it has not

been done; it has not been done within the budget, and it has not been done within our administration. That is what we are doing at the moment, to make sure that all of the grant funding programs which have been funded to run at a surplus, in actual fact should run to meet exactly the costs they are providing, and contribute properly to council's operating costs.

Mr ELFERINK: Thank you for that, and I am looking forward to seeing those sheets. In fact, they have started circulating now.

My next question is what is the resistance from local government to this restructure? Why are they resisting it? It sounds like commonsense to me, so the next question is why would local government resist it? As much as they can be dictatorial, they are not fools. What are their grounds?

Mr HUDSON: I think, to be quite honest with you, they have blinkers on. I think they are seeing core services – they are seeing some things which are prescriptive according to the requirements of the act. There are two separate pages.

Mr CHAIRMAN: There are two separate pages.

Mr WESTRA van HOLTHE: There are two separate ones.

Mr ELFERINK: Is there anything you are suggesting outside of the boundaries of the legislation?

Mr HUDSON: No.

Mr ELFERINK: Then why is the act the source of their issues?

Mr HUDSON: I believe this shire has a very poor image with certain people in the community department. We have just received a special investigator's report into the affairs of the council. There were ...

Mr ELFERINK: Done by?

Mr HUDSON: Done by an independent firm.

Mr ELFERINK: Who asked for the report to be done?

Mr HUDSON: A firm by the name of CC Alliance Insurance and Consulting Services.

Mr ELFERINK: Who commissioned it?

Mr HUDSON: Appointed by the department.

Mr ELFERINK: The department asked for this to be done?

Mr HUDSON: This was, I think, on the basis of some disgruntled former employees and the concerns which were raised. There are very few matters in here which we were not already in the process of addressing. I will talk separately, if you like, about some of the issues associated with that, so that you can see how this fits in with what we are doing. What you can see in the financial statements there, the areas in red, in the very first column, is corporate services. The first six months of the year, a deficit of \$260 000. This is over and above the funding which has been provided, and a small amount that has been recovered. What that reflects is the other programs are simply not pulling their weight. Our restructure, and the rearrangement of our financial corporate services management, is aimed at addressing that.

Mr CHAIRMAN: What you are saying is you are not recovering enough money from things like the commercial section on this shire plan – you are not recovering enough money to pay for the person that is going to run this section of the corporate services.

Ms SCRYMGOUR: Or the person running the thing was...

Mr CHAIRMAN: You are not recovering enough money to pay for what ...

Mr HUDSON: We would have to have been. Probably the best example would be our housing area, in terms of it operating as a succinct business unit in its own right. Nothing happens in our housing area

unless there is a job card done, a costing done, and we know exactly where the costs are going to be recovered from. Our agreement with the department of Housing and Local Government allows us to fully recover those costs, and we are not out of pocket at all by being involved in housing markets.

Mr CHAIRMAN: Are you allowed to make a profit on those things?

Mr HUDSON: We have an agreed margin which is fairly generous; it is in excess of 20%. That does meet the costs of the administration of that, because there are no management charges, etcetera in there. They also allow us to charge administrative fees on that. So the Housing Program is operating very well; we have spreadsheets which right down to every single item that is requested. Every time we order something we know which job it is going to, which jobs it is to be charged back to etc, so in one regard the housing programs traditionally is the one which has bought councils down; but that is the one that we are really on top of.

What we would like to do is project that across all of the programs and in things like our workshops operating as they did in their own way.

Ms SCRYMGOUR: With your spreadsheet where you have the column 'matching funds salary income'. The matching funds that program, as I understand it, is, that was the part that was transitioning many of those positions from CDEP into local government?

Mr HUDSON: CDEP – approximately \$800 000 a year. We match the \$800 000 a year ourselves, that is the very nature of it.

Ms SCRYMGOUR: If your money is being reduced, how are you going to match that?

Mr HUDSON: We are losing that all together at the end of this year.

Ms SCRYMGOUR: But was that not part of your ...

Mr HUDSON: The only part of reductions in our recurrent funding we are losing that \$800 000 in matching funds.

Ms SCRYMGOUR: But how could you be losing that when I thought the agreement for transitioning people from CDEP into these jobs is that matching funding was going to stay from the Commonwealth and Northern Territory?

Mr HUDSON: Well, you have been told this since last year. We are still arguing about that. We are still negotiating. We do not have ...

Ms SCRYMGOUR: So what is going to happen to those ? How many workers in this area?

Mr HUDSON: 60.

Ms SCRYMGOUR: 60 workers. So what happens with those 60 workers?

Mr HUDSON: 60 full-time people.

Mr CHAIRMAN: They lose their jobs.

Mr HUDSON: No, not all 60 would lose their jobs because we are paying half of the wages at the moment. At this stage we do not have the revenue to meet the other half, but ...

Ms SCRYMGOUR: But if they are reducing your capacity to do that?

Mr HUDSON: They are.

Ms SCRYMGOUR: How are you going to maintain that?

Mr HUDSON: The areas where we are losing money is in the production in \$1.6m over three years, four years down to 800 thousand dollars; CDEP wages after 30 June 2011 will be paid with Centrelink support. Now, that is revenue neutral from our point of view apart from the fact that means our average

cash balance in our bank account is about \$1.5m smaller; therefore the interest on that \$1.5m is lost to us as well.

So there is another \$70 000 or \$80 000 in untied funds that we had which we are not going to have; the \$800 000 in matched funds versus Commonwealth funds which we are going to lose and, in addition to that, we have the (inaudible) township leasing now to pay a minimum of \$120 000, plus what is yet to be determined and announced based on turnover.

Now, I do not believe anyone will think we are a Westpac Shopping Centre or Westfield Shopping Centre or something along those lines, but those amounts and if you total those is close to \$1.8m, which is simply not sustainable.

Mr CHAIRMAN: And on top of that you have to cap rating.

Ms SCRYMGOUR: That is \$120 000 per year. That is the rental did you say?

Mr HUDSON: \$120 000 and that is only for Nguiu.

Ms SCRYMGOUR: That is the Nguiu, that is not Garden Point, or ...?

Mr HUDSON: Well, they were signed. The other communities.

Mr CHAIRMAN: So that is the Commonwealth Office of Township Leasing?

Ms SCRYMGOUR: Yes.

Mr CHAIRMAN: I do not know whether you can answer this, but are they doing that off their own bat or did they talk to the Land Council, or is it something that they say ...

Mr HUDSON: No, the agreement with Land Council was traditional owners thought they had been paid compensation but they had in fact been given an advance on what the Office of Township Leasing collect over the next 15 years, so they get nothing more for 15 years. After that when the Office of Township Leasing has taken their operating expenses out, and then they can pay the traditional owners what they collect in lease payments.

Our argument with that is not just the amount; it is the way it is structured. For instance, we are being asked to pay a commercial rate of rent based on Darwin property valuations for our office. We have been asked to pay commercial rate for rent based on Darwin valuations for the recreational board. We are being asked to pay \$1600 a year for vacant blocks of land with the proviso that once we build on them they will be \$3500 per year. Now, that is \$70 a week which has to come out of the rent of each house. And this is only Nguiu.

What we have is, we have a mix of commercial rates of rent, we have some based on unimproved capital value, and then we have some others which are in between and fairly arbitrary. Our discussions with the department have been along the lines that we believe this sets a precedent a lot of the shires will not be very happy with, and if we do not want set the precedent, and we have been working and talking to them about trying to standardise the approach.

Mr CHAIRMAN: Speaking from a local government background, do you think you should be, as a service provider, being charged a rent or a lease?

Mr HUDSON: The anomaly comes in, when we asked them a question, if we are paying commercial rent, does that mean that they are going to pay the insurance and major repairs, and they said no. If they said yes, we will pay the insurance, and they would maintain the buildings, we would be financially better off, but they want to have their cake and eat it too. I think if we were in any other circumstances and we were leasing the building, yes, we would have to pay rent for it, but we would get the same expectations as any other tenant. We would expect the site of maintenance to be undertaken by the landlord, and we would expect the landlord would cover the costs of insuring the building, we would only insure the contents.

Mr CHAIRMAN: How far does the lease go around Nguiu?

Ms SCRYMGOUR: The whole of the town.

Mr CHAIRMAN: The whole of the town.

Mr HUDSON: The whole of the town.

Mr CHAIRMAN: Now, this might be fairly theoretical, could you, in theory, actually go to the Tiwi Land Council and say, 'we would like to lease some land outside the boundary'?

Mr HUDSON: There were some pre-existing leases, but the way the lease is written is that pre-existing leases become part of the township lease. Probably the best example of that is the site CDEP (inaudible) we were speaking of, which was our Rural Transaction Centre, so it is assembled opposite the post office. They are going to charge us rent for the Rural Transaction Centre. They are going to charge us rent for the Centrelink Office, where Centrelink will pay an occupancy fee, because (Inaudible) anything we collect from Centrelink will end up going to the office and township leases, but we will have to wear the cost of insurance and maintenance.

Mr CHAIRMAN: So you do not have service fees, you have a capped rate system, you have to pay leasing, and you are going to lose money for the \$800 000?

Mr HUDSON: Yes.

Mr CHAIRMAN: You are going to lose half your CDEP money?

Mr HUDSON: Yes.

Mr CHAIRMAN: It is a bit of a downward spiral here?

Mr HUDSON: Very much so.

Mr CHAIRMAN: And it is only a relatively small council, so you would think, of all councils, it should be able to – you know, well, it should not have the same requirements as a big council, you should be able to run a council this size efficiently, but everything seems to be against you. Is there any light at the end of the tunnel, we will put it that way?

Ms SCRYMGOUR: But if the council does a restructure, which is what they are proposing, the department is against it, so ...

Mr HUDSON: We are, in effect, downsizing our management structure to what we believe is affordable, without disregarding our obligations for high level governance and accountability. In fact, I think the reaction that we got from the public servants who were present at the meeting, they were not participating, whilst they reminded the council that there had just been an investigation into the council, that governance and financial things were very serious, and that they did not agree with the structure because they did not think the structure, from what they heard, would allow us to address those needs.

Mr WESTRA van HOLTHE: Can I ask, just on the investigation, were there any adverse findings?

Mr HUDSON: There are a number of matters there where they suggested there should be further – that council has the option look things further. I would have to say that I came in in the middle of this. I had five minutes with the investigators. The investigators did not interview any of the councillors other than the Mayor. They did not interview some of the staff mentioned in here. There were two issues to raise: for instance, the fact that a satellite phone belongs to council is at one of our outstations, which is way out in the middle of the bush, and there is an outstanding bill for that for \$640 over 16 months, which works out to be \$40 a month. My response to that is, this is a simple administrative matter which should have been addressed, and should not have been retained by someone to make an issue of it when there is an investigation on, or try to attack another person they did not get along with; simple as that.

Mr ELFERINK: Can I get a copy of that report?

Mr HUDSON: So, I would be quite happy to provide you with a copy of the report.

Mr ELFERINK: Thank you

Mr HUDSON: There was an issue about back payment of travel allowances to one of our staff who works in Darwin. A decision was made by the CEO. All the documentation I have actually shows she has had less than her daily entitlements. The documentation

Mr ELFERINK: How much was it worth?

Mr HUDSON: There are some issues about disposal of assets, and that is what I am getting the documentation on at the moment, but that was to do with very old motor cars. The CEO made a decision that he would dispose of them.

Mr ELFERINK: What are the dollar figures on these issues?

Mr HUDSON: \$2700 on the travel allowances; \$640 on the phone.

Mr ELFERINK: The assets?

Mr HUDSON: On the assets, maybe \$10 000 to \$12 000 in total.

Mr ELFERINK: So were talking about \$20 000 maximum on \$1.6m?

Mr CHAIRMAN: They are not capital punishment items.

Mr HUDSON: They are not hang-able offences.

Mr CHAIRMAN: You could argue a bit whether ...

Mr RIOLI: There was nothing I would have changed, I would like to say.

Mr WESTRA van HOLTHE: You may not be able to answer this, but do you know what it cost to have that investigation done?

Mr HUDSON: No I do not, I do not.

Mr ELFERINK: Can I flag the report you have if I may, please?

Mr HUDSON: It raises the need for policies to be revised; it raises the need for issues around decision-making to be more transparent. One of the issues I have major problems with is it makes the recommendation that all payments over \$100 000 should be acquitted by council. Now, my issue is once we get to a stage of actually making payments, it is too late; we are in debt. Someone has ordered it, we have the goods, and no matter what we do, we have to go back to basics, which is what we are doing at the moment. We are going back to basics at the stage where people do not just ring up and say: 'Mate, I have been dealing with you for 20 years, can you send me this, I will send you the bill later on'. That is where the controls are, that is where exercising peoples delegations etcetera which are now) fairly strict delegations, we are tightening up on all of that side of - controlling expenditure at the beginning. When it gets to the stage of making payments, to put in place a recommendation that council sign off on \$100 000 payments would mean two or three times a week I would be going to council to get approval to make payments.

Every time we paid wages I would have to go to council; every time we made a transfer of funds, electronically to our creditors because we do not do them individually, we do them as a group - we wait until we have a group. I know for instance when I finish here, I have \$530 000 worth of creditors to pay. This happens to include a quarterly payment for insurance of \$140 000. Now, these are all budgeted items. The council controls our expenditure by having an approved budget in the first place. We cannot spend anything which is not in the budget. I cannot hire staff we do not have establishment for; the council approves the staffing structure.

Mr CHAIRMAN: Is this because of the act now, or because the department is setting those very tight standards?

Mr HUDSON: Well, they are already there. They are already governance issues within the act and the regulations. We have fairly strict delegations. To me it demonstrated the investigator did not understand the way things actually work on the ground. The real need is to control expenditure in the first place; not who writes the cheque, by the time you write the cheque it is too late.

Mr CHAIRMAN: Can I ask, again from a local government background and having worked here, our main object was to cut the grass, patch the roads, pick up the rubbish and beautify the place as best we can. We had and Marion might be able to remind me, I think we had a mechanic; I was the works supervisor, a town clerk, and a secretary. We did all that work and we employed about 130 people. I do not think we ever had any financial troubles, any inquiries, but I am wondering if we set up a system which is so concentrated on the regulations – crossing the T's and dotting the I's - when on the ground the very service you have to supply to these people is the service of council.

Mr HUDSON: On the ground, the cost of the ancillary services that have been set up and the creditors money by the way involves another \$160 000 the council bits which is only two months payments to them. There is \$80 000 a month for an organisation which does not have a help desk for IT; does not have any after hours assistance whatsoever. We went to a private (inaudible) where we would get 24 hour service on IT problems; I discussed it at the weekend with Geoff Sawie who is the CEO of Barkly and the implications of Nguui) services. They have 24 hour backup if I have problems about back up, if I have a problem with backing our) help desk. I am not bound to go and pay \$1.80 a day to use someone's (inaudible) or desktop (inaudible) we are. Every laptop computer that we have, every (inaudible) client, I believe they call them, costs us \$244 per month before we get any support services from them.

Mr CHAIRMAN: Every laptop costs you \$240 per month?

Mr HUDSON: \$244 per month.

Mr CHAIR: That is what I am saying, and you are supposed to be fixing up files and mowing the lawn, you know.

Mr HUDSON: And to be quite frank, we would be far better off and far better serviced help desk-wise by buying a computer system generic services providing 24 hour help line. That is only from a hardware point of view.

Mr CHAIRMAN: I suppose what I was just trying to get at : has in all this amalgamation lost the basic reason that councils exist? I mean, I know they can exist for other things, do not get me wrong, they are important too and you act as, I suppose, a spokesperson for the community in some areas, but when it comes to the crunch people still want their rubbish picked up, they like the grass mowed, they like the footy oval looking good and ...

Mr PURUNTATAMERI: (inaudible)

Mr CHAIRMAN: How are you?

Mr PURUNTATAMERI: Good, good to see you.

Mr CHAIRMAN: I'm still around

Mr PURUNTATAMERI: We know each other. Thirty years ago he was a farmer here, (inaudible) But listen, without getting into specifics about running the organisation, obviously if you are aware that there are a lot of issues, across everywhere in the Top End in shire councils.

I know the initiative to set it up by McAdam in the first place was working with all good intentional purposes, but I take my hat off for his initiative but there are obviously things that maybe he did not perceive were going to happen that are happening across the Territory.

So, I think what needs to be done is that obviously each community has its own needs; we have our own needs and it different across the Territory, but I think if the local government could see everyone is caught up between a hard rock and a ledge. We have the local government rules to abide by and then we have our own shire plan that we have made, so ...

Mr CHAIRMAN: But are those rules they have made become too draconian or too complicated or too bureaucratic that you cannot actually do what you are really meant to do? The importance been put on to all this paperwork? Which is important, do not get me wrong, but there is so much emphasis on crossing and dotting the right bits and pieces instead of the people out there who want to know if my rubbish is been picked up; is it being dumped in the correct way; is the airstrip being mowed, and all that sort of stuff? We won't get onto the airstrip.

Mr PURUNTATAMERI: That is exactly what is happening. I think we need to get down to the grass roots level of running an organisation and that is what is not happening. There are too many draconian laws and it is somehow stopping us from doing what we want to do to serve the needs of the community.

Mr ELFERINK: It is called the tail wagging the dog.

Mr CHAIRMAN: It is not a complicated service that you provide...

Mr ELFERINK: and it should not be.

Mr CHAIRMAN: and it should not be, but it seems to me that you are getting all your headaches from other things rather than whether the tractor has got a flat tyre – which used to be my biggest headaches, or someone did not turn up for work. It seems now your headache are whether the departments, you know, giving you approval, or whether there is a report coming up investigating you, or whether you should not be allowed to actually change your structure to make life a little bit better from a financial point of view, that seems to be the priority is, whereas, I just think that we are losing the plot here a little bit with all the councils, we are buried in the paperwork and not on the ground

Mr PURUNTATAMERI: And the other thing, how can we – it is practically impossible to run an organisation when you are short for \$200 000 a year, every year, so – how can you run an organisation if you are \$200 000 short every year, would that be important? Well, that is what is happened, so we have got to make adjustments to try and meet the goals and needs of the services, so it is where – we are battling against really, obstacles, we have got all kinds of these things – they make hard decisions.

Mr CHAIRMAN: You have to also remember that, when the local government reform came in, there were some big promises like, 'this needs to occur', and I think what we need to do is to go back and say, 'government, you made these promises. These are the reasons for the amalgamations', and if that is not occurring, then I think that government has got to review where they are heading with this.

Mr ELFERINK: Is it the opinion of this council that you are actually being set up to fail? I mean, that is pretty – I have heard some comments from Marius Morrisette – you made some references about the department engaging in conduct which was – how would you describe it - interference, to say the least.

Mr HUDSON: I do not see it as interference so much as...

Mr ELFERINK: You are being very polite.

Mr HUDSON: I think that where departmental officers are chasing individual councils, and appear (inaudible) without simply saying, 'this is something we need to discuss, can we get more details', or anything like that, or jumping to conclusions without saying, 'okay, we realise that you have got problems and that you are trying to make a contribution towards it', well, we explain what our (inaudible) are, we try and plan to raise the bar in terms of government's accountability at the same time reduce our costs, That amended structure, by the way, would have saved us \$320 000.

Mr ELFERINK: Yes, so they are resisting that amendment. I have glanced at the executive summary of that, and whilst it describes what I would say as sloppy procedures, what it does not describe, or is suggested at any point, is, other than alluding to it in relation to the framework suggested, that there was some impropriety, and that is it, but the fact is, there is no evidence of impropriety in the report or in the executive summary. Your funding has been cut on an annual basis. Your tied grants are, actually, I suspect, increasing, but the tied grants are not anything that the council can make a decision about. I then go through and knock the dominoes over in my mind's eye, eventually you get to the point where they turn around and say, 'look, you guys can manage', – I was about to say something rude then – but you could not have managed, so we should have dropped an administrator in here. Is that where people think this is going, that government is essentially launching a takeover bid? Because, otherwise it does not make sense. What is the point of setting up the council to fail if you are not planning to intervene?

Mr HUDSON: I think there are a couple of points I will make in relation to that. I think what we are seeing is the reflection of very narrow and very short-sighted people. The recognition given to, by the councillors in the review – I thought it was called then Territory intervention– was off-section there on council finances for recommendation of their funding formula – the Commonwealth Grants Commission to be reconsidered, and the specific allocation to the NT government to cover, to provide adequate moving in parts, the shire councils are recognising the structure of their (inaudible) – they also recognise the true nature of shires that we are dealing with, the myriad of them (inaudible) communities. Now, that just seems

to have gone nowhere. I would have thought it was an issue that needed to be made more of. The Commonwealth is throwing around buckets of money far bigger than the sum of all our (inaudible). That was Bill Gray? That was his input to the review, and he would have been the only one on the review committee who really understood those issues. I think that is something the Northern Territory government needs to make more of and say you are putting all these things in place which are adding to the burden and the governance and the standards which we require in communities, when are you going to make a contribution towards it. It is at the Commonwealth Grants Commission level that needs to occur.

Mr CHAIRMAN: That would be an extra bit of money based on special circumstances rather than trying to use the existing pie, which is pretty small.

Mr HUDSON: It is still pretty small, yes.

Mr CHAIRMAN: You would be trying to get a special payment like the Pitjantjatjara land; they had road funding for that area. Which is another thing that has not happened yet, by the way.

I am conscious of time here because we have the land council coming. There are a million and one questions, but could I just ask something from the local housing perspective, what is your role in relation to housing in Nguuiu and Melville Island?

Mr HUDSON: Our specific role is in the housing maintenance program. We do not (Inaudible) management program, (inaudible) that is problematic. I personally think they are going about it the wrong way. Having worked in other communities I have seen more successful programs, but our specific role is there. We do have some small concerns. We have had three instances here at Nguuiu, for instance, where houses were renovated that only the ceiling had to be replaced in the agreement.

Mr CHAIRMAN: You have been given enough money to ...

Mr HUDSON: We are having to bring in contractors. As I said, it is actually a most successful program at the moment, we are very much on top of that, and we employ a raft of tradesmen ourselves. We have quite a number of other young people in apprenticeships and traineeships in a very healthy ratio; it is one on one. None of this business of five trainees because it is training day and in fact all those positions are self-supporting and are being paid for by the work that they do.

Mr CHAIRMAN: How do you fit in with BR? Do you work with them at all?

Mr HUDSON: We use them as sub-contractors, we do work with them and we provide day services that we do not have. We use their plumber for instance, (inaudible), yes, we do.

Mr CHAIRMAN: Do not get me wrong on this question, but do you see it as a duplication of roles? If you have BR in a small place, and it has been around for many years, as long as the shire actually, do you think it would be better to have one body do the housing maintenance?

Mr HUDSON: I do not really have an opinion either way on that one. What we are doing is working quite well. They (inaudible) retaining staff if they have a change in management, etcetera. At the moment I do not think there would be any advantage in trying to say let us do one organisation. The problem there, of course, is we are operating across the whole shire, we have got tradesmen in all three communities; we are a service (inaudible). There is no equivalent to BR in communities, either way (inaudible).

Mr PURUNTATAMERI: Can I just add from the Tiwi perspective?

Mr CHAIRMAN: Yes.

Mr PURUNTATAMERI: At the start, when the Tiwi Island Local Government started - when it introduced a housing program within that (inaudible) long time. In my opinion, I think it is duplicity, and this is something we were trying to not achieve. I was against it, but whether it is working or not, it is here. We are trying to not duplicate things already on the ground that will utilise the services which (inaudible) already. That is what I was trying to get at. Unfortunately, I was alone here. Local government came back. That is my opinion. I do not know what the others are, but if we can utilise the things that I have already here then let us complement that.

Mr RIOLI: Mr Chair, I would just like to say thank you for coming here. I know time is (inaudible) say something ...

Mr CHAIRMAN: No, you can say it, keep going.

Mr RIOLI: ... before you kick us out of the room.

Mr CHAIRMAN: No, do so; you can stay for the next segment.

Mr RIOLI: I would just like to say I have been around for a while now within relation going back to the amalgamation with the council, of all the councils, way back in the early 1990s or late 1990s, early 2000s, and the organisation has been set up as you said, John - set up to fail - where the (inaudible) was established and, unfortunately, it did not last long before you went into administration, and so there had been a revolving door of CEOs and finance managers, and it has been a very difficult time for this organisation where we have had to fight some really hard battles; and we come now to the shire and the IT services and the CouncilBiz has been very difficult to operate.

It is totally unheard of not to receive a finance report. These members have not received a finance report for nearly 12 months, it is just ridiculous. But anyway, this is what we have been going through, and we now come to today, all the chambers from when the shire was established, the shire worked with the department and Mark Good was the first CEO of the shire and he worked very closely with the department and they had a structure. Now we have come to the CEO now; he has been the CEO for over the year, he came here just before Christmas. He obviously needs to look at how to consult with his members and the department as to the structure that is going to work, and obviously look at managing the council service that we deliver.

So, all that. We are going through a phase right now where I believe we need to work together. The report has been done, there are a lot of accusations and things flying around about directors and the CEO and the members which is causing a few problems, and we are not able to work as a team; but I believe we can work through that. We definitely can; it is a matter of consulting. Let us look at the solutions, including the department, let us look at working together - and that will happen - but certainly the focus should be on the delivery of services. We are going to be struggling if we do not work together with the government and other bodies to make sure we have a local government, and we have the funding that can deliver these services. It is something I believe we need to work together as a team and as a unit.

Mr CHAIRMAN: If we are reporting back to the government and if we are trying to look at this as a positive thing, we can always criticise, but if we are trying to get some good outcomes for people here, what do you think we should be saying to the government that you people need? What changes do you think we should be promoting financially or from a governance point of view, or what?

Mr RIOLI: I am sure everyone has their opinions, certainly the support, support for the shire. Okay, (inaudible) at the moment there is a lack of teamwork and so on that is happening, and ...

Ms SCRYMGOUR: Is it teamwork or is it trust?

Mr RIOLI: Well, whatever it is, but certainly it is having an effect on the delivery of services right now, but I believe we can work through that. We all know we have got matching funds, office of council policing; where are we going to find the money for this? How are we going to supply it? I believe it is focusing on the ball. So, what do we do? Talking to government to support us in being able to get through the next year. How do I tell my workers: 'Oh, you are not going to have a job next financial year?' They are working full-time – these are long-term workers. Okay, they have been on CDEP, but still they are in transition (inaudible) full-time jobs.

Ms SCRYMGOUR: But you have put them into full time jobs, which was part of the agreement, which is why I was asking (inaudible) ...

Mr PURUNTAMERI: Yes, sure. Just before you finish, I think we have been dealing with government organisations, whether it is health, education, business people for a long time now and, I will be straight with you, I believe the whole mentality has to change within the government departments on how they deal with Indigenous issues. That is the first strategy; that is so important. You have to change your mentality on how you deal with Indigenous issues. If you cannot get past that, then there are going to be problems for another 100 years. You will first have to acknowledge that the government has a problem, you have to first acknowledge that, get past that and then, hey, lets consult the Indigenous people on what is needed to be changed to make people coming to Indigenous communities and just impose all these laws on

people. Now things are starting to happen, which is good, it is optimistic in going forward. That needs to be developed in a positive way, and more of that needs to happen.

I will just give you an example. Just before Christmas, I think, the NT government and the federal government employed a consultant to look at what policing is operating in the Territory. When a group came to Garden Point to speak to us. They said a report was going to – because we asked for a report to come back to us, so we can go through and see what they have written. We do not have that report back yet. We would like to see it, because we would like to say that we play a vital role in any decision-making and in any consultation that has happened. Unfortunately, over the years, that has not happened. All the consultation, the papers, the feedback has been stuck somewhere in the office, we have never had the opportunity to look at it, to make any recommendations that are fit for our people. We would like to see more of that happen. That mentality has to change.

Mr ELFERINK: Basically, there is them and then there is you, and as far as they are concerned they are sitting on top of you, is that the ... I would like to put a model to you guys in a second ...

Mr CHAIRMAN: Marion had her hand.

Ms SCRYMGOUR: Do you think, just listening to the various members, and Maurice is right, there comes a point where we do have to move forward and work together, and I have always maintained that if we cannot get it right on the Tiwi Islands, we are not going to get it right anywhere else, because you have one language, one people here, so it should work, in effect, here. For a long time, you hear the criticism about governing committees, like you elected members, that you do not have the capacity. But does the government that comes – whether it is the department or whether it is us, is that capacity there to deal with, to be able to work through those issues and work with you, because I have been watching this since 2000 - 2001, with the Tiwi amalgamation, with TILG and that coming out – is the capacity lacking in the department to be able to deal with these issues properly? Community development – you can be a good bean counter and you can look at the thing, but ...

Mr RIOLI: I feel, Marion, I believe, it can be better. I think there needs to be improved communications and understanding of how we are operating here on the ground, and I think it should start today. Alan was in the department yesterday, talk to them about what his plans are, and certainly that is something they can support him with. Okay, he is going through a process, look it took TILG, how long did it take to get those studies set up? Obviously it took - because the Land Council were involved in those studies, but the shire, how long did it take for that to become set up.

So this fellow has been here since November or December. I think he is going through that process now to be able to look at how he wants to run the show. I think he has got some good ideas, and we need to work through it, together with the department, with the members.

Mr CHAIRMAN: From my point of view, it is sad that you are the oldest place in the Territory that has had local government since 1974. It seems like we might have gone backwards to some extent. We had a council that worked; not because I was on it, there were many other people on it. It did the job, and we seem now to have gone into this more bureaucratic model and I do not think it works as well as it should be.. Could I just say, what Alan has been talking about today - you have been putting forwarding these changes. Do you think it is part of our role to be saying to government we support what you are doing, and we encourage the government to listen to what is being put forward today?

Mr DUNN: Yes, because as elected members we feel we are bound to these government agencies. There is nothing we can run that we want done.

Mr ELFERINK: Can I actually respond to that, because I have been sitting here itching to road test and idea.

From a purely different level of government perspective, I am not entirely sure why there is a department of local government. Whilst I appreciate local government here cannot exist unless the Territory government says local government - that happens in every state; it is normal. In other jurisdictions, South Australia particularly, there is an office if you like of local government which liaises with the minister, but the minister has certain roles under the act in terms of the things he has to do to intervene when local government goes wrong.

What if you change the structure; that there is no department of local government, there is an office of local government and that a lot of the functions of the department of local government is then transferred,

along with funds to run it, to an organisation like LGANT which is you guys and all the other local government authorities. It has administrative functions, it helps administer, it helps councils in trouble, but only when the wheels are really falling off does it go to the minister for local government for some sort of intervention.

The consequence of that is rather than having terms dictated to you by a department from a higher level of government, you would actually be responding to administrative organisation which you elect. LGANT is the product of an election process by which local governments choose their own representative organisation. What are the feelings about an idea like that? Because what you would have is an administrative support body, properly funded, to give you administrative support rather than give you administrative direction. That is a very important distinction to make. Some thoughts?

Mr PURUNTATAMERI: Yes, I think that would be okay. It would be a good idea, but what you also need to think about and put in place is some sort of MOU. There is always a problem when an organisation is trying to run things in a community, because when you report back to Big Brother, power comes to play. You need a memorandum of understanding, or a shared responsibility agreement, to say all right, we will allow these indigenous communities to control our own affairs without us trying to step in and be Big Brother. That has to be a shared responsibility agreement or a memorandum of understanding. Your idea is good but you have to get away from the power play.

Mr CHAIRMAN: All right. If I could just quickly say something – I have always regarded local government as a democratically elected body; you are responsible for the people here, and if you go wrong it is the people who should decide that you have gone wrong by not electing you; that is what democracy is about. It is not about someone coming in and saying: 'You are going wrong, we will sack you'. To some extent, you need to put the responsibility for your behaviour as councillors back to the people who elected you, so if you do not do your job properly it is not for the government to say that you did not do your job properly, it is the people who elected you at the next election.

Mr ELFERINK: And this is what I am saying, if you are going to have a body like LGANT which gives you administrative support. If they discover some gross negligence that some intervention is required, then that is a matter for the minister and they refer it to the minister, and they go to the minister and say: 'Minister, I'm opening the door, we have got a problem'. Or if they discover some criminal fraud, that is a matter for the minister to intervene.

Mr CHAIRMAN: We have gone well over time. Would you like to make these the last two statements here so that the land council might ...

Mr PURUNTATAMERI: (inaudible) appreciate your coming because (inaudible) you know, here we are as a representative and we want to see things going well for our community. There was an article in the *Daily News Herald* on our new prison. Now, we have got a big problem within our community and our population is in jail mainly from the remote communities and service community, and the only way I can see a program – that funding should be delivered in our community rather than to yourselves.

Mr CHAIRMAN: That is a good point. I take what you say, and I am not agreeing with a great big prison either, but I think we should look at an alternative. We need some prison, but we need a lot of other options, especially for Indigenous people.

Mr PURUNTATAMERI: We all get our portfolios, and my portfolio is gambling and racing, (inaudible) gambling in a public area (inaudible) beyond and beyond, and (inaudible) and disrupting the community. That is my job, and I am not getting anything out of it.

Mr CHAIRMAN: Henry, you had better say the last word.

Mr DUNN: Yes, just on that (inaudible) certain evidence which I could not get (inaudible). We are constantly on about what the organisation needs and not this government, and it flies and flies and flies. (inaudible) who come back to the communities – that is exactly the same (inaudible) you have got to do this, you have got to do that, so then the community comes to us and we have to put things forward, but there is no money. Before, through local government with the TILG we have an infrastructure plan which we asked the community about what they would like, and for example the community (inaudible) and buses, community buses, but we have gone of that (inaudible) organisation is

Mr COSTA: Sorry, Gerry, Lawrence. What you are saying, communities (inaudible). There were over 100 reasons (inaudible) get together and decide what they want to do (inaudible)

Ms SCRYMGOUR: People have this view that it is a poll tax. A poll tax is if you tax somebody and they are not actually going to get a service. The service fees, everybody benefits from raising that revenue because everyone got something out of it.

Mr CHAIRMAN: And I certainly think, we have got to dissect a lot of the things that you have said today and try to bring up some recommendations, or put some of these things back together. I think they are very important. I think without adequate finances, it is just not going to go anywhere in providing the services it need to. We could probably talk much longer, and perhaps we should come over for a full day on the council, because you are not far away, and we get pulled up for costs by the members, it is not that far away, and perhaps we should really come back at another time, and you would have had a chance to settle in also. Even if we could go over to places which have had local government and now you are under a combined one, like Milikapiti, see what the changes were since you work under an amalgamated council, that is what we have not seen yet. We would love to do that if you would have us back.

Ms SCRYMGOUR: Maybe we could stay overnight. That is not a problem.

Mr CHAIRMAN: No, I would have no problem staying over night. We will work something out there, because I think it is good that we come to you, but we need to be passing some of this stuff back to the government, and we need some action, of course. We do not just want to get up there and say a lot of words.

Thank you very much for allowing us to come today, and thank you very much for coming to our meeting as well.

Mr ELFERINK: Mr Chairman, just one thing, I was just wondering if we could get a copy of the (inaudible) alliance report before we go?

Ms SCRYMGOUR: You can stay for the other ...

Mr CHAIRMAN: Pat might pick that up.

Mr WESTRA van HOLTHE: That would be great, thank you.

Mr CHAIRMAN: We will have a quick break. I apologise to the land council. We are on Tiwi time; so, I do not have a clock.

Ms SCRYMGOUR: We will come back again, if you want us to come back again.

John Hicks, Chief Executive and Secretary of the Tiwi Land Council
Mr Robert Tipungwuti, Chairman of the Tiwi Land Council
Mr Walter Kerinauia, Manager, Tiwi Land Council
Mr Andrew Tipungwuti, Land Council Manager, Snake Bay, Milikapiti
Mr Brian Clancy, Development Risk Manager, Tiwi Land Council
Mr Cyril Kalippa OAM
Mr Matthew Wonaeamirri
Mr Marius Puruntatameri
Mr Murruwupi Gurrupuwu, Deputy Chairman, Tiwi Land Council
Mr Wally Kerinauia Junior

Mr CHAIRMAN: Thank you all for coming. Sorry we are late; you will have to blame the Council - it would not be me.

First of all I will just read out the opening statement then we will get into the more formal introductions.

I declare open this meeting in the Council of Territory Cooperation and welcome the witnesses who are appearing before the council to provide information in line with the council's terms of reference. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances committee may decide that evidence, or part thereof, can be taken in

camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee.

You are reminded that evidence given to committee is protected by parliamentary privilege. For the purposes of the *Hansard* record I ask that you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak, and I must emphasize that - so *Hansard* knows who is talking just give your name at the beginning.

Before we commence I also state the apology of Ms Alison Anderson who is unable to attend the hearing today.

Could I perhaps just ask you to introduce the people at the table, if that is o'k and so we know who is who and what your role is.

Mr HICKS: Thank you, Mr Chairman, we have our Chairman of the Tiwi Land Council, Mr Robert Tipungwuti. His land is at Runku and I think he is interested in the sections of your committee related to homeland polices. Mr Walter Kerinauia, Manager of the Tiwi Land Council. He is the senior landowner at Wurankuwu here at Nguui of the Mataknoukwo people. Andrew Tipungwuti is the Land Council Manager based at Snake Bay, Milikapiti; Brian Clancy, the Development Risk Manager of the Tiwi Land Council, based at Pickertaramoor; Mr Cyril Kalippa OAM who is resident at Bulungapi and a landowner from that area; Mr Matthew Wonaeamirri, a Yupinari landowner and also at Milikapiti near Snake Bay; Marius Puruntatameri who has been a past Chairman of the land council; the current Chairman of the Tiwi Education Board and a landowner and resident at Mulungi; and myself, John Hicks, Secretary of the Tiwi Land Council.

Sorry, my apologies, Murruwupi Gurrupuwu, is the Deputy Chairman of the Tiwi Land Council, and Wally Kerinauia Junior, again a Maninpui landowner and landowner here at (inaudible).

Mr CHAIRMAN: Thank you. I might introduce ourselves: we have Michael Gunner, member for Fannie Bay; William Westra van Holthe, member for Katherine; Marion Scrymgour, who you know, your local member; John Elferink, member for Port Darwin, and myself, as member for Nelson. So welcome everyone.

Maybe you could, if possible just give us a rundown on what is the role of the Tiwi Land Council, and what it gets itself involved in, so we just get an overarching view of actually what you do and what things you are directly involved in.

Mr HICKS: We are a statutory authority of the Commonwealth. Our role is the management and development of land as the landowners express their wishes in terms of particular developments they wish to undertake.

We are structured on the traditional lines of Tiwi land ownership, and we were formed in 1978 following an approach by the Tiwi people themselves. Mr Cyril Kalippa was the founding Chairman of the Tiwi Land Council in 1978. There was some resistance from the Northern Land Council and the Tiwis separating from what was then only two land councils, and the Tiwis formed the third in 1978, so we have been in operation for 31 years. We have, through those 31 years, worked in significant harmony with community local government, and we have, through various committees of the land council, promoted, initially, the Tiwi Health Board, which grew out of the subcommittee of the Land Council in the late 1980s early 1990s following expressions by the Tiwis that they sought their own participation and responsibility for health on the islands.

We applauded the Order of Australia to Wendy Hoy in the latest New year's Honours, a land council initiative funded by a commercial company, the land council brought Wendy all the way out from New Mexico as a world authority on kidney disease. She worked with the Tiwis as part of the Menzies School of Health Research through the 1990s and contributed significantly to understanding kidney disease and failure.

The Tiwi Education Board also grew out of a subcommittee of the land council, again, at the wishes of our land owners who have, for many years, worried about the education achievements of their people. They established the Tiwi College in 2008 and they are now seeking, in harmony with the Northern Territory government ambitions, a Tiwi Education Board that properly reflects their participation and the management of all the schools on the Tiwi Islands.

The motivation for a lot of these activities has been Tiwi determination to be able to live and prosper on their own land. They were engaged in forestry following the II World War. They now have a substantial plantation which they own and are seeking to develop through the production in 2013-14.

The two sustainable industries on the islands which have been proven by the land owners are aquaculture and forestry. The Tiwis have some reason to believe that they have been quite successful at both. The aquaculture industry saw expenditure of \$26m by foreign investors ceased at the end of 2006. There is a site at Snake Bay, adjacent to Milikapiti, which has been suggested as the premier site in the Northern Territory to recommence aquaculture.

So, through land owner initiatives that are traditionally structured, they have been able to influence their participation in health and education. Towards the end of the 1990s, they attempted and could foresee the division of community leadership and traditional leadership of land, and attempted to develop a Tiwi Assembly, which was drawing together the four distinct groups of governance that they are particularly determined that must succeed on these islands, and that is health and education, local government, and land. Unfortunately, the results of that prior government, to the current government, determined the best that could be hoped for was the combined local governments. The structure of local government that has retained through Tiwi Islands Local Government, and now under the new legislative arrangements for shire councils, there is no question that our landowners seek capable and efficient local government. There is no possibility that their hopes for their lives on the Tiwi Islands can be significantly fulfilled without local government that works in these property funded (inaudible). I think perhaps our chairman and members might discuss with you, if they could, their concerns of funding and support for local government, particularly in roads, and communications and infrastructure. That is...

Mr CHAIRMAN: We are here today not only to listen to what you have to say but to put it into perspective, we are looking at the housing, the SIHIP program, we are looking at local government, and we are also looking at *A Working Future*, which means, in the case of Nguuu, you are regarded as a growth town, and also there are the policies about outstations. What I could try and lead into is from the SIHIP program; have you any viewpoints on that program? How do you work in relationship with the development of that program, for instance with leasing? Is that part of your responsibility in relation to developing this program? Maybe if you could tell us how that all works together?

Mr HICKS: Mr Chairman, you may wish to ask Mr Clancy, who is the secretary also of Maniupyi Pty Ltd the landowners of the Worimiyangin and Mr Robert Kerinauia, the senior owner of land mine (inaudible) some comments to make.

Mr CHAIRMAN: If you want to come forward you are most welcome. I will remind people to give their names before they speak, so that Hansard...

Ms SCRYMGOUR: Speak a bit loud; lift your voices too, for *Hansard*.

Mr CLANCY: In terms of SIHIP, we have all read the papers; we know it has been a long hard battle to get where we are at. From my perspective what I see, especially at Nguuu - and maybe Andrew and Cyril might say something about Milikapiti and Garden Point, but the numbers I have been given is Tiwi employment is over 50% in this project. As a direct result result from the township lease, we have got 90 new houses going up here. The timeline is within two or three years, I think, but whether it takes five years - six years prior to the township lease Nguuu got six new houses. I would expect, in the five years from the township lease which was two years ago, that Nguuu is probably going to get 150 because education has a few new houses, the shire has a few. I think there is going to be about 150 new houses. It is a different town.

In terms of the workers that I see, and others may have a comment, but certainly I found the non-Tiwi Territory Alliance workers friendly. You go to the shop and they will say hello. Tiwi, non-Tiwi, which is always half the battle really because you do (inaudible) community. Beside all the problems of the administration stuff, I think which cannot be attributed to Territory Alliance, on the ground I certainly have got no complaints.

Ms SCRYMGOUR: Administration of what, Brian?

Mr CLANCY: At one stage, in the earlier times, they were looking at, I saw a page where there were two pages full of the committee for this and committee for that, and committees here and ...

Ms SCRYMGOUR: With the SIHIP stuff?

Mr CLANCY: Yes, I was thinking: well, there goes five houses; there is another 20 in terms of ...

Ms SCRYMGOUR: So they had a whole lot of structures that were ...

Mr CLANCY: ... and the Territory Alliance had to fire those - they are the rules.

Mr CHAIRMAN: Can I just ask you– this is more a learning question, so take it that way – so there is a town lease over the whole of Nguui; can you just give us a run-down, how it all came to be? Where does this whole thing start, and how does it fit into some organised pattern?

Mr CLANCY: In terms of the leasing?

Mr CHAIRMAN: The leasing, yes, so where does it start?

Mr CLANCY: The 99-year lease was signed in September 2007, about two years or a bit longer than that, I think the federal government came to (inaudible) and, through the land council, asked whether they were interested. The initial reaction was: 'No, we are not interested yet.' They came back about 12 months later and the land council advice from (inaudible) was: 'All right, we will listen, we will have a chat and see what they have got.' So consultation started then and it took two years, 48 meetings, I believe they had in terms of ... all the consultations and things.

Mr CHAIRMAN: 48 meetings!

Ms SCRYMGOUR: Probably a few more.

Mr CLANCY: ... I was part of this negotiation team for (inaudible), Walter was on that and seven others or so, but it was scary; it is a whole different way of doing business, a different way of thinking. But having been lucky enough, I thought it was a short-straw job, but having been lucky enough to be in that process for two years we felt quite comfortable with it, with the decision.

Mr KERINAIUA: The local people here were a bit upset; felt a stab in the back – well, did not care. We wanted to help my people. One house for 20 people in Nguui.

Mr CHAIRMAN: And you are happy with the way it is going now?

Mr KERINAIUA: Very happy.

Mr CHAIRMAN: We have seen a lot houses either just being constructed or being constructed from different organisations. So what happened is you made an agreement with the federal government – what did that agreement mean?

Mr CLANCY: Leased the 400 hectares from the airport down to the strait; 400 hectares to the Office of Township Leasing, which is a statutory body of the Commonwealth which is set up just for township leases...

Ms SCRYMGOUR: With the office of township leasing, for sub-leases there have been some issues or people have talked about their inability to get a sub-lease, or when they get a sub-lease, particularly the shire, there is the market rental which is being imposed on different people for the sub-leases. Does that come back through to the land council for discussion, with that John, in terms of the inability of some of the organisations to pay the rental, they are charging the same rental as a building in Darwin is being charged for a rental for the sub-lease on the island? Does that come back to the land council at all for discussion?

Mr HICKS: The Office of Township Leasing provides us regular briefings of sub-lease activity and rentals that have been established, and reasons why they have established those rentals.

The Commonwealth pay an amount of \$5m as an up-front payment, and we understand from their last report that caravan rentals are in excess of \$400 000 per annum, the notion being that after \$5m is recouped, the rentals then flow directly to the landowners, less the 5% needed for administration by the Office of Township Leasing. So you have a situation where the sub-lesers are traditional owner-friendly in the sense that any landowner would like to get the best rental he can and, that they have been able to achieve that in the space of two years, has been significantly encouraging for the (inaudible) people.

Ms SCRYMGOUR: You were saying before ...

Mr HICKS: We are briefed and we are aware that the store is the significant sublease costs on the islands, and it is based on, not only position, but on revenue opportunities that have been established that the store is a significant revenue earner.

Ms SCRYMGOUR: What was it? It was, to date OTL was saying, \$400 ...

Mr HICKS: To date, I do not know if this in particular confidence, because it has been told ...

Ms SCRYMGOUR: Around \$400 000?

Mr HICKS: I believe it is around \$450 000, is the current rental income per annum.

Ms SCRYMGOUR: And that is rental income up to ...

Mr HICKS: That is as at December 2009. That is merely a briefing by the office of Township Leasing, which has regular meetings with the (inaudible) and it appears to seek both the advice and act upon the advice of the owners themselves.

Ms SCRYMGOUR: Is Milikapiti and Garden Point, there is negotiations to go down that way too, is there not, for those other two communities?

Mr HICKS: Ranku.

Ms SCRYMGOUR: Ranku as well, okay. So, Pirlangimpi, Milikapiti and Ranku.

Mr CHAIRMAN: Can I go back a step, because I have not quite finished. You were so excited about subleasing.

Ms SCRYMGOUR: No, that is because you keep asking all the questions

Mr CHAIRMAN: No, no, I am just trying to get...

Mr ELFERINK: I have a couple of questions, Mr Chairman, but I will wait for you guys.

Mr CHAIRMAN: Just get in the line I have got, the land was leased. There was an agreement made with the traditional owners, and then there was an agreement to pay so much for leasing over a period of time.

Ms SCRYMGOUR: Yes, \$5m, I think.

Mr HICKS: The agreement was an up-front payment of \$5m, plus a community benefits package ...

Mr CHAIRMAN: Which is including those houses?

Mr HICKS: Not the SIHIP ones.

Mr CHAIRMAN: No, the other ones.

Ms SCRYMGOUR: There were 25 houses, and the college was part of it, John?

Mr HICKS: No, no it wasn't.

Ms SCRYMGOUR: So the college was completely separate - okay.

Mr HICKS: It was. I think the identity of Mal Brough at the time was a little confusing, but it was separate.

Ms SCRYMGOUR: The college was not part of it.

Mr CHAIRMAN: The job of the town, what do you call it, the Office of Township Leasing ...

Ms SCRYMGOUR: Just say OTL.

Mr CHAIRMAN: OTL, we love acronyms. Their job is, then, to recoup the money that the Commonwealth has paid the traditional owners by lease arrangements. That is fine. I can understand that you have to charge these groups of people like the council, which are really there to service the people who live here, by adding a cost to them of course, it only gets incurred back on the people who live here simply because they have to charge more in rates, that is all I am saying. Most councils in Australia would own the block of land they live on, they would not lease it normally, well, they may, maybe in some cases, but your workshop would generally be on a council block of land somewhere. It was just something that was also raised, I think at another recent meeting about councils' concerned about how much they would have to pay in leases. The Office of Township Leasing, the OTL, of course, they are not particularly worried about that, their job is to get the money back that they have paid the traditional owners, but is there any thought that there should be some consideration for those bodies, like the local government body, which provides services, not really a profit-making organisation, through an exemption or a lower ...

Mr KERINAIUA: We would not trust them.

Mr CHAIRMAN: What, the local government?

Mr KERINAIUA: Yes.

Mr CHAIRMAN: You would not trust them?

Mr KERINAIUA: Yes, you should see their roads.

Mr CHAIRMAN: You might have less roads if you charge them too much.

Ms SCRYMGOUR: But any landowner, we have had this debate before, any landowner should be able to charge ...

Mr KERINAIUA: (inaudible)

Mr CHAIRMAN: That is all right. I was just ...

Mr CLANCY: Maybe to answer Marion Scrymgour to, what they have done in terms of the subleases, OTL have come in and negotiated with the shop or whatever, and generally you find there are non-profit organisations here, organisation that do not make any money, so they have actually come in reasonably low, and if it is a business, for example, as the business hopefully grows - part of the idea of township leasing is that you develop a market market and people buying their homes and all of that sort of stuff. As the business grows then so does what they have to give to the traditional owners. After that \$5m is recouped, the traditional owners will then receive whatever lease money comes in less ...

Ms SCRYMGOUR: That is the issue I have always had, traditional owners should be able to get that now without having to pay back the \$5m which they paid out, because ABA is being used to pay for the Office of Township Leasing in excess of \$11m.

Mr CLANCY: Right, and it is a good point, and trust me as part of the negotiating team, we battled hard to get that. The way the game is at the moment my guess is it will not take 15 years; it might take less than 10 years.

Ms SCRYMGOUR: It will be less, yes. If OTL has projected that today, based on that, it should come in before the four years.

Mr CHAIRMAN: John, you had some questions?

Mr ELFERINK: Yes. I take it the land council has become, with the passage of time, more comfortable with leasing arrangements as a principle?

Ms SCRYMGOUR: Tiwi always has.

Mr HICKS: Yes. The concept of leasing is something the landowners have been familiar with ever since the *Land Rights Act*, and before. I think Lord Vestey had a lease on the whole lot back at the turn of the century. The concept of not having any money themselves and leasing somebody an opportunity, which is what happened with forestry, it happened with aquaculture, and it happens with fishing lodges, is not new. Relating it to a traditional experience where a group from one country will lean over from another country and will trade in magpie geese an opportunity to go and get it. It is a fairly similar tradition model that is ...

Mr ELFERINK: Has much consideration in that case been given to expansion of it. I will give you an example. I have probably got another 20 working years left in me, presuming either I am a lawyer or an elected person or who knows what ...

Ms SCRYMGOUR: John.

Mr ELFERINK: Scary, I know.

Mr CHAIRMAN: Do not get arrested.

Mr ELFERINK: You know where I am going with this. If I was looking for a hectare of land someone near Nguiu where I could build my retirement home and watch the tide go in and out between my toes, and pay my way, and pay a lease to the local traditional people, would the traditional owners be thinking about those sorts of things, and thinking about expanding, because there is a huge market out there for that sort of thing?

Ms SCRYMGOUR: They would not only come.

Mr HICKS: Mr Kerinaia has already had developers from Darwin, interested in developing ...

Mr ELFERINK: I am not at all surprised.

Mr HICKS: ... along the south coast of Melville Island. I imagine those things and interests will increase. Coastal land is very valuable anywhere in the nation and the Tiwi's have 800 km of it.

Mr CHAIRMAN: There are many mangroves down the bottom of Melville Island.

Mr ELFERINK: The mind has already been turned to that issue.

Mr HICKS: Yes, it has.

Mr ELFERINK: I am not that surprised.

Mr HICKS: I think it will relate to other (inaudible) the Northern Territory government is able to facilitate in terms of infrastructure particularly. Education has seen children grow and develop connections with the mainland, which they tend to do. I think that will increase, as will inter-marriage and things like that.

Ms SCRYMGOUR: Mr Chair, if I could ask the Chairperson of the Land Council or John or Walter, I know the land council has had input and comment in terms of education; or the consultations between the land council, the Education Board and Catholic Education at Nguiu has progressed any further with the Tiwi College?

Mr TIPUNGWUTI: I believe John has the answer to the question, Mr Chairman.

Mr HICKS: We have here –did have, he has gone, has he? Oh. Marius, the Chairman of the Education Board who would be far more familiar with it than I am. The land council corporation headquarters at Pickertaramoor is adjacent to the Tiwi College, and Brian Clancy is probably more equipped to answer the question because he is resident there.

Mr CLANCY: Basically, the plan is, and we are working with the Northern Territory government, to establish a Tiwi strategic education board which will cover all schools: primary schools ...

Ms SCRYMGOUR: So that is proceeding quite alright?

Mr CLANCY: Part of it is proceeding, not at 100mp/h, but the Northern Territory government is very supportive of this.

Ms SCRYMGOUR: What about Catholic education?

Mr CLANCY: They are wary of it but, at the end of the day, the Tiwi ... It stands like this: the results that came out in the paper the other day, I mean, 180 points for signing your name, writing your name? It is really a critical issue, but they are talking with us, so that is important, and they have made a lot of changes too, apparently, coming into schools for the school year.

Mr CHAIRMAN: Is it only this year? (inaudible) have regulars?

Mr CLANCY: They have a lot more funding for the new buildings, so all the old crappy buildings are gone and they have new buildings, and they have got a new (inaudible)

Ms SCRYMGOUR: Well, they have to put back the \$10m that was given for this. So that has gone into the new structure? They have put new buildings in?

Mr CLANCY: Yes, both Xavier and XES. The Chairman is coming now. We are progressing, and hopefully it will be sorted out by this year. We will have a strategic forum which will represent everyone.

Ms SCRYMGOUR: I suppose from the Land Council, you have also got – is it Tiwi Enterprise which does all the commercial, and I suppose for enterprises for futures education is the basis of that, and I know Marius always said that, and at least you change education and they are not going to Tiwi commercial opportunities.

I just wanted to know how that agreement was going. Sorry Mr Chair, the Chairman of the education board was out and I was just asking about how the negotiations were proceeding with the Northern Territory government and the Commonwealth; and I think Brian answered that in terms of the school down here.

Mr CHAIRMAN: If you could give your name before you start.

Mr PURUNTATAMERI: Sorry, I missed what Brian mentioned, but if I could just add on a bit from the education board perception how Tiwis have developed over the year, particularly your question on how this process is developing between Catholic Education and the NT government. In my view it has gone really well. The NT government representatives that we have had, Robert Pickten, he always comes to the meetings, and he is positive, he said from the minister's response that they were prepared to support the initiative of the Tiwi Education Board with their vision, and we spoke to the Catholic Education Office and the Bishop himself; we were privileged to have him, to host him at (inaudible) the school there.

Ms SCRYMGOUR: Bishop Hurley?

Mr PURUNTATAMERI: Bishop Hurley...

Ms SCRYMGOUR: Are they comfortable with transferring, though, the responsibility of education to the board?

Mr PURUNTATAMERI: If I may, I would like to answer that in another way. I do not know, in my opinion, I do not think it is whether they are comfortable about handing over all the schools too – I think it is about – I think people are going to look at the vision of the Tiwi elders, and if they think that there is an opportunity for the leaders to change education of our people, the outcome, and I think the Catholic Education and others should give opportunity to the leaders, the Tiwi (inaudible), the determination to try and change the outcome for the future of their people, for the betterment of their people, and I think that is more important than worrying about what the needs of each organisation are. Opportunities are always there for Indigenous – a group of Indigenous people who are prepared and determined to change the education, there is always that opportunity, but the first thing is that you have to give control, I believe, to Indigenous people to take that step, and then all other support will then come around and you have got around that. I believe the first thing is to give control to an Indigenous group that are happy to terminate it and who want to see change for the benefit of their people in relation to education, and I guess we believe, as you said, Marion, to other areas, I think the initiative is good and the Catholic education, I am pretty sure will be positive as well, it will come on board and support our issue.

Mr CHAIRMAN: Can I just ask, we might move on, if that is alright?

Ms SCRYMGOUR: Yes, I think the Chairman wanted to talk about outstations.

Mr CHAIRMAN: I was going to say that...One of the areas we are looking at is the *A Working Future*, and that is a big issue in itself, it involves transport, as in roads, and how people can move around. It involves education, in other words, having a township which is a growth town in which people come to school, where you might not be able to do it if you have got lots of councils or small areas around, as a hub, and one of the areas, of course, is homelands outstations. We will be happy to hear what your points of view are on it. We have not had a great deal of time to look at the *A Working Futures* document, we had Bob Beadman last week, and he gave us a bit of a run down on what he is doing, and we probably need a lot more time to deal with what he was putting forward, but we would certainly be interested to hear what you have to say about anything about homelands outstations.

Mr TIPUNGWUTI: What people story, Did he tell you what his story is?

Ms SCRYMGOUR: He did a report. He was appointed by the Northern Territory government as the Coordinator-General, yes, so he did that report on what he had seen.

Mr ELFERINK: His function is, his job is to sit outside of government and to look at what government does. He looks at health, at housing, and he looks at education, leasing. His primary function is to make certain that they are not working against each other, or duplicating each other's functions, which means that your health department does what a health department is supposed to do and it does not flow over into education, and that the two departments are working in a fashion which are complementary to each other, which means that they work hand in hand with each other rather than almost not knowing what each other is doing. So, his job is, basically, to try and coordinate government responses into these hub towns, particularly to make certain that there is no unnecessary wastage. There are some shortcomings with his role. One of the shortcomings is that he can only basically advise on what the Northern Territory government role is. He certainly cannot dictate terms to the land council, one your a Commonwealth statutory authority in any instance. But two, I know Bob personally, and he would be very disinclined to give any instruction to any person on how they should deal with their own land but, ultimately, his role is to advise government on how to coordinate things. The more cooperation he gets, his argument goes, from land councils and those sorts of things, the better he can do his job.

Ms SCRYMGOUR: The Commonwealth has appointed Brian Gleeson – has Brian come to talk to you guys? Brian Gleeson is the Commonwealth Coordinator General. Brian reports directly on Commonwealth programs and what the Commonwealth government is doing, and Bob is doing the Northern Territory government. I actually think that both should cross over and have a look, rather than Brian Gleeson just report to the Commonwealth and Bob Beadman report to the Northern Territory. I think both should report to both governments, rather than having two separate reports.

Mr TIPUNGWUTI: (inaudible) talking about. I (inaudible) with no systemic state government. All these people getting involved in (inaudible) today.

Mr CHAIRMAN: The federal government handed over responsibility of homelands and outstations to the NT government.

Ms SCRYMGOUR: In 2007.

Mr TIPUNGWUTI: I never seen that happen yet, like you said. I never seen it happen yet, (inaudible)

Mr CHAIRMAN: I must admit from my point of view as the Chair, this is a new thing for me and I hope we can get out to some outstations aswell, it is a learning process, *Working Futures* is not something that I expect the government is just going to change, happen in a few months, it is meant to be a long term program which will hopefully improve health, improve education, improve employment and (inaudible) target that the Commonwealth Government and the Territory Government have agreed on. My concern or my reason for wanting to be involved is to say, well their your targets, are they actually being achieved? There is no good having targets that do not actually have more people going to school and more people getting employment, it is very nice, but unless they have not, this is what *Working Futures* is suppose to do, to achieve these goals and it has certain ways in which it can try and achieve those goals, and one of them is about supporting homelands and outstations, and in some cases not supporting them.

Ms SCRYMGOUR: In July 2007, the Commonwealth Government transferred responsibility of outstations to the Northern Territory Government, as part of that responsibility they said "you would take over all outstations in the Northern Territory from 2007. We will give you \$20m, no more no less, \$20m no new housing, no money for infrastructure, what is there at the moment you will maintain for \$20m. As part of

that \$20m dollars, if you don't take over responsibility for outstations, we will take back the \$600m that we put on the table for SIHIP housing. So that was conditional, the \$600m for SIHIP housing was conditional to the Northern Territory Government taking over responsibility for the \$20m dollars for outstations.

Mr TIPUNGWUTI: Can you tell me where that money went to?

Mr SCRYMGOUR: That money goes to and is distributed to here, like the Tiwi Islands, Ranku and some of the outstations on the Tiwi Islands, some of that funding depending on how much is funded, the responsibility of Homelands on the Tiwi Islands is with the shire.

Mr TIPUNGWUTI: Well, as far as I know I think we have got, Ranku got only \$47, 000. I find that another \$27,000 , you (inaudible)

Mr SCRYMGOUR: That is in the budget for the shire?

Mr TIPUNGWUTI: No for Ranku, \$47,000 (inaudible) house...

Mr HICKS: Mr Chairman, can I just support what the Chairman is saying, that Council received a letter from the shire in December, expressing their great concern. Ranku costs \$600,000 per annum to (inaudible) power generator and the water supply and that there were no funds to effect repairs on all. I think the Commonwealth have had to assist with repairs in the last month...not yet. The concern of the shire is that the funding is quiet inadequate to cover support for Ranku let alone anyother outstations.

Ms SCRYMGOUR: Mr Chair, if I could answer, because I was trying to fix up the bore issue when Ranku ran out of water, I think the bore broke down and you had no water and they were having to truck water in. Your absolutely right the funding that goes to Ranku but also (inaudible) and other outstations on the Tiwi Islands is not adequate, that has got to be put back to local, because the shire, when the amalgamation happened on the Tiwi Islands the outstations were brought into the boundary of the shires, so they became responsible, but the funding is not adequate, you are right, \$47 000 is not adequate for the delivery of - and to Paroo. Paroo is another area that has not been funded.

Mr KERINAIUA: (inaudible) Paroo has no money; we fix our own water pump, not the shire. Our (inaudible) there is crocodiles. No, it is not, to get our own water from the creek, and that creek is no good.

Mr CHAIRMAN: Is the power generation and water supply at Ranku is not looked after by Power Water under the Indigenous Power Agreement?

Ms SCRYMGOUR: No.

Mr CHAIRMAN: Or Energy Agreement

Mr ELFERINK: That is the community service obligation only extends to the community; it does not extend to outstations.

Mr KERINAIUA: On my outstation I do my own (inaudible)

Mr CLANCY: Just on the Ranku issue, we are at a critical stage at the moment, the shire has spent the last money on fuel for Ranku, which is going to run out this month some time; we have got no funding for more fuel. So, in theory, the lights are off. If there is no power, no water; the shop will have to shut.

Mr CHAIRMAN: So what happened previously up until ...

Ms SCRYMGOUR: The shire just covered the fuel costs; they are now being pushed back because the department is reducing their funding and their capacity, so because they are being reduced by \$200 000 ...

Mr CHAIRMAN: So we are seeing a flow-on effect because the Council has got problems...

Mr SCRYMGOUR: Because the shire, yes

Mr CHAIRMAN: ... it is now flowing on to the outstations.

Ms SCRYMGOUR: Yes, it is flowing on to outstations they are saying: 'We do not have the funds', which they do not. If you look at the proportion of outstation funding that comes out of the bucket of money,

that the \$20m that comes to the Tiwi Islands and is distributed amongst most of the outstation resource centres and others, it has never been increased in over 10 years.

Mr CLANCY: So the issue today is: once the lights go out people cannot live out there; they will have to come in here to Nguiu. We have not got the 90 houses yet, so we are still in the middle of this incredible housing crisis, and it will only put more pressure on this place here. We only have this month for someone to sort it out....it is a big worry.

Ms SCRYMGOUR: Over 100 people – so it should be taken from being an outstation to a small community. That has been the problem, Ranku is always been categorised as an outstation - it is not an outstation, it is a community.

Mr PURUNTATAMERI: We have not got a proper water supply and proper power.

Mr CHAIRMAN: It is a nice community; I have been there.

Mr PURUNTATAMERI: You have been there? Why they cannot give us more money from (inaudible) taxpayer's money, your money, my money, all of us (inaudible) fixes up one's backyard.

Mr CHAIRMAN: I think we also have an issue about how much money the shire is getting and it is producing. So, there is also the problem with adequate funding for the shire - you are at the end of the line and the shire is pulling back because it does not have enough money. We need to be sorting out why the shire is not getting enough money either to carry out its responsibilities.

Mr TIPUNGWUTI: Whose job is it to get this money for us, your department?

Mr CHAIRMAN: No, I do not have a department. There is nothing wrong with this council putting it to the government that that is what it should be doing. we will have to discuss this after these meetings about what we should do, if it is getting to the point of being desperate, where the community is going to run out of electricity and water.

Mr TIPUNGWUTI: It is my community. I live there. I built it. I live there.

Ms SCRYMGOUR: I know that the water issue and the power issue has been taken up and I think, Darryl Day from Power and Water was working with the Indigenous Essential Services people to try and look at how they can address the water issue. I will follow up the power stuff – I will go and ring up now and find out, but I know that Darryl Day from the Indigenous Essential Services was trying to fix up the power stuff.

Mr CHAIRMAN: Marius would like to say something.

Mr PURUNTATAMERI: I support what our Chairman of the Land Council said, I think John can correct me on this. On the register at the Land Council, there are 200 people registered at Ranku. Is there any way, I'm asking, that you could – there seems to be a loophole here, because Ranku is still considered to be an outstation. Now, is there any way you could fix it up so it could be a community? I do not know how you would do that, because that is a problem here at Nguiu, it is getting bigger and bigger now, whether it is a problem or not, but certainly a lot of people are trying to move back to their community, but there are a lack of resources and other services that are available, so if you could ...

Mr CHAIRMAN: Yes. We will certainly put that in our report. We have to put a report back to the NT parliament in two weeks' time. They are certainly the issues that we will raise, but the point is that we can try and come back with an answer to that. I could not give an answer ...

Mr PURUNTATAMERI: No.

Mr CHAIRMAN: ... who makes the decision between a community versus an outstation. I would have to find out, there must be someone that decides who will get power and who will not get power through the Power and Water system, so that is something that we will have to chase up for you.

Mr ELFERINK: Just an observation to Mr Tipungwuti and Mr Puruntatameri. The reason I asked about leases before is because, is because at the moment, the problem facing you as a traditional owner and residents of where you live at Ranku, and every other person who lives on this Island who is Tiwi, is that they are still waiting for government to fix their problems. My experience of government is that, if you wait

for government to fix your problems, you are going to be a dreadful shade of blue if you are holding your breath.

The reason – and this is something I have always said, I have always wanted Aboriginal people, from Tiwi Islands all the way down to Pitjantjatjara country, to turn their minds to, is that find ways to get government out of the picture. For that reason, I urge Aboriginal people to look at their land as a way to generate wealth, money, because it is that money, that money which will turn your power on and keep your bores running, and you will not have to ever talk to any government official ever again. That is, for me, how Aboriginal people who own so much land can earn their freedom.

The trick is, of course, is how to be careful about it, and I know that, as traditional owners, you are very careful about how you look after your country, and so you should be. If I owned land, if I owned a little patch of Larrakia country that I paid for, and I try to look after that as well, as I am sure that you people look after your own country, but what I would urge you to do is find ways for that land to generate money so you can look after yourselves - and that is true self-determination. I mean, I am not going to tell you what to do with your country, that is true self determination. I'm not going to tell you what to do with your country, that is your decision, but if the country can generate income, then you will not have to talk to me, or Gerry or Marion, or the mob from Local Government, or whoever else, ever again, and I think that would be the best outcome for traditional owners.

Mr CHAIRMAN: You can still talk to me even if you ...

Mr ELFERINK: But it is your choice, this is what I am saying.

Mr CHAIRMAN: Quickly, we are going to have to finish because we have to talk to the (inaudible), but could I ask, one thing the local government said is they do not now collect a service fee, so Ranku people do not pay a service fee?

Mr TIPUNGWUTI: I do not think that is the story.

Mr CHAIRMAN: Because the act says local government cannot collect a service fee anymore. It can charge rates, as distinct from a service fee. I'm just wondering, that is what we were told today. The reason I am asking is because if there was a service fee, I would expect some of that money to go back into providing some of the fuel. We were told today the council actually collects money for rates, I think it is \$500 000, but it does not collect a service fee like it did before the *Local Government Act* was changed. I was interested, if there had been a service fee, whether some of that money could be collected and turned back into helping pay for the fuel.

We will take up that issue, and we can talk about it amongst ourselves, afterwards. We ran a bit over time with local government, so I am sorry. We have to catch up with BIHA as well today, so thank you very much for coming. We would like to come back.

Mr TIPUNGWUTI: I have not finished yet.

Mr CHAIRMAN: I know, but you are Robert Tipungwuti and I am Gerry Wood, who is going to win?

Mr TIPUNGWUTI: You interrupted. It is your job to take it up with the government.

Mr CHAIRMAN: We will, we will.

Mr TIPUNGWUTI: Let me finish, my friend.

Mr CHAIRMAN: Okay.

Mr TIPUNGWUTI: Your job is to carry this message to the government. (inaudible). We will (inaudible), somebody has got the money. What do you say, sister?

Ms SCRYMGOUR: I am about to receive a call from Darryl Day, who is the essential services mob, to tell me when they are going to do your – so he will ring me in a minute and I will let you know.

Mr TIPUNGWUTI: The bore. We have had two big problems with the bore.

Ms SCRYMGOUR: Yes, this is about your bore.

Mr TIPUNGWUTI: Two bores been broken down and we had temporary bores running (inaudible). Local government tell you different story (inaudible) what is it, shire, whatever they call themselves. We represented the shire too. (Inaudible)Ranku, we are apart of this, take that message back to the government.

Ms SCRYMGOUR: Mr Chair, if I could tell the chairman of the land council the shire raised with the department yesterday, they had a meeting with the department and they raised the issue about the lack of funding, where their funding is being reduced, which is reducing their capacity to provide those services. That was raised to the department yesterday. At that has got to go to the Minister.

Mr CHAIRMAN: They are losing quite a bit of money, and it does not seem to be getting any better.

Mr TIPUNGWUTI: Can you tell me why they reduced the funding?

Ms SCRYMGOUR: The department, that is right; that is what we are inquiring into.

Mr ELFERINK: Partly because their government is broke, Robert, they are completely broke.

Ms SCRYMGOUR: No, the government is not broke. We are trying to find out why the funding has been reduced.

Mr CHAIRMAN: It is also because the grants formula has been changed, and Bathurst Island actually loses out under the new formula, believe it or not.

Ms SCRYMGOUR: Look, I have the minister for Essential Services ringing me ...

Mr TIPUNGWUTI: Why are they are broke because they spent the money elsewhere.

Mr ELFERINK: That is right.

Mr TIPUNGWUTI: If they have the money why can they not spend it on that?

Mr CHAIRMAN: I cannot give you the million dollar answer.

Mr TIPUNGWUTI: No, you listen to my story. You cannot spend money elsewhere that belongs to Australian taxpayers money. That is what the government is doing now. It is doing the wrong thing.

Mr CHAIRMAN: All right, yes. Go on.

Mr HICKS: In answer to a couple of queries, our chairman Robert, and the landowners of Ranku, are also participating in the township leasing and they have requested they in fact become a township rather than an outstation. I believe that was part of the motivation. The Commonwealth is not supportive of that motion, and it would be very helpful, I think, for our chairman and the landowners of Ranku to have the support of government which shifts it from being an outstation to some classification of township in order to escape the current dilemma.

Mr ELFERINK: What is the population? 200?

Mr HICKS: Well, 200 on a good day, but with the potential for probably 400 people. There are significant people living here at Nguiu and a number who would move there (inaudible)

Mr ELFERINK: If the services were there. Build it and they will come.

Mr HICKS: The landowners have also taken up your notion that they would like the township to run the 13 kilometres down to the port of estuary in order to take advantage of tourism and fishing opportunities, for that very reason.

Mr ELFERINK: I tell you what, crime would not pay if the government ran it, so as far as I am concerned, the future for people does not necessary lie with the government.

Mr CHAIRMAN: Marius last statement, because we better get to...

Mr PURUNTATAMERI: Just quickly, through the Chair, I thought I would take this opportunity while you are here to ask you: if people like us, ourself, the Tiwi people I am talking about, if we had an initiative to do something that is different, that may work, are you prepared to support that, because we ...

Mr CHAIRMAN: a bit like the Christmas Island boat people?

Mr PURUNTATAMERI: Well I will tell you, I (inaudible) when you came in, I am talking about amalgamating all the bodies of the Tiwi Islands to be under one umbrella. We are one people, we speak one language, if we can set up a body - we have tried it so many times and there have been obstacles left and right - it is our initiative and, certainly our view because we are one people, we speak one language, I would like to see a body, all these organisations on the Tiwi Islands to come under one umbrella.

Ms SCRYMGOUR: A regional authority?

Mr PURUNTATAMERI: That way the government body and other government departments can deal with a one-stop shop. At the moment there are many things happening - too many chiefs, not enough Indians. If we set up this one-stop shop body, I can tell you there would be a lot of advantages.

I am asking, if we went ahead and we put together a strategy, a proposal, I am asking you guys, would you be prepared to support something like that?

Mr CHAIRMAN: I cannot speak for the whole council; of course, we all have our own points of view. I think we need to see what you are putting forward because there are issues of good governance, of how it would be funded, all those types of issues we would need to know. The important thing, for me, would be that the grassroots people are in support of what you are doing, because I have been around Bathurst Island for a long time and there are some people who have a great deal of influence and sometimes the ordinary person can be overridden. I would want to know that independently, without influence, those people in the grassroots of these islands also supported it - because if it was just coming from a group of influential people, then it would not be fair. I would need to see what is being put forward and have some real belief that this was coming from the base, from the grassroots rather than someone wants a big organisation.

Mr PURUNTATAMERI: I agree. Through the Chair, I think it is safe to say that because we have been under the government for a long time we have to change the whole mentality of our people - many people have not changed because of the handouts that many people grew up on. So there needs to be a whole mentality change. Of course we will ask people in the community what they say, but we need the government to help us. Sure ...

Mr CHAIRMAN: You might need someone independent to come in as a neutral person to canvass the idea ...

Mr PURUNTATAMERI: Of course. You understand the times have changed now, there are many educated Indigenous people who want to initiate and who can take a step forward to control our own destiny, with support, obviously, from the government. I would like to see that happen because I, like all our other leaders here, the Tiwi people, we are one people. If we can set up something and make it work, I believe it will work anywhere else.

Mr CHAIRMAN: I would certainly be willing to look at it. I do not think anyone here would have any problem with working up a proposal ...

Mr ELFERINK: I tell you what Marius, my yardstick would be to support that,. That you could prove to me that out there things are going to get better. That would be the measure that I would accept as an acceptable measure. What you are talking about, essentially, is a self-governing authority with lower levels of influence from the Territory and even from the federal government - greater self-determination - that is what this is all about. That is cool, and that is why we talk about, as parliamentarians and politicians, and those sorts of things, we can talk about it. Unless it makes a difference to the punter out there, then that is the yardstick by which I would measure it.

Mr CHAIRMAN: We had better sign off, poor old Ian Ritchie is going to think we are never going to get to him. Thank you all very much for coming.

Mr Ian Ritchie
Manager of Bathurst Island Housing Association

Mr CHAIRMAN: Okay, we might get going we are running, as you know, a little bit behind.

I will get going with the Chair's Opening Statement first: I declare open this meeting in the Council of Territory Cooperation and welcome the witness who is appearing before the council to provide information in line with the council's terms of reference. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public.

In certain circumstances the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera but, I remind you, that this is at the discretion of the Committee.

You are reminded that evidence given to committee is protected by parliamentary privilege. For the purposes of Hansard record, I ask that you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak.

Once again, I put apologies forward for Ms Alison Anderson today.

I would like to welcome Ian Ritchie. Maybe you could officially put your name on Hansard and what your role is please, Ian.

Mr RITCHIE: Mr Ian Ritchie, Manager of Bathurst Island Housing Association.

Mr CHAIRMAN: Thank you Ian,. I will introduce you to all the people here.

Mr Michael Gunner, member for Fannie Bay; Willem Westra van Holthe, member for Katherine; Marion Scrymgour, member for Arafura; John Elferink, member for Port Darwin, and myself, member for Nelson.

Thank you very much for coming today; apologies for the lateness but you would also know you work on Bathurst Island.

To fill us in, for people who do not know about the Bathurst Island Housing Association, I do not know if you can give us a little bit of history on it, it only has to be a short history, and what is your role in relationship to housing today on Bathurst Island.

Mr RITCHIE: I am the new manager here, I have only been here six weeks, so obviously a lot in the past I cannot tell you much about. From what I know the Bathurst Island Housing Association has been going since 1997 and it used to be called Territory Housing. People used to come in to pay rents, get all their maintenance done and that went to Territory Housing.

From my point of view, at the moment, all I am doing is maintenance, renovations, new houses for Territory Housing, the Alliance and Tiwi Enterprise, and a few other companies.

Mr CHAIRMAN: When you said new houses, are you saying you are maintaining new houses or building new houses?

Mr RITCHIE: Building new houses. I have not, personally, taken any on board. I am ongoing with one at the moment which I have taken over, that is for township leasing. We are due to start another building for Titre which is a training port,, that starts any day now.

Mr CHAIRMAN: So you are not just doing housing, you will do anything that comes your way?

Mr RITCHIE: Yes

Mr CHAIRMAN: So who owns Bathurst Island Housing Association, and who gives you your direction?

Mr RITCHIE: I actually will run the company myself, but it is under the Executive Committee of Bathurst Island Housing Association. There are eight executives from the full (inaudible) who are quality control of the housing association, but they employ me as a manager to manage, everyone.

Mr CHAIRMAN: So you get your income from contracts?

Mr RITCHIE: Yes, contracts, maintenance work from the shire; like I said, new houses, renovations, demolitions.

Mr CHAIRMAN: I asked this of the shire council - do you see duplicity with the council doing house maintenance and yourselves doing house maintenance?

Mr RITCHIE: Yes. My self and my office manager had a meeting yesterday to try to get it back to how it should be, which is one organisation, which is (inaudible) houses, they give us the work. From what I can gather, the previous manager sort of let things lapse a bit, the efficiency level was run and we are hoping to kick on to the next level.

Mr CHAIRMAN: So you are saying that most of the houses here will be run by NT Housing?

Mr RITCHIE: The shire houses we do the maintenance for.

Mr CHAIRMAN: All right.

Mr RITCHIE: The SIHIP program, all I have on record is demolitions, renovations and new houses, which is all in the past.

Mr CHAIRMAN: All right, so the shire at the moment is presently meant to do the maintenance work on ...

Mr RITCHIE: Shire houses.

Mr CHAIRMAN: And SIHIP?

Mr RITCHIE: Housing.

Mr CHAIRMAN: Because it has the contract with NT Housing?

Mr RITCHIE: Yes.

Mr CHAIRMAN: You do not have the contract with NT Housing? So you are doing other buildings?

Mr RITCHIE: I have other buildings, but I also have work for all the housing ...

Mr CHAIRMAN: Yes.

Mr RITCHIE: ... which comes through IBA.

Mr CHAIRMAN: How many Tiwis do you employ?

Mr RITCHIE: Ten.

Mr CHAIRMAN: Ten. How many of those would be apprentices?

Mr RITCHIE: I have three TAs, three casuals, one carpenter supervisor, assorted carpenters, an electrical TA. That is the ten.

Mr CHAIRMAN: Yes.

Mr GUNNER: What is your total workforce – ten?

Mr RITCHIE: No, ten Tiwis. I have three in the office. Probably ongoing 12, 14, contractors, which is in (inaudible), boilers, boilermakers, tilers, electricians.

Mr CHAIRMAN: And you only work in Nguuu?

Mr RITCHIE: Yes. Nguuu, we have in the past done (inaudible).

Mr CHAIRMAN: Yes.

Mr RITCHIE: But at the moment it is just Nguiu.

Mr CHAIRMAN: Have the leasing arrangements had any effect on you?

Mr RITCHIE: Not for me personally since I have come on board.

Mr CHAIRMAN: Yes, and do you have to negotiate between the land council, the shire – or any of those groups, about how you operate?

Mr RITCHIE: Previously, in the old management team used to, but I have no dealings whatsoever with the council or land council.

Mr CHAIRMAN: Do you have a sublease on your premises?

Mr RITCHIE: Yes.

Mr CHAIRMAN: You have.

Mr RITCHIE: We have leases on probably eight to ten properties.

Mr CHAIRMAN: How do you see the role of just housing in general, not so much staff housing, but community housing? Do you think it should really come under an umbrella of, well, it will come under NT Housing, but the total maintenance and all that, do you think eventually it should just come under one body?

Mr RITCHIE: As in what the last gentlemen was saying?

Mr CHAIRMAN: A little bit like that, but NT Housing, naturally, are still going to control the housing because they own the house and they own the lease, of course.

Mr RITCHIE: Yes.

Mr CHAIRMAN: Or they lease the land. From a maintenance point of view, all these houses, would it be better to just have one body to do the maintenance, rather than the council and yourself doing a bit here and there or ?

Mr RITCHIE: It would be better if everything goes to council, NT Housing, the council gives some work to the carpenters, electricians, plumbers and some to us. Some work we have gone to, their guys have already been to (inaudible), which is when I said about this meeting yesterday to try and get that (inaudible).

Mr GUNNER: So there are times you have been asked to do work that has already been done?

Mr RITCHIE: Yes.

Mr GUNNER: Okay.

Mr CHAIRMAN: Do you see the future of BIHA as being secure, because the history of housing associations on the two islands was that there were two other housing associations, there was one at Milikapiti and one at Garden Point, and both were dissolved under the – I think it was in the days of TILG, when the Tiwi Island Local Government amalgamated everything, but the one survivor was the Bathurst Island Housing Association. So is there any threat to your future, or do you think it is pretty secure?

Mr RITCHIE: I think there is always a threat.

Mr CHAIRMAN: Yes, that is right, but it is a Tiwi business too, is it not?

Mr RITCHIE: Yes, it is a Tiwi business.

Mr CHAIRMAN: So where do the funds go back to that you make? Who...

Mr RITCHIE: The funds we get, which is an income, that generally goes back to the community.

Mr CHAIRMAN: So you are not relying on government funds?

Mr RITCHIE: We do have grants.

Mr CHAIRMAN: Yes, and what are those grants used for?

Mr RITCHIE: We have had cement trucks, tip trucks ...

Mr CHAIRMAN: For assets?

Mr RITCHIE: Yes.

Mr CHAIRMAN: Generally speaking, besides your apprentices, who pays all your wages? Does that come from the work you do?

Mr RITCHIE: Contractor work.

Mr CHAIRMAN: So it is pretty well self sufficient?

Mr RITCHIE: Yes. It is basically - if the alliance decide to give all our work to someone else, we have to look elsewhere.

Mr CHAIRMAN: You are entitled to look for other work? Like if the school needs some work done on it, do you ...

Mr RITCHIE: Yes, we could work for the school.

Mr CHAIRMAN: Yes. I have been asking Ian about the history and the role of BIHA in the community. I do not know whether other people have got any other questions. I am asking about the duplication; if that is a good thing and, where the shire does do housing work because it has a contract with NT Housing, and whether we should have one body doing the maintenance. Do you actually compete against the council? Is there some competition there?

Mr RITCHIE: From the meeting I had yesterday, they know our rates, I know their rates.

Ms SCRYMGOUR: The council used to collect all the rents for BIHA.

Mr RITCHIE: Yes.

Ms SCRYMGOUR: It used to work quite well.

Mr RITCHIE: Yes.

Ms SCRYMGOUR: I thought it was crazy for the shire to take over housing.

Mr ELFERINK: Are you established on a business model? Do you have a business plan, that sort of thing?

Mr RITCHIE: I have seen business plans in the office since I have taken over. Obviously, being a new manager ...

Mr ELFERINK: The reason I ask is because with these leasing arrangements, particularly - the oil program is going to produce private home ownership in this town,, you would probably be in the best position to do home maintenance as a paid for service, like a normal business would in Darwin. Are you satisfied your business model is prepared for that arrangement, particularly if, as we have just heard from the local land council, they are looking at expanding this leasing idea to marinas and that sort of thing? Your position would go from – and I do not mean to be condescending, but essentially charitable, to very much on a business footing, especially if you were going down to the local marina and that sort of thing to do maintenance work for the body's corporate. Is the business model ready for that?

Mr RITCHIE: At the moment, no, but there is a plan in place to keep on with the full O H and S standards. We have just got the accreditation, which was a big step last year, so we can now tender for work over \$3.5m. That was a step forward the last management took. From what I can see since I have

taking over, this is purely a building business; that is it. We get work in from the shire council; if that work stops, income stops. We get work from the alliance. The whole business plan there is nothing at the moment to say ...

Mr ELFERINK: If, for argument's sake, the Tiwi Land Council does choose - I heard, and it was almost a footnote to a conversation - they were talking about releasing some distance of shore frontage for that sort of development, and you have identified yourself as essentially a building company, are you engaged in talking to the land council about getting into contracts rather than the land council having to set up a business from the ground up to employ local people? You are exceptionally well positioned, if any such development occurs, to become the employer of local people, to provide building work for private developments essentially. Have you engaged, or started to engage the land council at that fashion in this stage, or will you have plans to?

Mr RITCHIE: As I said previously, I have had no dealings with the land council over December. Obviously much of that was the Christmas break.

Mr ELFERINK: I understand you have only just arrived, and please do not interpret anything I am saying as a judgmental thing. I am very keen, having lived for 40 years in the Northern Territory, to see as much Aboriginal employment as can possibly be generated, and I actually look to organisations like yours to position themselves when those opportunities arise, I just see an opportunity for potential employment. I am curious as to how much potential has been paid to that at this stage, or whether you were going to look at that in the future.

Mr RITCHIE: I will be looking at it, but obviously it is early days for me.

Mr ELERINK: Mate, you have been here for 10 minutes, I would not expect you be dealing with anything more than your immediate environment.

Mr CHAIRMAN: You do not have to answer this question, but we have looked at some houses around the place to see the SIHIP houses. Have you had a look at, say, the Chinese style house? What do you think of that house? Do you think that house is going to be a higher maintenance type house?

Mr RITCHIE: Which house is that?

Mr ELFERINK: The China houses; the Styrofoam jobbies with the ...

Mr CHAIRMAN: There is one down at Coconut Grove which is painted blue on the outside.

Mr RITCHIE: Yes.

Ms SCRYMGOUR: That is the (inaudible)

Mr CHAIRMAN: Yes, but it is a Chinese package house.

Mr ELFERINK: It is one of these Chinese kits.

Mr CHAIRMAN: Chinese package houses.

Mr GUNNER: Kits, Chinese kits

Mr CHAIRMAN: I do not know whether you had looked at it.

Mr RITCHIE: No, I have not looked at it yet.

Mr CHAIRMAN: You have not? Because on the surface you can say: a cheap house, it will do the job; but one of the issues will be maintenance?

Mr GUNNER: Longevity. Longevity of the house.

Mr CHAIRMAN: Yes. I thought, being new, you could give us your point of view without too much worry.

Mr RITCHIE: No. I have seen the house and I know which one you mean, the blue one. It is just on the right as you go in. I have not been inside it yet.

Mr CHAIRMAN: Will your association have the potential or the capacity to do a house, which we might call a display house, but at least have the funds behind you to build a small house for people? People would know the local conditions; you know what to build, as an example of putting it out to people to say: this house is up for sale. Someone would like to buy it, so you could get into the actual private housing market as distinct from the NT housing market. Is that a future way you could ...

Mr RITCHIE: I have thought about it because I have come from that sector back in Queensland; I was buying land, building a house, and selling. I know what people pay for rents here and what prices they pay for renovations of houses, and I do not know how much interest there would be.

Mr CHAIRMAN: It would be a little risky in a sense, but it might be a good risk. So, in theory, you could actually lease a block of land if one were available and, if there was enough money, build one and then try and sell it, so you are actually producing income.

Mr RITCHIE: We already have one lease on a block of land in the (inaudible), a half finished house.

Mr CHAIRMAN: You are building the house?

Mr RITCHIE: Previous management started building it by contractors, and it got to the frame stage and stopped.

Mr CHAIRMAN: I believe I may have seen that house; it has some struts holding it up.

Mr WESTRA van HOLTHE: We drove past it from allotment to allotment

Mr RITCHIE: (inaudible), yes.

Mr CHAIRMAN: Yes, it has got some struts holding it up. Who will that house be for?

Mr RITCHIE: It is for contractors when they get over .

Mr CHAIRMAN: Does anyone have any questions?

Mr ELFERINK: Yes, quick one. You say you build houses outside the SIHIP model?

Mr RITCHIE: I have. Personally, myself, yes.

Mr ELFERINK: How much did that cost you? Not you, personally, but how much did it cost the organisation to build?

Mr RITCHIE: Sorry, not me as in the company. That was before I got here.

Mr ELFERINK: Do you know how much that cost when it was built?

Mr RITCHIE: No, I do not.

Mr ELFERINK: Can you find out for us, and let us know? Just a quick specification of the house, like three bedrooms, that sort of information.

Mr RITCHIE: You have seen the frame that is standing near the old.

Mr ELFERINK: No, cannot say I have paid that much attention, but clearly Gerry saw it, and take your word for it.

Mr RITCHIE: Opposite the store ...

Mr CHAIRMAN: Yes.

Mr RITCHIE: ... you have got the old pool and the road that leads up to here. There is a frame standing there, a blue metal frame. That contract is \$570 000, I think, that is the building cost. That is for eight people.

Mr ELFERINK: For eight people. How many rooms?

Mr RITCHIE: Four bedrooms, so a family, it is a large house.

Ms SCRYMGOUR: Is that Walter's house? It is on this side is it? O'k?

Mr RITCHIE: Yes.

Ms SCRYMGOUR: Near the store?

Mr RITCHIE: Yes.

Mr CHAIRMAN: I suppose the reason we asked you to come was to get an overall idea of how it all fits, because we know SIHIP is doing houses and the council has got an involvement in housing and you have an involvement in housing, in fact, (inaudible) goes back to the days of Iliangilli Association which goes back to the 1970s. So it has a long history of it you know building houses and most of the Pederson) houses were put up by the housing association.

Mr SCRYMGOUR: By Bert O'Donnell.

Mr CHAIRMAN: Yes, by Bert O'Donnell, that is right. Their camp was up the back past the existing camp.

So it is just interesting to see whether its role should be greater and leave the council to not worrying about housing, because you would have to ask whether that is the council's core function, or if you have a housing association, you do it and you let them do the other jobs that they ...

Mr RITCHIE: I personally believe it should be greater, we should have more work coming to us, work from the alliance for demolition and renovations.

Mr CHAIRMAN: Yes.

Mr RITCHIE: (inaudible). They are quite willing to pass on work to us.

Mr CHAIRMAN: You do not have to tell me this because they are here, but do you get on well with the alliance?

Mr RITCHIE: Yes.

Mr CHAIRMAN: That is good. Working in partnership is certainly much better.

Mr ELFERINK: No further questions.

Mr CHAIRMAN: No further questions. Thank you Ian, for coming. We hope to be back anyway, and maybe things ...

Mr RITCHIE: I will have more information for you next time, by then.

Mr CHAIRMAN: It is good to know that you are also employing a large number of Tiwis. That is a part of what this is all about.

Mr RITCHIE: Well I took over in the start of December, I have employed three new ones since then. (inaudible)

Mr CHAIRMAN: There has been a history of building on Nguuiu, so there have been people who have been involved in house construction. Thank you very much.

DEPARTMENT of HOUSING, LOCAL GOVERNMENT and REGIONAL SERVICES
Matthew Fagan, Director, Service Delivery Coordination Unit

Mr CHAIRMAN: I declare open this meeting of the Council of Territory Cooperation and welcome the witness who is appearing before the council to provide information in line with the council's terms of reference. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances, the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee. You are reminded that evidence given to the committee is protected by parliamentary privilege. For the purposes of the *Hansard* record, I ask that you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak. Once again, I apologise for Ms Alison Anderson not being able to attend today. If you could state your name, thank you.

Mr FAGAN: Matthew Graham Fagan, Executive Director, Service Delivery Coordination Unit, Northern Territory government.

Mr CHAIRMAN: I do not whether you need to be introduced to all of us, I believe you have seen enough of us around. Thank you, Matthew. We have you down here, we will be interested to know what your role is. I should also explain, if you are wondering why the council is a little cautious about public servants turning up to some of these meetings, but we feel that we have to allow the witnesses to come and tell us exactly how they feel, and you would understand that, sometimes, if someone is sitting out the back there, they may be reluctant. It is not about you. We actually had a meeting last week about this issue, because we had other people who wanted to come. We had a vote on the issue and we decided we would rather people give their information freely. It is not necessarily a personal thing, but it is a good way for the council to operate.

If you would like to give us a rundown on what your new role is. Obviously, you have had a few roles over the time I have known you. What is your role presently?

Mr FAGAN: I head up the Service Delivery Coordination Unit, and it is charged with the implementation of *A Working Future* policy and the Remote Service Delivery National Partnership Agreement. It is a unit which incorporates staff from across all relevant Northern Territory government agencies. It reports to a committee of chief executives; the Remote Service Delivery Subcommittee of Chief Executives Coordination Committee, and also reports to a joint Commonwealth - Territory Government committee called the Remote Service Delivery Board Management, established under the Remote Service Delivery (RSD) national partnership.

The unit also supports the role of the Northern Territory Coordinator General for Remote Services, Mr Bob Beadman. We provide his secretariat function, and some research functions for him. We are also the primary point of contact for the Australian Government coordinator General for Remote Indigenous Services. In addition, late last year, government gave us the role of a central coordination point for leasing on Aboriginal land, both in terms of case managing the leasing of Northern Territory Government infrastructure on Aboriginal land, and also participating in township leasing and section 19 site-specific leasing as well. We also provide secretariat functions for the two boards I spoke of previously, the Chief Executives, RSD sub-committee and the RSD Board of Management.

Mr CHAIRMAN: Is there some sort of matrix of how all this fits? Are we able to get a diagrammatical feature?

Mr FAGAN: Yes, I can provide it to the committee out of session.

Mr CHAIRMAN: There is one thing which worries me on where we are going with all these changes, especially in remote communities. We have SIHIP, we have local government reform, we have *A Working Future*, which has about six separate sections to it, and we sit here with a group of Aboriginal people today. Do you think there is risk we are leaving them behind because of the mammoth amount of tasks government is trying to do, which is backed up, I suppose, by a mammoth amount of bureaucracy, and the people we are trying to help are left behind simply because the system is leaving them behind? How are the people on the ground being affected by all these committees and groups that are being established?

Mr FAGAN: I think of all the risks associated with the sustainable development of the Northern Territory, the risk of leaving people behind, as you said, is perhaps the greatest risk, and one I think it is fair to say, particularly over the past few years, that governments have not attended to well.. The thing which

gives me hope we are turning the corner on that is at the foundation of *A Working Future* policy implementation, and the remote service national partnership agreement, is the concept of a Local Implementation Plan with each of the growth town sites, and each of the remote service delivery sites around Australia. There are 29 remote service delivery sites around Australia; we have 15 in the Northern Territory, all of which are Territory Growth Towns. One of the central purposes of the local implementation plan is to draw together all the bits in the puzzle into an agreement with government that local people own, and by which local people can hold government accountable. So it is to draw in all parts of service delivery - in this way SIHIP is part of the housing 'building block' of the plan. Local government is part of the planning process, remote policing is part of it. All the work going on around community engagement in terms of community safety and alcohol management planning is part of it. It is a reality there are literally hundreds of existing plans that have been run by individual agencies with communities that are sitting on shelves gathering dust because either they have not been done in full consultation with the communities or, once they have been done, have not been implemented in consultation with the community. That is what we are trying to address.

Now, when you go to remote towns and talk to this model, I believe it would be fair to say that people look at it and go: 'Well, basically that is what we have been asking for; but we do not believe you. We have had people coming to us before and saying that there is going to be plan that wraps it all up for government to be coordinated and joined up and that local people will be the leaders of the process. It is a big ask of us to take you on faith that this process is going to be different than last time'.

And I suppose our rejoinder to that is to say: 'Well, that is fair enough, but we have to give it a go..

Mr CHAIRMAN: Well, we are at Nguiu, and it is a great town. Now, if I was a resident of Nguiu or even on the council, would I yet know anything in reality about Working Futures and what is going to happen? Is there a local government implementation plan for Nguiu, and has it actually filtered down to the council or even the community in general?

Mr FAGAN: There is a community reference group that is in the process of being established with local people, and it will have its first meeting this month; it will meet this month.

Mr CHAIRMAN: Will that meeting be for here?

Mr FAGAN: Just for Nguiu, yes. Every single one of the growth towns will have a community reference group established. It will mostly be based around the local government/local board and other stakeholders brought into the process as well. You will also find there are people we have consulted with – in fact, three of your previous witnesses went all the way to Canberra at the invitation of Minister Macklin and participated in some of the original thinking about how this model should develop, it was good to see them here again today. So there are members of all of the ...

Ms SCRYMGOUR: Who was that with, the land council?

Mr FAGAN: Not just the land council, but people nominated by the government business manager to attend that.

Mr CHAIRMAN: He is not there.

Mr ELFERINK: Nominated by the government business manager?

Mr FAGAN: Yes, that was the process.

Mr ELFERINK: Who is the government business manager?

Ms SCRYMGOUR: John Ramsey.

Mr FAGAN: Yes, John Ramsey.

Mr ELFERINK: Have we seen him here today?

Ms SCRYMGOUR: No.

Mr CHAIRMAN: We probably should have asked him.

Mr FAGAN: He is on leave.

Mr ELFERINK: So you are let off the hook, Gerry.

Mr FAGAN: I should have said probably previously, in terms of the structure here we had a matrix of teams, but one of the arrangements in the Remote Service Delivery National Partnership Agreement is that the Government Business Managers and the Indigenous Engagement Officers in each of those 15 sites are now part of a joint management arrangement with the Territory government. So that is one of the significant policy shifts as a result of the RSD National Partnership.

Mr WESTRA van HOLTHE: Could you just clarify, just in the 15 towns, not the 20?

Mr FAGAN: Fifteen of the towns, that is right.

Mr WESTRA van HOLTHE: So the other five will not be involved in that process?

Mr FAGAN: A similar process to that occurring under the National Partnership Agreement is occurring in the other six. I know 15 and six does not add up to 20; the reason for that apparent paradox is because in the 15 the Commonwealth counts Umbakumba and Angurugu as separate places where as we treat them as twin towns under the growth towns policy. So in the six additional sites there is a similar process of local implementation planning based on baseline mapping of services and a long-term plan to get people from the baseline to the agreed standard of service delivery. With these six towns, the Territory will be leading the process, with the assistance of the Commonwealth, but they are not part of the National Partnership Agreement.

Ms SCRYMGOUR: How is that any different to what FACSIA are doing with the municipal and essential services audit that they have just commissioned?

Mr FAGAN: Well the municipal and essential services audit is part of the overall baseline mapping. So the municipal and essential services' audit is the 'baseline mapping' of municipal and essential services.

Ms SCRYMGOUR: Can you see why people in communities are getting a bit cynical and confused though, because there are a whole lot of audits being done and, as I understand, FACSIA are about to conduct another audit on this unit and they have got GHD now running out to do this stuff. Where is all this data going to? Is it going to a central repository somewhere so that people – who is it benefiting? Is it for both Commonwealth and NT governments to get better services for these growth towns?

Mr FAGAN: In terms of baseline mapping, it is the most comprehensive process of baseline mapping that has been conducted in remote parts of the Territory ever. It is covering education services, health services, justice services, municipal and essential services. The process by which it is being conducted is the FAHCSIA are paying for it. They have a team of consultants, such as GHD, to conduct the baseline mapping.

Mr CHAIRMAN: Who is FAHCSIA by the way? Is it NT or Commonwealth?

Ms SCRYMGOUR: No, it is Commonwealth.

Mr FAGAN: Commonwealth department.

Mr CHAIRMAN: That is all right. We have one similar, do we not?

Mr FAGAN: That information is being put together in a cooperative arrangement involving our unit and the Office of Indigenous Policy Coordination inside of FAHCSIA. That information is then to be used to inform each one of the Local Implementation Plans. The community will get a very clear idea of where they stand across a range of services against the comparator and of the service standard they should expect.

Ms SCRYMGOUR: So, the comparator, when I have a look at what FAHCSIA is doing, the comparators on this study is Nhulunbuy, Jabiru and Alyangula, I believe, the three mining towns in the Northern Territory.

Mr FAGAN: Not quite. That was the original proposal and one of the good things about having a joint arrangement with the Commonwealth....

Ms SCRYMGOUR: So what are they comparing it with now? What is the comparative?

Mr FAGAN: The Territory put a very strong case that those three comparators identified by FAHCSIA would not give a proper picture for a number of reasons, including the fact that they are mining towns. What we have asked and received is that we look at a whole range of national standards that exist. So, rather than having just the comparator information, we also throw in there national standards for a range of services. That goes into the mix with the information from the comparators and then in addition we will look at the comparator information from some of the other non-Indigenous towns that are being assessed in other jurisdictions. For example, Winton in Queensland is one of the towns that is being used as a comparator.

Ms SCRYMGOUR: Is that not like the same thing when Maningrida was the study, where I think it was Gympie. Was it Gympie?

Mr FAGAN: No, it was Gundagai.

Ms SCRYMGOUR: Gundagai was compared to Maningrida. It is like apples and oranges.

Mr FAGAN: In terms of things like power, water, sewerage and roads, it is a fair thing to look at comparatives in other remote communities - as I said, for want of a better term non-Indigenous remote communities - and look at the standard that exists there and the standard that currently exists in many of our remote towns. Essentially, a road is a road and we should be able to maintain certain standards.

Ms SCRYMGOUR: I am not arguing against it. If I look at Maningrida, which has a population of 2600, and I look at Jabiru, which is a population of less than 1500, and I look at the infrastructure that has been put into Jabiru versus Maningrida, I mean, you do not need to say any more. You do not need to convince me about that. I am just saying, all this data, all this auditing is being done, what is going to be the end process of it all with the growth towns. I am constantly being asked again and again, people ring up and say another audit is being done, but when are we going to see a change happening? We are sick of participating in audits and nothing is happening. That is the basis of it. We are doing another audit. We are getting more baseline data, but no more houses are being built, or no extra houses, or no more extra benefits are happening for people, so how is another audit going to help?

Mr FAGAN: Well, I understand that sentiment, but the bureaucracy has been asked to assist with building an evidence base. I cannot speak for the past, but what I know now is there is no clear evidence base in place, so it is about establishing what the baseline is and establishing a comparator, in consultation with the community. So we are saying here is where we are, and we agree on that with the community. And here is where we need to get to, and we agree on that with the community.

Ms SCRYMGOUR: What is that gap?

Mr FAGAN: The local implementation plan sets out how to get from the baseline to the agreed standard...

Mr WESTRA Van HOLTHE: What time line are you looking at for the completion of the baseline study?

Mr FAGAN: At this stage it should be completed by April this year.

Mr WESTRA Van HOLTHE: April this year?

Mr FAGAN: I will say the original deadline for the baseline happening was November last year, but it has been pushed out. The latest I am advised is it will be April this year.

Mr ELFERINK: Why is it five months late?

Mr FAGAN: There are a variety of reasons. The major reason has been the tendering process FAHCSIA undertook to get consultants to do the baseline mapping – the timelines for this slipped.

Mr ELFERINK: Any other reasons?

Mr FAGAN: There is a large amount of information to go through. For example with power, water and sewerage, I think the consultants, in some cases, were surprised about how much information PowerWater have and the detail to which they had gone in collecting information on power, water and sewerage. The volume of information, it would be fair to say, was underestimated.

Mr ELFERINK: That was on BAMS was it not?

Mr FAGAN: Not really. Not in terms of flow rates and up to date power systems analysis....

Ms SCRYMGOUR: If they were collecting data from outstations that would not be on BAMS.

Mr ELFERINK: That is true.

Mr FAGAN: So, the nature of the delay has been largely associated with...

Mr WESTRA Van HOLTHE: Has been what, sorry?

Mr FAGAN: ...the tendering process. The process of contracting consultants to undertake baseline mapping.

Mr WESTRA Van HOLTHE: When was this process begun in terms of government making a decision to say we need this baseline data, let us start now? When did that occur?

Mr FAGAN: The implementation plan for the national partnership agreement, which provides the funding for it, was signed in August last year.

Mr CHAIRMAN: When that information is put together ...

Mr WESTRA Van HOLTHE: They expected to have it done in three months?

Mr FAGAN: Yes..

Mr ELFERINK: This was a FAHCSIA driven demand, I suspect.

Mr CHAIRMAN: When this information is put together, will that be public information?

Mr FAGAN: Yes.

Mr CHAIRMAN: We would be able to get a copy of the outcome? I would like to see what is happening as it is going along, and it would worry me if it starts to stall. Once you have the baseline data let us move along, because I see all these targets in the document that Bob Beadman produced and I would like to see those occur. If we could be part of pushing this to get some momentum - if we could get some of that baseline information it would be great. How many communities, altogether?

Mr FAGAN: The first tranche will be in the 15 RSD sites, the second tranche will be the six additional growth towns, and then the long-term plan is to do the same for all communities in the Territory. But we are biting off the chunks we can chew, so to speak..

Mr ELFERINK: Some procedural things, if I may. You are attempting to draw in all the functions of government and Bob Beadman describes his function - you provide secretarial support to his role. Clearly his role is to create a marriage between the various departments in how services are delivered. One of the departments incorporated in your structure is the department of local government. Having spoken now to several local governments, I am becoming a little concerned that what comes out of your section is an attempt to marry up all of what these various departments are trying to do. It concerns me in one respect of how that then flows back down through the departments. Take the department of Local Government; if it is trying to make your model work, and I understand you are hand in glove with FACSIA on this as well, it then means that a decision will be taken about a certain course of action, which may have an effect on local government. With the new shires in place, those shires are in what I would call a fairly proscriptive environment; they have business plans which basically say, in bullet point, what they will and will not do, they are subject to a fairly proscriptive *Local Government Act*; I am concerned that the effect is when local government trying to enact the agreements and the arrangements reached in your environment, then go back to the shires and start to deal with them, walk in the door, in an environment which is already seen as excessively proscriptive, then trying to get the agenda of what is happening with you guys into the local councils, and that is causing grief. Would you care to comment on that?

Mr FAGAN: Yes, certainly. The Local Implementation Plan are to be agreed between, at the very least, the Australian government, Northern Territory government and the relevant shire. In respect of each of

these Local Implementation Plans, local government has a seat at the table in terms of what those plans look like, and we have made it very clear that what we are going to do is incorporate the shire service delivery plans, just as we will incorporate SIHIP and we will incorporate all other...

Mr ELFERINK: If the shire seeks to organise itself in a particular fashion and give itself a particular structure, which either offends or potentially offends that proposal, what happens?

Mr FAGAN: You have hit the nail on the head about the real change that needs to occur in order for place-based planning and service delivery to occur. It is not just the shires, it is all...

Mr ELFERINK: My interest is specifically with the shires.

Mr FAGAN: ...all agencies, including the Department of Housing, Local Government and Regional Services, it would be fair to say have been used to be coming up with a program and rolling it out across regions and across the Territory – or more or less having a programmatic approach to the way they do service delivery. What we are after is that this approach be flipped on its head. We are asking for community place-based planning and service delivery. Local people and local governments help to set the agenda...

Mr ELFERINK: I accept all of that, but this then brings me back to my question, which was quite specific: if a shire chooses to structure itself in a fashion which offends the models that are agreed on by the Department of Local Government, in one fashion or another, or in some way is out of step with the models applied by your organisation, fed back through, what actually happens? The shire sits there with its plan and says: 'All right, we have this plan together, this is how we are going to structure ourselves because we have to do it within budget, and we have determined this is how to do it' Off they go to the Office of Local Government, which says: 'No.' What actually happens? How does that intercourse take place?

Mr FAGAN: First of all I would say, which I think you have taken as a given is that a council must operate within the law, the *Local Government Act*. My understanding, and here we are coming into the policy area as much as the administrative area, but I will go across the lines if necessary ...

Mr ELFERINK: Please feel free; I will not hold you culpable for anything.

Mr FAGAN: ... is that the agreement signed off by the Australian government, the Territory government and the Local Government would prevail over a suggestion or a directive or anything that a bureaucrat within the department of Housing and Local Government ...

Mr ELFERINK: At the risk of oversimplifying it then, if a shire's plan offends the agreement between the Territory and federal government then, stiff, basically, for the shire's plan?

Mr FAGAN: I think this process is one of agreeing what we can agree to in these plans to allow these plans to go ahead. I think where the rubber will really hit the road, where we will get to the tricky part of this is when all of these ways of operating for each growth town have gone into an agreement. Its where we can get all those teirs of government to sign up, and that is the challenge.

Mr ELFERINK: I appreciate that, but my concern is how onerous then, for argument's sake, the Department of Local Government becomes, and the reason I am picking on Local Government is because there is another group of elected people underneath that, which are your shires themselves, and they are elected people, so they carry an imprimatur that a department does not necessarily carry, other than beyond the policy settings of their own local government. They have a mandate, which is quite real, but what concerns me is that what is happening in the real world is that there are certain shires who are trying to restructure themselves in fashions where they can afford to exist, let alone deliver services. The imposition that council, for argument's sake, has thrust upon many of these organisations has been onerous, to say the least.

What the experience of these organisations has been, and I have spoken to them, both informally and formally, is that they then go back to the Department of Local Government, and Local Government says, 'sorry, you cannot do that. This is going to be your structure'. And I suspect what is happening is the Department of Local Government is actually being driven by what is happening in the organisation in the arrangements in your organisation, which is trying to marry things up, and it is actually causing friction down at the coalface amongst a bunch of people who actually carry a mandate, and I am concerned about that. I

am just wondering, has your attention been drawn to this particular issue and, if so, what are you doing to offset that effect?

Mr FAGAN: It has. There have been a number of things in local government that has been drawn to our attention. The other one is the time it takes to apply for, process and acquit grants, right through the year, such that it is a highly inefficient process ...

Mr ELFERINK: It is very hard to plan around something like that.

Mr FAGAN: ...well, recruit and all those things. And I note recommendations in Bob Beadman's report support a move to five year funding agreements in line with or according to the existing reporting requirements in the *Local Government Act*. But, I do not know the basis upon which the Department of Local Government can dictate to a shire its organisational structure. I do not know ...

Mr ELFERINK: Well, there is no legislative basis, but it is still being done at a policy level.

Mr CHAIRMAN: But does the *Local Government Act* bind them to those business plans, and all the business plans I have seen are all exactly the same?

Mr FAGAN: But the shire council can determine its own business plan. Again, that is not prescribed by the Territory government.

Mr CHAIRMAN: The model looks very – every shire I have seen a business plan that is pretty well exactly the same.

Ms SCRYMGOUR: What the shires are saying is ...

Mr WESTRA van HOLTHE: Well, they are all part of a template, like a standard (inaudible).

Mr CHAIRMAN: Yes. So you reckon they can move away from that if they want to?

Mr FAGAN: I believe that they have got a high degree of autonomy in the Act. What I say is that, if a particular shire had an issue such as the Member for Port Darwin is raising, I would welcome them coming to our unit and working through it. One of our jobs is to try to improve the way that services are being delivered, and if service delivery could be improved by a better organisational structure, and they were facing a blockage within any department, we would be happy to take up the matter for them, as I am sure would both coordinators-general..

Ms SCRYMGOUR: Well, that seems to be a theme coming through a lot of the shires.

Mr CHAIRMAN: I will lead this on to a bigger question, what seems to happen is a lot of these councils still raising their own money, forget the commercial side, simply have the higher cost of administration than what they raise or, as someone said, it is \$2m a year for ShireBiz. That is more than this council raises out of its own revenue. If we are going to have a growth town, and the councils are going to be running those growth towns, there will have to be some other way that these councils are going to get funded to actually achieve what their role normally is. With these growth towns, will there be sustained income for these councils to make them run these towns?

Mr FAGAN: The issue of local government funding is something our unit has been asked to address by both coordinators-general - the Commonwealth and the Territory government coordinators-general - and I am hoping it is something which we can report back to both governments.... (inaudible)

Mr CHAIRMAN: You do not want to be taking money out of the pie of local government because it is too small already, as we know. Is there a plan to convince the federal government if you support the amalgamation of councils – I know when this debate was on there were promises of extra help from the federal government. If they really want local government to be able to run these growth towns, someone has to back them up with more money than they have at the present time.

Mr FAGAN: I think a Local Implementation Plan, signed off by the Federal Government and the Territory Government, is an excellent vehicle for the shires to put that view around their funding and have it addressed in one form or another, and we would be happy to help them pursue that.

Mr ELFERINK: The other concern I have is the nature of tied grants, and I believe a small majority are Northern Territory government grants, so they are tied to specific outcomes - we all know what tied grants are. The discretionary funding for a council is basically limited to what they derive through rates and FAGs, which invariably becomes a small slice of what their overall expenditure is. In terms of creating those growth town arrangements, will tied grants to be administered by local government be dictated to by those arrangements in the growth towns, or will local government be simply given greater latitude to meet those goals by freeing up some of that tied money?

Mr FAGAN: I believe where a council is providing a service on behalf of a Commonwealth or Territory government agency, the nature of the grant will always be tied to some degree...

Mr ELFERINK: Yes, (inaudible).

Mr FAGAN: ...but, to answer your question, I think it is probably the latter what we will try to achieve is to make the administration of those grants more straightforward, cut the red tape, and make them long enough to do appropriate planning and proper recruitment of staff to work in those programs, and proper Indigenous employment programs etcetera etcetera.

Mr ELFERINK: Yes, I see it as a convenient vehicle, particularly in this environment. I know you are limited to shires more generally, but your local government area, your land council area, and I presume the growth town area, are almost inseparable because of the cultural similarities driving all of this. Your shire is best to deliver any number of services. We have seen their numbers here. They are enormously structured by tied grants. Their discretionary funding is next to zero. Specifically in this environment, we have had the added component where whilst they can raise rates, there was a service fee which – and I understand rates are pretty much set by the Territory government through this system. The service fee used to be a supplemented rate, or a poll tax, or any number of descriptions, which is now actually even more serious (inaudible) their discretionary funding, to the point where I ask what is the point of having a council. \$800 000 of discretionary funding is an administrative decision; it is not a council decision anymore. I am concerned the councils are actually being sidelined by this process and particularly in this environment, because it is probably more pronounced here than it is in other environments. The way to relieve some of that pressure is to broaden the interpretation of what the grant is tied to so you can give a broader interpretation and say it is a health grant to deliver X number of these things. Why not a broader health grant, administered by the shire, for argument's sake, and it is probably not a good model, but you know where I am coming from, to at least give local government's imprimatur.

Ms SCRYMGOUR: Or put back service fees.

Mr ELFERINK: Or recommend a legislative change that says we can enable services ...

Ms SCRYMGOUR: This council, before - with service fee - that airstrip would not have been sealed or the lights on that oval – the lights on the airstrip were actually put there ...

Mr CHAIRMAN: The lights, but not the sealing.

Ms SCRYMGOUR: No, the lights on the, sorry, airstrip were paid for from service fees. The council was able to charge everyone and they put lights on there.

Mr ELFERINK: I believe the overall impression that I am getting from shires, particularly with the government's focus on growth towns, is the shires are almost being sidelined in this process. To put not too fine a point on it, it is shitting people to tears, and I believe that is one of the greatest challenges you have. You have acknowledged it to a degree, when you acknowledge that: 'We do not believe you' is the response, and I believe there is a basis of that there.

Ms SCRYMGOUR: Can I just ask a question?

Mr FAGAN: Can I take away two points, one of which is in relation to funding. I think increasing the amount of discretionary funding of shires as a proportion of their overall budget is the aim, and I would take back from this conversation your idea about ways to do that by freeing up tied grants. In respect of the shire council's involvement in this process, I have met with a number of the shire councils over the past six months. Of these meetings, I think the MacDonnell shire expressed it really articulately, I went to their meeting down there, and they said, "you talk about putting a single government interface in place, well we are part of government, when you talk about a single government interface you are talking about the Australian Government and the Territory Government, but not about local government. They say, you talk

about national partnership agreements with the Council of Australian Governments, and yet you sign an implementation plan, between the Territory and Australian Governments, you do not sign it with Local Government.

They were all great points and absolutely spot on. Personally, as the person heading up the Service Delivery Coordination Unit, and also, I believe, more broadly as the government, we have taken measures to involve shire councils and involve people in baseline mapping, even though some of them may see it as humbug. We have LGANT on the RSD Board of Management in addition to a representative of the Chief Executives of shire councils as well. We are meeting with them on a regular basis and have involved them in the review of our implementation plan. I believe we were behind the eight ball at the start with their involvement, yes; but have we picked it up since then? I believe so.

Mr ELFERINK: All right, if now ...

Mr CHAIRMAN: We will have to wind up.

Mr ELFERINK: ... if the Department of Local Government then is dictating the administrative arrangements of councils then it is not really any direct result of any function that you are fulfilling and it is something which is coming out of local government itself?

Mr FAGAN: I would say our ethos is to achieve the exact opposite, which is to have shires which function autonomously, creatively and productively as possible.

Mr CHAIRMAN: One more question.

Mr ELFERINK: That is fair enough. Thank you, Mr Chairman.

Ms SCRYMGOUR: Can you then get the department to operate a little differently then because that is something which is not happening with some of the shires; they are having great difficulty, and it is not just this shire it is also West Arnhem.

With the national partnership arrangements where you have both FACSIA and the Commonwealth and the Territory, the role of Government Business Managers, what is that evolving to? I was probably the most sceptical about Government Business Managers on the ground in communities; I have since changed my opinion of that, there are some fantastic men and women on the ground in these communities. I heard that some of them are being removed out of communities, and it is because Jenny Macklin does not want them dependent, or the Commonwealth does not want the community to become dependent on the Government Business Managers, which is having a huge impact. I was going to take this up with Bob as well, to take up with Brian Gleeson, because there have been a couple of government business managers who have been taken out of communities where they were starting to make a real difference. The question is, is the Commonwealth having discussions with the Northern Territory about what is happening with the role of government business managers in communities?

Mr FAGAN: Yes. In respect to those 15 RSD sites, we moved to joint management arrangements and we are involved in the recruitment but subject to existing arrangements - obviously bringing in a whole range of FAHCSIA HR principles, the whole history of the way the intervention was put into place. They are still, for the purposes of a corporate structure, employed by FAHCSIA, so it is initially a joint management arrangement. I know that together both governments are looking at a whole range of things with GBM's. For example, this is a personal view, if I can have one, I do not know if it is sustainable for government business managers to not have their families or their partners with them.

Ms SCRYMGOUR: That is right.

Mr FAGAN: I understand that they are not even allowed to have a dog with them.

Ms SCRYMGOUR: No.

Mr FAGAN: It cannot be sustainable in the long term when you are away from your family for so long, and I think that, when you bring your family with you to work on remote communities, the community owes you that little bit more.

Mr CHAIRMAN: All right, thank you very much, Matt. If you are going to be with this job right through to its final days, I think we will be seeing you more often, because it is a very important part of what we are doing. Thank you very much for coming today. Thank you, everyone, for your input.

END OF TRANSCRIPT