



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY
COUNCIL OF TERRITORY CO-OPERATION

Members:

Mr Gerry Wood, MLA, Member for Nelson – CHAIR
Ms Lynne Walker, MLA, Member for Nhulunbuy
Ms Marion Scrymgour, MLA, Member for Arafura

PUBLIC HEARING, TUESDAY 14 DECEMBER 2010

Witnesses:

Australian Government – Department of Families, Housing, Community Services and Indigenous Affairs, represented by:

Mr Ian Boyson, Executive Director, Remote Housing, SIHIP
Mr Barry Johnson, Executive Director, Regional Operations Centre

NT Government - Department of Housing, Local Government and Regional Services, represented by:

Mr Ken Davies, Chief Executive
Mr Andrew Kirkman, Executive Director, Remote Housing, SIHIP
Mr Karl Dyason, Director of Implementations, Service Delivery Coordination Unit
Mr David Alexander, Director, Local Government and Outstation Programs

[MEETING OPENED 10.36AM]

CHAIR: I'd just like to welcome everybody here today. I think everybody knows Lynne Walker from Nhulunbuy and Marion from Arafura and myself. So I'll just do the official statement, I should be used to these by now. I might need my glasses.

I declare open this public meeting of the Council of Territory Co-operation and welcome again Mr Ken Davies, Chief Executive for the NT Department of Housing, Local Government and Regional Services, together with Mr Andrew Kirkman, Mr Karl Dyson, Mr David Alexander and Mr Ian Boyson and Mr Barry Johnson from the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs, and thank you all for appearing before us today.

Although the Committee does not require you to give evidence under oath, these hearings are formal proceedings in the Parliament, consequently they warrant the same respect as proceedings of the House itself. I remind the witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of Parliament.

Whilst this meeting is public, witnesses have the right to request to be heard in private session. If you wish to be heard *in camera* please advise the Committee prior to you commencing your answer.

Today's proceedings are being electronically recorded, please state your full name and position before commencing your evidence. As soon as practical following this hearing the transcript of your evidence will be uploaded to the Committee's website, but not before you have proofed it.

I remind Members that personal opinions should not be sought from public servants appearing in a professional capacity.

So good morning and welcome, hopefully the last meeting for the year. Well it will be for CTC, yeah, or maybe for yourselves. I probably should ask just do you want to make any opening statements at all?

Mr DAVIES: Ken Davies, Chief Executive of the Department of Housing, Local Government and Regional Services. I've got Andrew and Ian Boyson with me now and the other officers will come online as we move through the agenda, to the Local Government area in particular and clearly Barry Johnson is here as well to be brought up if we go to the local implementation plans for the Regional Operation Centre, work was going on in the Territory.

Chair, I would like to just say, just in the context of SIHIP, just to give a report on where the program is up to in terms of delivering the commitments around housing and the targets. The target for completion in the program was 150 new houses by the end of the 2010 year, and for 1,000 refurbishments and rebuilds to be completed. As of today, we have 145 completed houses, all to lockup stage. So we think, weather permitting, that we'll definitely get to the 150 new house completion target.

And in terms of the refurbishments and rebuilds, we've got 911 completed and a substantial number that are another 80 or so that are actually underway. So again, we think we'll get to 1,000 target by the end of this year.

Ms SCRYMGOUR: Ken, are you able to further breakdown, like, in which areas that those completed houses are and also the refurbs, in which communities and what packages that they're associated with?

Mr DAVIES: Definitely.

CHAIR: You haven't got the latest matrix.

Mr DAVIES: We can do that, I could go to Andrew and he could work through those, but we could either do that, Marion, or we could actually provide it post the meeting for you.

Ms SCRYMGOUR: Well, whether it's post, the thing ... sorry, Mr Chair ...

CHAIR: It's alright.

Ms SCRYMGOUR: ... and Ken, the reason for my seeking the clarification on which package as well, is that there's still a lot of confusion, like Tiwi Islands and, I think, Groote Eylandt were part of Package 1, and the others came up post-review. So if we can just ...

CHAIR: And our problem is we've had to deal with the 30th of September matrix, in fact we're going to have it on the board here to discuss, and so it's hard to sort of debate or ask questions about a matrix that's three months out of date. And these figures are certainly a lot different than 91, hang on, 76 and 456 we had in September. So 145 and 911. Look, I'll get you continue, Ken, sorry.

Mr DAVIES: So the communities have ... of Milikapiti, Tennant Creek community living areas, village, so that the Ngalpa Ngalpa, Village Camp, Marla Marla, Munji Marla and Wuppa, Ali Curung, Wilora, Nturiya, Pmara Jutunta, sorry Inderia which is Stirling Station, Tara, Laramba, Willowra, Engawala, I mangara and Amoonguna, Areyonga and Atitjere have now had works under the program reach completion. So we've got a number of works in refurb communities that have been completed, and we've got subdivisions and associated infrastructure under construction in currently at the moment Wadeye, Maningrida, Galiwinku, Nguiu, Umbakumba, Tennant and the Alice Springs town camps.

So that's the sort of big picture context of where we're at for the end of 2010, and of course we are aiming to have 250 new houses completed by June 2011. So we'll have 150 completed new by the end of this year, and we'll be having, hopefully reporting to you 250 in total by June in 2011. In six months' time with the 1,000 refurbs completed at the end of this year, that's based on 2,500 refurbs and 230 rebuilds, we're well and truly over a third of the way through the refurb and rebuild program as well under the SIHIP.

CHAIR: Alright, thanks Ken. Well, I suppose the question that's still been difficult for the CTC is to dig down into costs, and I just might ask whether I could just give you some figures. Now these figures, considering what you've just told us, may be out of date, but I have to use an executive summary as of the 30th of September. So you might just ... I might be able to transfer these figures to the present times, but as of the 30th of September there were 76 houses handed over and an average of \$450,000, so it was \$32.4M. There were 450 houses refurbished at \$75,000, that's \$32.4M as well, and 137 rebuilds at \$27.4M. That was a total expenditure of \$94.8M on houses, refurbs and rebuilds completed.

In progress at that time there was 91 houses, an average of \$450,000, that would be \$40.9M, 77 refurbishments at \$75,000, \$5.7M, and 28 rebuilds at \$200,000, \$5.6M, giving you a total in progress of \$52.2M.

Add the two together plus program costs, unallocated Alliance management establishment costs, and we've got this from the matrix, a total of \$217M, that was the total.

Now there's \$54.7M of infrastructure which we don't know why it's in the matrix, because all the infrastructure is supposed to be in some other bucket of funds. But if we included the \$54.7M, we come up with a total of, as of September, \$271.7M. The total expenditure in the September matrix is \$292.6M. So there's \$20.9M of money we have no idea where it's gone. If you take the infrastructure costs out, we have \$75.6M of money we have unaccounted for.

Now I don't know whether those figures made sense to you, I can give you the figures here if you wish. So the question is, because the question's always been to SIHIP, where's the money gone. So here we have two figures - \$20.9M and \$75.6M - difference between what the costs of the houses should be if they've been costed according to what they're supposed to be costed, and what has actually been spent. So is there an explanation for that?

Mr DAVIES: I'll go to Andrew and Ian to try to explain those, and it might require ...

CHAIR: That's the September matrix, by the way.

Mr DAVIES: Yeah. And obviously with us giving you these figures quarterly, it does mean that when we come into these hearings we're giving you data that is so that you're dealing with data that is late. But Chair, just in terms of, if I just use one community as an example, Gunbalunya, where Minister Macklin signed the local implementation plan along with Malarndirri, there are a substantial number of houses that are stockpiled in that community. If you go into that community there's a huge ... there's a work camp been established, and there are a lot of materials that have been purchased and put on the ground to get them through the wet so ...

CHAIR: Would that come under the unallocated Alliance management establishment costs?

Mr DAVIES: I'd need to go to Andrew for that answer. Andrew?

Mr KIRKMAN: No. Those costs are likely to be in the housing element.

CHAIR: So this \$20.9M or \$75.6M depending on whether infrastructure's included, are you saying that costs above these program costs and unallocated Alliance management establishment costs is costs for putting in a camp?

Mr BOYSON: What we've got, the way the program's structured is high upfront costs, which is the costs of ...

CHAIR: Higher which, sorry?

Mr BOYSON: High upfront costs, which is the costs of ... substantial upfront cost, which is the costs of planning each of those packages, of putting in place the work camps and preparing things like the employment workforce development

strategy and plan for each package so that people can engage as soon as the package starts. And as Ken had said there's a high level of stockpiling has gone on. So, for instance, Territory Alliance which is using a Ritech methodology, has pre-purchased Ritech for most of the houses that they're going to be delivering, I think it's all houses they're going to be delivering up until Christmas and well into next year. So those purchases have been made already. Now the alliancing methodology and the way we're running this allows us to do that, so it allows us to take advantage of being able to pre-purchase at a good price, pay for that Ritech material, have a stockpile and be rolling it out as the houses are built.

CHAIR: If I tried to put it in a sort of layman's terms, because you keep saying that if you want to work out the cost of the houses, we're going to have to wait until the package finishes, which is a long way. Are you saying that the cost of the workers camps, the Ritech program, and all these other costs, but at the end of the program we'll be able to divide, what was it, 675 new houses and 2,500 refurb and so many rebuilds, we'll be able to just divide that into that total cost and we'll come up with the figures \$450,000, \$75,000 and \$200,000 or thereabouts?

Mr KIRKMAN: That's what the Alliances have signed up for, that's the budgets that we've agreed with them. If we go beyond those average costs it means that effectively they'll be as responsible as we are for any increase in costs. So, for example, you know, some of their margin and profits will be lost if we go over those prices. So yes, as Mr Boyson pointed out, there has been very large upfront costs establishing the Alliances, establishing the construction camps, pre-purchasing materials, and at the end, all those costs need to be allocated across the package. And that's why, I guess, we'd let you know that once we've completed a community, we can then allocate all those costs as we've done for Milikapati and provide, I guess, a total average cost.

Ms SCRYMGOUR: Can I ask a question?

CHAIR: Yeah, okay.

Ms SCRYMGOUR: I get what you're saying Andrew, but given that, I mean, if you look at the matrix, even if it's outdated, we've had Packages 1 and 2 allocated, it's all of the packages throughout the Northern Territory whether it's new construction or whether it's refurbishments. Surely there has now been an analysis or a review as to what those upfront costs are going to be once those packages are established on the ground in each of the communities. Take, for instance, Gunbalunya, I mean, anyone associated with that community knows that that community, once the wet season, you have to get everything in upfront, as what Ken was saying. Surely we should be able to now, be able to get to a point where we are getting actual dollar figures from each of those packages in those communities as to the cost of the new houses plus the refurb. I mean, you don't have to be blind Freddy to look at the refurb out in some of those communities, you can't tell me that up to \$75,000 has been spent on refurb in those communities. So how is the calculations or the percentages being worked out in terms of the actual costs and where we're trying to estimate, which we're probably way out with that, but only because we can't get those estimates from, you know, the Alliances say, well, you've got to check with the other two partners, well, Commonwealth and Northern Territory and then Commonwealth and Northern Territory say, well, we don't have those costs as well.

Mr KIRKMAN: We've got, I guess, costs which we've agreed with the Alliance upfront in terms of their Alliance management costs, costs of building construction,

camps, costs of other preliminaries, overheads, those sorts of costs which we can work through, obviously they are commercial in confidence ...

Ms SCRYMGOUR: But we keep going back to commercial in confidence, it's taxpayers money that's in this, so given it's taxpayers dollars, I mean, we get this, I mean, this has been a real frustration because we are getting those same calls on the ground in communities, what is this actually costing, so ...

CHAIR: Yeah. Because you're a partner in the Alliances and if you run over budget, the taxpayer, even though the companies might be affected, the Government's going to be affected. So we will be paying for the overruns as well. It mightn't be as much but the companies would have to pick up the tab. So what I think we're after is to say, are we on target financially, that surely someone knows whether this is actually producing houses at this stage on target that won't go over cost, someone must be keeping a tab on ...

Mr DAVIES: Well, Chair, I can say to you that in terms of the \$75,000 commitment and the \$200,000 commitment and the 450 for new, they are the agreed targets with the Alliances. If we've had cost pressures in the program, it hasn't necessarily been around the building program, it's been around the infrastructure program, and particularly for new subdivisions, and particularly around the work that's required to support the new housing that's going into the 15 major communities.

CHAIR: But the infrastructure's not in the SIHIP program anymore, is it?

Mr DAVIES: It's part of the broader national partnership agreement, that's right.

CHAIR: Yeah, that's right.

Mr DAVIES: But when we're talking about the 672 in here, there are some elements where in the early packages some elements of infrastructure was attributed to the program, but in terms of the 672, as Andrew said, we should be able to give you a breakdown of package cost per house once the package is completed. These are big companies and they're going in and they're doing a blanket refurb or a blanket new house program within the cost perimeters that they've got.

I think Jeff Harmer, the head of FaHCSIA, has undertaken to the Estimates Committee in Canberra that he will provide that breakdown once packages are completed.

If you're asking and Marion goes to your point, House 5 at Maningrida, how much has gone inside the door there. Well, I think what Andrew is saying is we could probably try and explain that to you, but we wouldn't be able to do it in the context of a briefing here, we would need to do that in the context of the commercial arrangements we've got. So, I mean, to try and explain that, because it is a recurring question and it's not going to go away and I do understand that, so we need to try to give you a proper and full picture, but I don't know that we can appropriately do that before then.

CHAIR: But say at the end of the package they've blown the budget, does that mean the taxpayer will have to pick up that as well, because the Governments are partners in this Alliance?

Mr DAVIES: What it means in effect, Chair, is that in the totality of the budget that's available, that's what we're dealing with. So what it will mean is if there's a contingency built into the program of \$50M, that was part of the review, so there was always a contingency margin set in here, but of course once that's gone, then ultimately that impacts on the amount of work that you can do for the dollars available.

CHAIR: So which review put in the extra 50?

Mr DAVIES: The contingency was built into the review in the August that Amanda Cattermole and I did. So part of this ...

CHAIR: This August just gone? The regional one.

Mr DAVIES: No. The regional one.

CHAIR: Yeah, that's alright, yeah.

Mr DAVIES: So the \$672M has got a contingency of \$50M built into it to allow for cost blowouts or overruns.

CHAIR: Well, I mean, I don't want to spend the extra \$50M, because that wasn't in the program, how are you going to make sure that companies don't see that \$50M as a nice little, well, you know, we've got a bit of spare cash there if we blowout the budget, when the whole idea is to keep this pretty tight?

Mr DAVIES: Well, it is, but it's fair to say, Chair, that once we've gone into particularly to the coastal communities and got in to have a look at whether or not a house is going to be refurbished or rebuilt, that we have found that there are a substantial number of houses that need additional work beyond the \$75,000 cost. So I'm just saying that as we get in and go into this program, we've got a package of dollars set aside for a program, and there are cost pressures in it, but we have to deliver the program in the context of the money available.

CHAIR: Yeah. I'm a little confused there because with the \$75,000 refurb, when we came back from Maningrida, and you would have seen the pictures of the houses are sort of not in a good state, they're got nice kitchens and bathrooms, and the argument has always been, well, that's all the \$75,000 will go. Now you're saying that the \$50M, to some extent, could be used to add to the budget for those houses if more work is required?

Mr DAVIES: I'll go to Ian, but just it's fair to say that that contingency is there to help us deal with cost pressures in the program, and that will be in relation to the housing program itself and the infrastructure. It won't be in relation to overhead costs. The overhead costs the commitment has been to maintain that at around 8%.

CHAIR: Has that money been touched at the moment, has it been used?

Mr BOYSON: The contingency money?

CHAIR: Yeah.

Mr BOYSON: Before the contingency money is used on any of those packages, the Alliances would go into a pain share situation. So there's a set budget

for each package which is agreed between the Government and the Alliances, and the Alliances have to bring that package in with them, that's their budget.

If there's a cost overrun and they go over that budget, then we move into the pain share arrangements, where the Alliances start to forfeit their fee, depending on how far the pain share goes.

In terms of how we're managing this, as Mr Kirkman was saying, we're not managing this with the alliances on a house by house basis, we're managing it on what's been agreed with the Alliances around the total budget for each package, which is a set of line items which run like the establishment of the workers camp, supervision costs, material costs, transport costs. And it's been tracked against what's been agreed with the Alliance within each budget for those line items, not on a house by house basis.

Now that's been assessed as, given the size of these packages, as the most appropriate way to track and manage. So we track it, we work with the Alliances to look at what their expenditure is, and how their expenditure's going, and control it with the alliances based on those line items, not on a house by house basis.

Ms SCRYMGOUR: Alright. So if you look at, I mean, if you just pick one of the packages in all of that, what percentage then within that package is establishment costs of the Alliances versus what costs then go on both the new houses as well as refurb's? Do you know what that percentage breakup is between?

Mr BOYSON: It varies on each package, I mean, each package is different in terms of how much it would cost to establish the workers camp depending on the price of it. So the reason ...

Ms SCRYMGOUR: Are you able to take that on notice and provide us, you know, part of the in camera, I suppose, if you want a separate discussion with it.

CHAIR: If that's the case we might have to in camera discussion at some other time, but I think there's some general questions that still would worry me. I mean, one of the criticisms that we've been told there's a fair bit of wastage, you know, whether it's fly-in, fly-out of people rather than keep them onsite. And I'd be concerned that if we're dipping into the \$50M and no-one's sort of said, well, hang on fellas, you weren't sort of getting your ... you weren't being as efficient as possible in the way you actually managed your sites on your workforce or whatever on these particular sites, because this \$50M could be seen by, it's like, you know, a bit of money out here that ...

Mr KIRKMAN: It's not available, as Ian Boyson has mentioned, it's not available to them. The \$50M is for two things for Government, and that is to meet any additional scope we need to meet. So if we need to do more work than we originally set out, and secondly to meet any of our pain share if there is additional costs. So it isn't available to the Alliances. If they go over the agreed budgets that we've set with them ie. the average \$450,000, \$75,000 and \$150,000, then they will have to dip into their own pockets for that.

CHAIR: Well, if they didn't reach the budget they've got now for the package, so they didn't have enough money, then the pain share would come in, because they haven't got enough money. But aren't you saying that although you're going to have some pain share, we've still got \$50M out here which will help you?

Mr KIRKMAN: Or it'll help us cover our side of any potential extra costs.

Ms SCRYMGOUR: For houses.

CHAIR: The Government's side of it?

Mr KIRKMAN: That's right, yeah.

CHAIR: But then wouldn't it be your job to make sure that the taxpayers' money isn't used, because you're responsible for making sure this program fits within budget. So, you know, I think the criticism is not that necessarily the houses aren't good, I mean, I know there's been talk but overall we've seen good houses go up, it's the way in which all this happened. Bathurst Island we first went there, fly-in fly ... every day, every day. When you thought of scoping this, why didn't we have a camp there up early and running, and I know we're going to try and sell the camp or maybe turn it into something else later, same with Galiwinku, same with Maningrida which we visited. You would think, well, someone would have scoped out which is the most efficient way to have a workforce at these particular communities. And so ...

Mr DAVIES: So yeah, Chair ...

Ms WALKER: But to be fair, Gerry, some of the issues and I know specifically at Galiwinku in establishing a work camp of the size that needed to be there, was to do with lease issues.

CHAIR: I agree with that but then you think in the scoping of all this project, if that was scoped properly, that in other words, the groundwork had been done and all those issues had been looked at, you may not have had that problem, but of course there was a political dimension to all this, that is to get these houses on the ground as quickly as possible, because there'd been delays. But I don't know whether that political dimension then has forced companies to spend more money than if it had time to properly plan its infrastructure.

Mr DAVIES: Yeah. And look, Chair, just coming back to your point, as you know we went to the Public Accounts Committee the other day, there's now a further review of the program being conducted by the Australian Government Auditor-General as we speak now. So they're in there having a look at it. We've had Frank McGuinness, our Auditor-General; look at the program and the cost structures.

Part of what I think the challenge we've got here is not that funds are being misspent; it's trying to report against an alliance model in the context of single individual houses. And if it was a fixed price contract where you did a tender community by community, you could probably generate that kind of information, the information you're seeking, in a much more practical way, house by house. This methodology is a big budget, big packages, and you go in and you work on average costs across a number of assets that you're dealing with.

CHAIR: But wouldn't the Alliances have a package management plan for the entire scope of the project, and at this particular point they can say, we're on target. And does that happen that someone can say, we're on target to make sure we meet these targets at the end of the program?

Mr KIRKMAN: Absolutely, we meet with them both at Alliance leadership team level and informally as well each month to track where progress is at.

Mr DAVIES: So they're on target. In terms of the matrix and the targets that we're committed to, the 1,000 refurbishments and rebuilds and the 150 new houses, absolutely on target, and we're on track to get there around having 250 new houses on the ground by June next year.

In terms of the targets around costs, that's Andrew and Ian's job to get in there and really, really push the Alliances to make sure that it's delivering the efficiencies that we would expect out of an Alliance program which is big scale, and you'd want to see some savings come through in it.

Now that's what the program's designed to do, and it's fair to say when we first started this share when the bigger packages were first rolled out like at Nguuiu and that sort of thing, the review hadn't at that point set the \$450,000 cost structure. But that's clearly what Andrew and Ian do now is the language is \$450,000, \$200,000 and \$75,000. Understanding how much of that gets in the door which is Marion's question, house by house, is an explanation we can give to you but we can't do it here, we would have to do it *in camera* because we'd be using some of their commercial material.

CHAIR: Was any analysis done, and this was raised, I think, in Parliament, about the number of actual bedrooms, because, I mean, we're talking about overcrowding, that are going to be supplied considering that after the review, the size of the houses decreased and the numbers of three bedroom type houses diminished in some cases to two bedroom and single bedroom houses. Has anyone done an analysis of actually how many bedrooms are actually being built in as part of the total package, so if that's a more realistic figure especially in relation to overcrowding?

Mr DAVIES: Well, I think there's two elements to that, I mean, so the bedrooms issue is the case but just keep in mind that whilst the number of bedrooms is a measure, the other measure is that we don't have 20 people in a house. You might have two houses that used to make up the number of people in a house. So I'm just ... I think it's important to reinforce here that we're going to have a whole lot more houses out there on the ground, which will give families some of the separation they needed.

CHAIR: Well, is it Numbulwar that was brought up?

Mr DAVIES: It was, and Ian, do you want to go to that?

Mr BOYSON: Yeah. Mr Chair, if you're heading for Ngukurr, Ngukurr is probably an example of a community that is in a case of its own, in terms of the state of the housing in that community, and that the challenges we face in terms of addressing the two objectives of improving the condition of the housing and the living conditions of people in that community and addressing overcrowding. It's the one community that we've got to; in all the communities we're dealing with at the moment that presents the biggest challenges in that area.

I can say pretty well categorically that in all the other communities, the larger communities we've been in, we are going to make a substantial difference to the level of overcrowding, just by the number of houses that are going in, in addition to the housing stock that's there.

The situation we face at Ngukurr is the state of the housing is such that it's proving to be a real challenge to get that increase in the number of houses. Mr Davies, myself and Mr Kirkman were there a month ago, and we've undertaken to go

back and to have another look at how we might structure that package to get the sort of outcomes that would be better for that community.

Mr DAVIES: I've asked Andrew and Ian to go back and work with the Housing Reference Group and the Local Association there to look at some of the houses that were designated for replacement, to see if we could do some work to bring them to a standard where they'd be functional, rather than just replacing them, knocking them down and replacing them. So to see if we can get some more houses in the footprint and be a little bit ... just go back and have another look to see if ...

CHAIR: Are there people living in those houses at the moment?

Mr DAVIES: Yes, yes, they are. One of the things about going to that community, Chair, was, I mean, you go into it, the lawns were mowed, it was a really fabulous looking community, there's a lot of work going on there, there's been a stimulus building program down at the school, there's a new store being built, they've got big plans around an iron ore mine that may open up down the road. And so it's fair to say when you look at the housing infrastructure in there, it's very, very old and tired across it.

CHAIR: When would have they been built, do you know when?

Mr DAVIES: Sixties and seventies.

CHAIR: The reason I ask that was when I did the trip to Nauiyu, and I know some of the houses because I lived in them, and they probably wouldn't come up to a standard, that is structural standard of today's houses. Those houses have been through four or five floods and they are painted, there've got stainless steel cupboards, louvers. And I just wonder, and because the argument at Nauiyu, because they're not getting the houses, is that well, as we aren't getting any houses, we're going to make sure that those older houses will at least come up to a reasonable standard. So is there a possibility that before we give the demolition order, as you say, that if people are already living in them, because obviously they're still liveable, that they can simply be at least improved, so we can get over the overcrowding problem?

Mr DAVIES: That's right. And that was the solution, because I think the figure came out and it was in a paper that they'd actually received, so it was the discussions with them from the Alliance end from Andrew and Ian had been very upfront around the number of additional bedrooms it was building. So it was eight additional they were delivering. What we're going to do is do exactly that, Chair, and go back and see if we can get some of those houses that people are currently living in, that we were going to just simply replace to see if we can maintain them.

CHAIR: Could I ask, just getting back to the original part of the numbers question, is that you have that figure on the matrix, it'll probably be down the bottom of that one, Simon, which is the infrastructure figure. What I can't understand is how we've got such a large sum of money for infrastructure. It'll be on the second page, Simon, on the bottom.

Mr DAVIES: Is it \$54M?

CHAIR: Keep going, \$50M ...

Ms SCRYMGOUR: \$53M.

CHAIR: That figure there on the report \$54.7M is down for infrastructure. Now considering that infrastructure, except for the first package, is not meant to be part of the SIHIP program, where is that dollar figure coming from?

Mr DAVIES: Andrew and Ian?

Mr KIRKMAN: There is some money available within the remote housing partnership, so the National Partnership Agreement for remote Indigenous housing, which SIHIP falls under as well. That is there's funding available under that Partnership; there's also funding available through the money that the Northern Territory Government have put forward, \$140M for essential service infrastructure. So the work ... that \$54M covers off not only sort of site servicing in terms of new subdivisions, but it covers off link infrastructure between new subdivisions and essential services networks like the power generation, water and sewer.

CHAIR: Who makes the distinction between the SIHIP infrastructure money or the money that's in that other package and this money?

Mr DAVIES: So, Chair, if you go across, if you go to the column with \$672M that is the housing related money, isn't it?

Mr KIRKMAN: That's right.

Mr DAVIES: So it's how you read the matrix. So then we've got, the next figure is the progress to date on the expenditure, and then separately we're reporting the infrastructure costs that's been brought in from the broader partnership and from the Territory Government's additional money.

CHAIR: But infrastructure, we were told for SIHIP would be from a different bucket of money.

Ms WALKER: It's separate.

Mr KIRKMAN: So separate to the \$672M, yeah.

Mr BOYSON: So I suppose, Mr Chair, the easiest way to explain this is that SIHIP has been subsumed into the National Partnership Agreement, which came to place on the 1st of January 2009. And the National Partnership Agreement on remote Indigenous housing, includes a commitment of \$1.7B to the Territory over 10 years. And that \$1.7B is made up of a commitment to new houses, and a number of other new and refurbished houses, so that ...

CHAIR: Not under the SIHIP program?

Mr BOYSON: Well, the SIHIP program has been subsumed into it, so the SIHIP program is part of the National Partnership Agreement, \$1.7B over 10 years. It not only includes the construction program for housing, it also includes funds that are available for housing related infrastructure. So it recognises that there are costs associated with building new houses for land servicing, and as Mr Kirkman said, for connecting those houses with infrastructure.

CHAIR: Well, my understanding was that SIHIP infrastructure costs were to be from the house to the road connection, so those internal infrastructure costs.

Mr BOYSON: Alright. The way it's working is that, the way we've differentiated in is that the costs within the housing program is to the boundary, but we've still got to acknowledge that there's a range of costs associated with building those houses around land servicing, around connection to infrastructure. And in some cases dealing with some of the faults, the priority faults that are going to mean if you put additional load on for more houses the infrastructure will fail. So, that's part of the National Partnership Agreement that is acknowledged in the National Partnership Agreement.

CHAIR: So just to get clear, if there's a \$450,000 house, the infrastructure to the front fence is included in the \$450,000.

Mr BOYSON: Mmm hmm.

CHAIR: The external infrastructure was meant to come out of a completely different bucket of money?

Mr BOYSON: That's right, that's right.

CHAIR: Alright.

Mr BOYSON: Within the National Partnership Agreement.

CHAIR: That's right. But our matrix isn't the national partnership agreement, it's the SIHIP matrix. So the question is, why is that figure in that matrix, and if it shouldn't be in there that actually says there's \$75.6M as of September of money out there somewhere for whatever, building workers camps and all that sort of stuff, and flying people in and out. That's the bit we have a concern about, you know. So if that \$54.7M really should not be in this SIHIP matrix, but should be in a infrastructure matrix, then our figures for September say there are \$75.6M hanging out there for the areas you were talking about. And I suppose that's the area it would be nice to know has that been well spent, yeah. That's a fair bit of money out there.

Mr KIRKMAN: It is and it goes back to our earlier discussion around those early establishment costs of both the Alliance, the construction camps, any pre-payment for the material. So it's all part of that establishment, which has to be then spread across the average price of each house.

Ms SCRYMGOUR: But how do you know that when you're not able to tell us what the average price is?

Mr KIRKMAN: Well, the average price is what it is, and so, for example, in Milikapiti where we've now spread that, we can say, well, the average price for it ...

Ms SCRYMGOUR: So if you average it on \$450,000, is that what you're saying, so if you pick the average?

Mr KIRKMAN: Well, it's actually the Alliance and us need to manage the overall community and the package with all the costs that have been incurred. I mean, all the costs that have been incurred we're targeting the \$450,000 average for new housing.

CHAIR: Alright. Well, we will continue ... the only thing I'd like to say is that one of the Recommendations from CTC was the Government, that we ask there to be a detailed financial report on SIHIP each quarter. We don't think that's

happening, and we won't know whether it could happen on a bit more regular basis. We've come to this meeting with a September, but we wouldn't mind if there can be some more dollar signs in there it would be good, because we feel that the public needs to know that this program is on base. Look, I'll be the first to say, to criticise, but the houses are good, the new houses are great, people are certainly happy to see them going up, but that's the local side of it. And I think the bigger picture is for us to make sure the taxpayers' money is being used carefully and we will achieve the goals that you're looking for.

Mr DAVIES: So Chair ...

Ms SCRYMGOUR: Ken, I think you're right, like Maningrida, there's only going to be 109 more houses and infrastructure that there's ever been, and we saw the subdivision and what's involved with that subdivision and it's massive, it's more housing than what those communities have got, and it's a good thing. There is still a lot of angst about the refurbishment program ...

CHAIR: We might be going onto that.

Ms SCRYMGOUR: ... and that you're well aware of that and maybe that's something that we ...

Mr DAVIES: I thought we could if I could go to that.

CHAIR: Yeah. I'll just ask Lynne if she's got a question in relation to this.

Ms WALKER: I was just going to raise with you one thing and it was with the regards to our visit to Maningrida and seeing the subdivision there, one of the things that I imagined as an example of unexpected costs was that big trench that was dug for the sewerage line, where what they discovered once they'd started on that work, and I can't remember how many metres deep it was, it was extraordinarily hard rock.

Ms SCRYMGOUR: I think it was six metres, they didn't envisage, I mean, yeah, I think that they ...

Ms WALKER: So is that the sort of costs overrun that is met out of this contingency fee?

CHAIR: Well, it would depend who had the contract to do that work, I suppose, that would be the subcontractors.

Ms SCRYMGOUR: Well, it was Territory Alliance.

CHAIR: Yeah. But they'd subcontract it.

Mr KIRKMAN: So for Maningrida, for example, we've agreed a budget which includes all of those costs, and you're right, they are significant costs and there's a lot of work that needs to be done to prepare that subdivision. But at the moment we ...

Ms SCRYMGOUR: So is that going to reduce the number of houses, Andrew?

Mr KIRKMAN: No, categorically, no.

Ms SCRYMGOUR: Okay, that's okay.

CHAIR: That would be subcontracted work, wouldn't it?

Mr DAVIES: That's the pressure on the program, the metrics are the metrics, so we've got to deliver 750, we've got to deliver the 2,500 and the 230. The challenge is when these additional costs are found, is in the total program of \$1.7B, it's the infrastructure costs that are causing us a lot of angst, because ...

Ms SCRYMGOUR: Yeah. Because they spoke to us, Lynne's right, the Alliance spoke to us and said that they didn't ... I mean, part of the scoping, they didn't realise that when they were digging the new lines through to that new subdivision, because I think it was clay or rock?

CHAIR: Sandstone, it was sandstone.

Ms WALKER: No, it was hard rock. So how much longer it took to dig that trench.

Ms SCRYMGOUR: So once they'd gone down the rock and that having to blow through that and ...

Mr DAVIES: So what we then have to do then is within the infrastructure package, is then if the costs start to exceed what's available, we then have to go back and work with the Alliances about what we're not going to include as well.

Mr BOYSON: This is perhaps a really good example of where the Alliance model comes to the fore. If you're on a fixed price contract, you'd pay a lot to cover risk, and that the contractors would have factored in a big component to cover their risk of digging up and unforeseen circumstances like rock.

Mr DAVIES: Pay an extra.

Ms SCRYMGOUR: Have to pay, mmm.

Mr BOYSON: I mean, there have been instances with projects where even with that sort of risk factored in by contractors, contractors have gone broke on projects. And I can think of a number that I've managed where that's occurred through the contractual arrangements.

Mr DAVIES: Got one at Umbakumba at the moment, ...

Ms SCRYMGOUR: You should get back out to them.

Mr DAVIES: ... that's delivering teacher houses that's not, well, it's not ...

Ms SCRYMGOUR: Causing a lot of, mmm.

Mr DAVIES: ... though I think they're basically in a stop at the moment in terms of tradies, they can't deliver the houses.

Ms SCRYMGOUR: Well have a look at Maningrida, Ken, it's coming along, it's like a whole new city out there, it's ... yeah.

Ms WALKER: And we talked a lot about costs and cost overruns, but surely a couple of years into the program we're finding cost efficiencies as well, the longer we

do things, the learnings that are found and shared across the different packages and sites.

Mr DAVIES: We're definitely doing that, Lynne, I think though it's fair to say we're also starting to understand the scope of what we're dealing with. So there's definitely cost efficiencies, but this is going to be a big job over time that's probably going to go well beyond this national partnership to get everything right. And one of the things we're not doing with this subdivision work either is delivering any additional blocks for future housing programs, or for staff housing at the moment. So basically purely about delivering social housing to try and reduce the overcrowding.

CHAIR: Can I get onto refurbishments then. We have a recommendation in our report that the SIHIP program managers provide CTC with details of the program way the department is dealing with repairs and maintenance used to complete SIHIP refurbishments. Have you have details of your program way to complete refurbishments? And I might throw in the other recommendation to put forward is that we would like to see the full details of all condition and service requirements of housing repairs and maintenance funding paid to shires. And I'll add the third one in that we think that perhaps the shires and other local organisations should perhaps take over refurbishments. So I'll give you those three recommendations together, would you have any comments?

Mr DAVIES: I would, Chair, I'll just start off by saying, so in relation to the shires, just at the moment we've got property and tenancy management agreements with MacDonnell Shire, Roper Gulf Shire, Yilli Rreung, West Arnhem Shire Council, Tiwi Shire Council, Barkly Shire Council. And there are agreements that are being negotiated and are due to me for signing with the Central Desert Shire, Tangentyere, their Affordable Housing Rental Company that is, not Tangentyere, direct, but their Affordable Housing Rental Company. The Vic Daly Shire, West Arnhem and East Arnhem Shire Councils. So we are very happy to furnish you with ... providing ... we'll check with the shires, but we're very happy to furnish you with those agreements to give you an idea of the scope.

We've also, in relation to our housing maintenance program, we're very concerned about ensuring that the workers that have been involved in the SIHIP program have a future beyond the building program and maintenance program. So ... and we've got a line of sight to the matching funding that was being provided to shires as well. So we're negotiating with each of the shires, the eight shires in remote around their housing maintenance program, we would put in \$24M over the next 18 months in an effort to employ local people directly to support the tenancy and property management that the shires are delivering in these communities for us.

So we want people, we want to see local employees, we don't want to see contractors who have flown in, we want to see a local workforce in each of these communities that are properly resourced, and that program will be ongoing. We are going to have a look at it in 18 months time to test its success, but it's a commitment as part of us getting on top of remote housing to have substantial property maintenance and tenancy management workforce in remote going forward that is Indigenous.

CHAIR: There's a concern that I think CTC has is that we have difficulty with refurbishments, we think there's not enough money to do the job properly, and then what's been said is that to bring those houses up to a standard, we'll get the local Councils to use the money that they've been given for maintenance to complete them. If they do that, which I don't think is there job, what happens with their money

for the rest of the year if they've used it on that house to bring it up to a standard that SIHIP was meant to bring it up to?

Mr DAVIES: Well, we certainly see it as part of their responsibility to go through with the shires on a program way that's negotiated with the Department to do painting. So painting work, to do basic maintenance around fencing, ensure that yards are clean of rubbish and that cupboards and ongoing maintenance issues are dealt with inside those houses. So it was always intended that there would be behind the initial building program a program that would come up and pick up the residual issues that we needed to deal with, and one of them of course is painting.

CHAIR: But isn't the failing that the Government reduced the original refurbishments from \$150,000 to \$75,000, now we find we don't have enough money now. I'll give you an example out at a site at Maningrida is one, but Peppimenarti is one, when they did the scoping when I was over there, they realised that, oh, the 26 houses that we've got down for refurbishment, we haven't got enough money, because there's more damage to the frames than we thought.

Now I wouldn't expect the Council to be picking up and throwing money into those refurbished houses. I would hope that the house is handed over in a neat and tidy painted condition, so that then, here's the start of the new house, from now on, Council, you use your \$7,500 or \$8,500 to maintain that house for the next 12 months that the tenants that are there, so if a cupboard falls down or something. But you're asking them to spend their money upfront on actually refurbishing the house.

Mr DAVIES: We're asking them to complement what the work that's been done around most of the functional, so it's fair to say then in the Alice Springs urban living areas and in the urban living areas at Tennant Creek, that we've got houses back to new standard effectively as they come on stream and there's 86 additional houses or 85 being built in the urban living areas in Alice Springs. So they are coming across ready to go and we'll maintain them as public housing stock and a very high public standard.

The refurb program is not delivering us, it's delivering us functional houses and it's always been acknowledged that there would be additional work required in those houses to (a) maintain their functionality, but to do the additional work that we needed around fencing and around painting and so on.

CHAIR: Yeah. That money's coming out of the Council's NT Housing maintenance money, and they use it all up to finish off those houses we saw at Maningrida. So during the next 12 months, where does the Council get money to maintain the house from if it's spent it?

Mr KIRKMAN: Yeah. Certainly we're scoping out programs, asking the shires, in fact, now through the service level agreements we've got with all the shires, we actually set the work orders that we need, the work that we need on each house. Some of that work will be done with or around the refurbishment program to ensure those houses are up to a standard, and the rest of the work is to get as much as we can done on the other houses that won't be receiving work under the program.

Now, at this point we haven't seen any cost pressures that see us not being able to do urgent minor work, any work that is around safety, is around functionality. So we haven't seen any compromise on that yet. Yes, we'd love to have more dollars under the refurbishment program, but with the funding we've got under the property management and the refurbishment program, we are being able to get those

houses to a reasonable level of functionality. And that's our target, to look at the community as a whole, obviously houses that are getting refurbished under the SIHIP program, if we had a, perhaps a standard higher than some of the other houses who's had a new bathroom, kitchen, other amenities. And the other houses we're getting as much work done through the R & M program as we can to get them as functional as possible.

CHAIR: But isn't it inefficient, we've stepped in and said we're going to refurbish a house. So we get this group with a bucket of money and they do X amount of work, then the house is given out to a tenant, that's happening in Maningrida, and then you've already got some money because you know you've got it, and you're going to give it to the Council or an association to come in and maybe finish off the house. Why isn't that bit of money just given straight to the one body who can do the house in one hit?

Mr DAVIES: And that goes to the recommendation around the shires being involved in doing the refurbishment work in the CTC. So, Chair, one of the things we have done, given that we're 1,000 refurbs in, so we've actually got about 1,500 to go and many of those are allocated in packages that are on foot. But we have written to our Australian Government colleagues asking if we can, for some of the refurb packages, some of the remaining refurb packages, use a different model, where we go to either local housing associations or the shires direct to do some tranches of houses under the program in specific communities.

Now, we are still negotiating with the Australian Government about whether or not that's feasible, we've got to make sure that the safety requirement overlay is dealt with, because this is a major construction program that's auspiced by the Commonwealth, and they've got their own requirements around that. We would like to go in and go in around a fixed price model, and test a new way with lessons learnt of doing some refurbs in packages that haven't been allocated in that way.

So we're negotiating with the Australian Government, and that could be with the shires, it could be with a local contractor to set aside for tranches of work that would be in unallocated communities, to try the sort of model that you're proposing.

CHAIR: Is the safety requirement for the Commonwealth a big cost impediment compared to what, say, a local shire who had the same money be required to do?

Mr DAVIES: We would argue at the Territory level that we have our own WorkSafe and our own safety requirements, and that they would meet and match the Australian Government requirements in the safety area, and that's just, that's what we're discussing with the Australian Government.

It is fair to say that when you're refurbishing a small number of houses, seven or eight houses in a remote community and you have to take out fences and make sure that those safety requirements are met, that it does add cost. But I will say this, this program's built, it's refurbished 1,000 houses, it's built nearly 150, we'll have 150 built by this year, there are substantial number of contractors going around in live communities where people are living, there are children, and to date we have had no critical incident from a safety end. So we can't compromise on that, and we need to make sure that whatever we do here, that the safety of those communities is paramount.

So I understand the cost issue, and it is an issue in terms of what it does cost additionally, but we are not building in clean subdivisions where people aren't in place. And one example that I saw was Julalikari, where we had sort of laneways matched out, so that people could still move in and out of those urban living areas while big complete refurbishments were going on in four or five houses in a street, for example. So it was quite a technical operation, but there were animals and there were little children, there were kids on bikes wandering around, and it was important that the safety overload was met. But Ian, you might like to respond to what the Chair's asked there.

Mr BOYSON: Safety is a critical issue and it's a critical issue for the Commonwealth, and SIHIP like other major projects that are funded through the Commonwealth has to comply with Federal Safety Commissioner requirements, which means that the contractors have to be registered with the Federal Safety Commission.

CHAIR: Except for the BER, except for the Building Education Revolution, which they got exempted from and yes, but anyway, that's another ... Look, is it ... can you give us an answer when you think you might have it, and give us an idea when you think the Commonwealth might make a decision on refurbished housing?

Mr DAVIES: Sure. Well, I'm planning to meet with them, I have been asked to go and check where they're at with this, and Andrew and I are flying down to Canberra tomorrow to meet with ... or Andrew's leaving this afternoon, I'm going down overnight to meet with them. We're going to have a Joint Steering Committee Meeting, and we'll be pushing on getting an answer around this program. Now, if we get a yes or a no, clearly, we'll let you know straight away Chair, but, I mean, regardless it's fair to say that, I think, what we've proposed, if you were to seek that information from us we could give it to you. It's just whether or not we'll be able to within the context of the total package, be able to do it in the way we're proposing, which is fixed price using DCI, going and doing a scope of works. We would apply the same sort of principles around making sure that costs are managed, that KPMG are involved in auditing, but we would try a specific model where we're using the local contractors like a TDC or an Ingkerreke to go in and do a community on a fixed price contract.

CHAIR: But will this still overcome the problem that we've seen at Santa Teresa and we saw an Maningrida, where you're handing over houses that for the average Joe Blow, they're not up to a reasonable standard, you would of thought for healthy living, because I know you talk about functionality, that in the principles for SIHIP it is to produce a house for healthy living. But the floors in some of those Maningrida houses obviously were made of a softer concrete because they're all chipped, plus all they need is perhaps a layer over the top just to make it washable and scrubbable. The houses, that the ones we saw were certainly dirty.

Now I'm not arguing, but some people think I'm supporting graffiti I'm not, I'm saying these houses are now going to be taken over by NT Housing, here's the start of the program, the house should be in reasonable nick, and the sanitary's of houses have dirt verandas. So how do we overcome that problem, is it going to be an ongoing problem every time I go to a community and see a refurbished house that's sort of half done?

Ms SCRYMGOUR: Well, it's getting better and he's going to deed up the Commonwealth.

Mr DAVIES: We're working with the Commonwealth to see if this model gets more inside the door, Chair. We also are, going back to that housing maintenance program, if we get that going and the shire agrees and we get Indigenous employees on the ground, we'll be going back. And where those things like the verandas, they're things that we would be looking at trying to do the work in terms of a catch up.

So I think what we've got is we're going to have a set of houses that are functional, we're going to have new houses which are already at public housing standard and we're going to have rebuilt houses that will be at a good standard. But the other option here was always to do less, was to go in and spend the \$200,000 or \$250,000 and out of 10, do five properly. The decision was made because these houses are all occupied by families, that we would go in around functionality and safety and security first, and that's what we've had to do within the budget we've got.

Ms SCRYMGOUR: And then the shires use their six.

Mr DAVIES: That's right.

CHAIR: But in some cases it's just a coat of paint would of made so much difference, and ...

Mr DAVIES: We agree.

Ms SCRYMGOUR: But the shire's going to patch these 16.

CHAIR: ... and perhaps Ian might tell me is, and I'll ask his opinion, I'm just asking for a fact, has the Minister been to a refurbished house like we've seen and handed the keys over to one of the tenants and said, 'There's your house?'

Mr BOYSON: I think the Minister has seen a refurbished house.

CHAIR: Has seen it.

Mr DAVIES: And certainly my Minister, as you know, is acutely aware of the issues, and hence this application of the Commonwealth to put in place a different arrangement to see if we can test the model and stretch it.

CHAIR: Okay.

Ms SCRYMGOUR: Ken, if I can, and maybe Ian too and bearing in mind I was interested in listening to both you and Ian talking about Commonwealth safety requirements and the Commonwealth's meeting those safety requirements. I keep going back to Milikapiti and to Garden Point, because they were the first packages, and, well the Tiwi Islands was part of package Number 1, and Nguiu subject 99 year lease, but the other two were still part of that first package.

Milikapiti, and we can do this in the closed session when we get down to the breakdown of the figures, but I want you to ... whether you take this on notice. When you look at, so for Milikapiti \$4.8M was allocated across the board for that community. Thirty houses were scoped as being part of the refurbishment and it was only refurbs, no rebuilds or new houses, \$4.8M for 30 refurbs. Each of those refurbs in package one was set at \$150,000, not \$75,000.

Now I've got photos which I've never made public, but I was going to give them to you at, I think, the last CTC meeting. So the next time we meet, we need to ... I

don't know whether you went over and inspected some of those houses, Andrew. But I'm not a builder or a carpenter or an electrician, but I mean, you can't tell me that if we find it hard to look at houses that are at \$75,000 and meeting the criteria of that house up to functionality and what that means, versus package one on the Tiwi Islands where each of those refurb was set at \$150,000, why aren't people getting value for money. And then you're saying, well you're going to sign a tenancy agreement and pay at rental market, or the same amount as someone paying in urban Tennant Creek, which people have no problems with paying rent, but they're not going to pay rent for a house that hasn't had a \$150,000 worth of refurbishments done for it.

Mr KIRKMAN: Those ... just about all the houses that I've seen in both Pirlangimpi and Milikapiti had significant rebuilds. So most of them were brought back to more than the bare structure, they had [bearers?] replaced, walls replaced, often even where termites have gone into joints and things, they've all been replaced as well. So, I guess, I disagree that there hasn't been significant work done on those houses, I think there has been a lot of structural work going on those houses. That may not necessarily be directly apparent to someone when they walk in the door, and even to the tenant when they come back, if not, and I gather your main concern was around sort of the quality of the flooring and those sorts of issues. But I'm happy to sit down and perhaps go through that in a bit more detail with you.

Ms SCRYMGOUR: Yeah. Or why doesn't somebody, I mean, whether it's the Alliance, I mean I've raised this with Allan McGill as well, why isn't Territory Alliance with the Department sitting down with people and saying look ...

Mr DAVIES: This is what we found.

Ms SCRYMGOUR: ... this is what's been undertaken with these houses. I mean, for goodness sake, if people are going to enter into a tenancy arrangement with the Department to pay rent, well, they should be able to ... I mean, there's got to be some discussion about all of this, otherwise the Department ...

Mr KIRKMAN: Oh absolutely, yeah.

Ms SCRYMGOUR: I mean, how do you know what work, I mean, you know what works have been done, people don't see any change, so that needs to be ...if that can be followed up maybe we can have some discussion, Andrew. And the second one Mr Chair, if I could just ...

CHAIR: Alright.

Ms SCRYMGOUR: ... while I'm still on the Tiwi Islands, and maybe this is something that Ian can answer for me again, meeting Commonwealth safety requirements. The HOIL program or the home ownership on Aboriginal land, particularly Nguiu where the IBA homes are an absolutely disgrace. There was also, I mean, there was the coverage in the *Weekend Australian*, but I bumped into Greg Alstow and his wife again on the weekend. Two years since that house has been built, they still can't (1) get a certificate of occupancy, let alone the power connected to their house. Can someone please explain from the Commonwealth where and what is happening, bearing in mind that you keep saying that all of these infrastructure programs meet very stringent Commonwealth safety requirement.

Mr BOYSON: I can undertake to look into that and then to get back.

Ms SCRYMGOUR: Yeah. Because there's a lot of frustration building over there in relation to that.

Mr DAVIES: How many, through the Chair, how many houses are we talking about?

Ms SCRYMGOUR: There's I think 20, 20 people have now entered that program.

Mr DAVIES: Oh, 20, okay. But they haven't all got these issues, have they?

Ms SCRYMGOUR: Look some of the houses ... none of them, as I understand, Ken, none of the houses have been given certificates of occupancy.

Mr DAVIES: Right, okay.

Ms SCRYMGOUR: The Northern Territory Government has the Home North Scheme, and no individual in Darwin accessing that program building their house, you know, the Government would not be allowed to get away with that home ownership scheme in Darwin and what's been allowed to happen over in these remote communities. If we can't get it right on the Tiwi Islands, how's this going to happen elsewhere, particularly when we keep saying we're going to encourage Aboriginal people that are working to own their own homes. But that would be good, Ian, if someone could follow it, ...

Mr BOYSON: So I'm more than happy to go and follow it up.

Ms SCRYMGOUR: ... because Greg was saying that he has tried to get this issue addressed by Commonwealth officers as well as IBA people, and as a last resort he went to the *Weekend Australian*.

CHAIR: I think, I'm not sure, I might be wrong here, but I know people from the Building Board, but I think if you're outside of the Building Board areas then I'm not sure that they have any say in a house unless you do it voluntarily.

Mr KIRKMAN: Yeah. I mean, that is correct, the jurisdiction doesn't go out to remote communities, but I guess I'd just like to reiterate in terms of this program, we're ensuring that we do have the certificates of occupancy, all the electrical, plumbing, other certificates that are generally required in urban. So whilst that might not be a requirement, it is a requirement of this program.

CHAIR: Unless they've got a private certifier.

Ms SCRYMGOUR: That's true in terms of the planning.

CHAIR: A private certifier does that?

Mr KIRKMAN: A private certifier engaged by the Alliance in terms of the building certificate, and obviously self-certification from plumbers, electricians..

CHAIR: And that's what should have happened to that house.

Ms SCRYMGOUR: Yeah. But not just that house, but part of, as I understand, when the 99 year lease was signed for the Tiwi Islands, part of that agreement between the Commonwealth Government and the traditional owners at Nguiu was

that the normalisation process where the Planning Act or regulations or schemes would apply, but if you're going towards the 99 year lease to develop and grow these communities. So if you're looking at a normalised situation, those schemes should apply in terms of building and certification. You saw that house, Ken, when you and Minister Burns came over to the island, nothing has changed.

Mr DAVIES: Yeah, sure.

Ms SCRYMGOUR: So, Ian, it would be good to get some response.

CHAIR: Alright. Lynne you had a question.

Ms WALKER: I just had a question around how things are progressing with dealing with the matter of transit accommodation during the refurbishments, noting that we're, I think you said, Ken, a third of the way through the program in that area. I know it is a very challenging issue, we've seen one community feature in the media recently around tent accommodation supplied to them. I know that refurbishments, if I'm correct, at Galiwinku have been put on hold to allow new houses to be built, so that those new houses can become transit accommodation. So what's happening across other communities and packages to address that?

Mr DAVIES: Okay. And through the Chair, Lynne, I'll ask Andrew to answer that.

Mr KIRKMAN: Certainly it is one of our most difficult problems, it is a community based problem and one we work through with the Housing Reference Group on each community and, I guess, we have a solution now for where we're building new houses, obviously some of the earlier new houses can become transitional accommodation. I think we've got about 50 or 60 new and refurbished houses that we're using for that. So if someone will come in we'll sign them up to not a tenancy agreement, but an occupancy arrangement to say, look, you need to preserve this house, and there may be several families go through that one house until the client comes to the final home of the occupant. So that is certainly a major part of our solution.

Obviously the other part of the solution which we work through with the Housing Reference Group is to whether, and again these are dry season solutions. One is people going back to sort of homelands for a couple of weeks while their home's being refurbished.

Ms WALKER: Which means children won't get to school necessarily. It's not an ideal option.

Mr KIRKMAN: Yeah, it's not an ideal option, and so we have to work through that. The other one which has generally been utilised fairly thoroughly is people going to live with other family, and again not ideal when you're talking overcrowding in houses already, but a solution. And the other solution during the dry season where communities agreed to it was some tent accommodation. So people would be given a tent, they put that next to their house so they could keep an eye on what was going on, people felt fairly secure with that option. But obviously, you know, that's certainly it's not an ideal one or from a public perception, but I can assure you that that was worked through with the people and most of the people were pretty comfortable with that arrangement. So whether we continue to do that next dry season, I guess, it's something we'll have to investigate, but we probably wouldn't given the, you know ...

Mr DAVIES: We won't be, and the tents as well, as I understand it, were actually once the refurb was done the family was keeping them. So the tents, some of them actually, some of the families took, you know, they had family on outstations, they took them out there, so they weren't just the ordinary run of the mill tent, they were quite substantial. But we'll have to manage it in the context of Andrew describing it.

I think the lesson learned, through the Chair, is that where we've got new housing programs, we need to be building new houses to create the transitional accommodation. The real challenge for us is where there are no new houses being built and every house is occupied. That's the challenge and that's largely the case in the refurb communities where there's not a major building program going on, we think.

CHAIR: I suppose I hope that some of that work was scoped earlier, because I mean, that's where I presume the 76 point something million dollars would be going, those things that are extra and above the cost of the house.

Mr KIRKMAN: Yeah.

CHAIR: Could I ask just one more ... listen, I know we try to stay away from really specific questions, but it concerns the evaporative coolers in houses like at Santa Teresa, and my understanding is they weren't repaired, they were just removed. But there are nine requirements under the National Indigenous Housing Guide, and one of those is controlling the temperature of the living environment. Now I presume that the whole process of refurbishing houses is based on these nine principles, you know, the ability to wash people, particularly children, the ability to wash clothes and bedding etcetera etcetera. If you don't repair those evaporative coolers in those houses in Tennant Creek ... sorry, Santa Teresa, aren't you basically going against one of the tenants of the refurbishment program, that is to control the temperature of the living environment. I mean, the reason they were there was because those houses must get mighty hot in summer.

Mr DAVIES: Yeah, Andrew?

Mr KIRKMAN: Yeah. Those evaporative air conditioners were put in by the tenant, under the remote framework we've got. We're not in a position to put air conditioning in homes under the normal repairs and maintenance.

CHAIR: What about in Alice Springs, are they just standard with the house?

Mr KIRKMAN: They are up to an urban standard, and that's reflected, I guess, in the rent that someone will pay for either an urban dwelling or a house in an urban living area. So the refurbished houses in remote communities do acknowledge that it might not have exactly the, you know, it won't have the amenity of an urban public house of this one, and that's why the rent framework charges a reduced rate for those homes.

CHAIR: But you do get the impression that someone's going to ... you're basically getting a house where people will get very hot in the Santa Teresa, and their relations down in Alice Springs have got a house that at least got somewhere to cool the air inside that house.

Mr KIRKMAN: Yeah. If the air conditioners are working, then our instruction to the Alliance is those air conditioners need to be replaced if they are taken out, so put [them](#) back in. If they're not working then the instruction to the alliance and the regional teams that work with the Alliances is to talk to the tenant, decide whether the tenant wants to go, you know, replace the air conditioners and put in those replaced air conditioners. But as I said, we're not going through and putting in a new air conditioner in each home, and a lot of the homes actually don't have air conditioners, it's just some do.

Ms SCRYMGOUR: But they're the evaporate ...

CHAIR: Evaporative coolers, yeah.

Ms SCRYMGOUR: ... the evaporative coolers rather the swampies or something, that's it, that's what they call them.

Mr BOYSON: Most of the houses in those communities in the south, the smaller communities, ...

Ms SCRYMGOUR: Have them or don't?

Mr BOYSON: ... they don't have evaporative conditioners. Most of the air conditioners that are in there are the window mounted types, the cheap ones we get, and quite often they've been installed over the years. Some of them are sitting on 44 gallon drums and you can see why people do it on tyres through windows on tin stools.

Ms SCRYMGOUR: But it would be cost effective though in the longer term to have this as part of the design, rather than having people knock out some windows and put in their own air conditioning.

Mr DAVIES: The problem is again, Marion, we're not building any new houses in those refurb communities. So basically we're going in and refitting and refurbing what we can in of the stock that's currently there. So we ... I mean, it's pretty clear to us, that we're going to have a whole lot of new stock that's going to meet public housing standard, and the rebuilt houses will meet public housing standard, but there's a whole lot of stock, 64 communities out there that will not be at a public housing standard. They'll be functional but they won't ...

Ms SCRYMGOUR: But they won't meet the RTA.

Mr DAVIES: No.

Ms SCRYMGOUR: That's right.

Mr KIRKMAN: They will meet the RTA.

Mr DAVIES: And they meet the RTA and so ...

Ms SCRYMGOUR: Well, in terms of functionality, but not the same standard as you would apply across urban centres, that's the difference, yeah.

Mr DAVIES: No. That's correct.

Ms SCRYMGOUR: Can I just quickly before I forget.

CHAIR: Yes.

Ms SCRYMGOUR: Maningrida, Ken, one of the things that was raised with the CTC was all of the new houses out there had electrical hot water systems and everyone was really concerned because given that people are going to have to pay for their power as well and vouchers, that here we are, living where the sun shines and we're not exploiting or taking, you know, in terms of solar, that all of the hot water systems are electrical. Why is that?

Mr DAVIES: Andrew, can you?

Ms KIRKMAN: Yeah. Certainly it's the upfront costs are quite significant for solars, and the other is ... and if it had been that over time we could justify that ...

Ms SCRYMGOUR: So is anyone going to subsidise people given that the electricity costs are going to triple in terms of having solar, I mean, having electrical, or what education is going to be happening with householders that during the wet season you can actually turn these things on?

Mr KIRKMAN: Yeah. IES PTY is just basically a subsidiary of Power and Water.

Ms SCRYMGOUR: Who is it?

Mr KIRKMAN: Indigenous Essential Services. They're doing all of our remote work in terms of the service and maintenance, they've certainly got an education element and Darryl Day, the General Manager of IES, can give you some further details on that, but he's certainly working very hard to get an educational sort of a program out there into the communities around best use of not only power but of water and other essential services. So that's certainly part of his broader program going forward.

CHAIR: But was vandalism the reason, and that's what I was told, the reason that solar panels weren't put on roofs, because there'd been either a record in that community that they were smashed.

Mr KIRKMAN: Maintenance of solar hot water services is a real issue, I mean, we'd be keen to continue to investigate that going forward, but certainly all the evidence is that it is, it has been difficult to maintain those solar hot water systems.

Ms SCRYMGOUR: The old systems, but the technology today, I mean, you could buy panels that are actually indestructible just about, and I've seen some of the outstations that have now moved towards this new solar technology, and it's ...

CHAIR: Hot water panels, because that's what we're talking about.

Ms SCRYMGOUR: Yeah, I know, hot water panels and things they've got on their roofs, because outstations have been moving more and more, progressing more and more towards this to reduce their fuel cost, because of diesel generation. Why wasn't that, I think, that when we look at the cost blowout with some of the housing, and particularly with Maningrida, that's 11 in all of those new houses, and we're talking about what 109 are going to have electrical hot water systems.

Mr KIRKMAN: Yeah. We certainly did quite a bit of investigation around that in the early part post review, and certainly all the advice coming back was over time, we couldn't substantiate putting in solar hot water was because of the maintenance costs and the upfront cost against the ...

Mr DAVIES: Concurrently with that, and so I'm adding a little bit more here, through the Chair, Marion, but the issue is for the public housing program and in terms of a normalised process and people understanding the cost of services coming in their door, water meters are not part of this program at the moment, but going forward, clearly that's something that we're going to need to work with communities on.

Ms SCRYMGOUR: All the houses have been metered, I realise that, but every house has got power where people are paying for power.

Mr DAVIES: Yeah. That's correct yeah, that's correct, yeah. So there's another layer, I'm just saying, over time where people will have to start paying for water as well, at some point, and that's not happening at the moment.

CHAIR: Alright. Could we just move along to employment, just tell me if my figures are wrong here but there's been a decrease in total employment from 922 of the 30th of August to 660 at the 30th of September, total employment.

Mr KIRKMAN: An increase?

CHAIR: A decrease. Do you know if those ... is that reflected in the number of Indigenous people being employed, or have you got some ... and I'll put that in the light of a recommendation which we've had, that we've had trouble getting. And the recommendation of the 11th from the CTC is it says, 'Every six months training and employment data for SIHIP is made publicly available. This data is to include a breakdown of employee and subcontractor numbers, labour hours, training hours on site and in the classroom, and the types of trades and certificates that people are being trained in'. Well, the Government agreed to that, but we haven't seen any six monthly employment data with all that on it, and a question from the CTC is why haven't we been able to receive that.

Mr KIRKMAN: Yeah. Obviously there is some employment data around the quarterly report, and we're happy to work with the Secretary around the additional information you'd like to be in a report.

Mr DAVIES: And what you're asking though is, is there a decline, isn't it, Chair, is that what you're asking?

CHAIR: Yeah. We've got figures that say that there has been a decline, and I want to know if that was the ...

Mr KIRKMAN: No. With information we've got is we've got in excess of 300 Indigenous employees on board now.

CHAIR: I suppose the problem I have is that I know you're going to say were you going to supply it, but I'd probably be asking why hasn't it been supplied, because that's what the CTC asked for, the Government, they're not blaming you particularly, but the Government said it would supply it and we haven't got it, and you know.

Mr KIRKMAN: We'll make sure that you do get it.

CHAIR: Okay. So if we could get that, it's hard to really get an understanding of where we're at without those figures. Any other questions around employment?

Ms SCRYMGOUR: Just the matching funds, Ken, you were talking about with the housing program, you said that that's now rolled out to all the shires with the matching funding, and that's on top, that's separate from the CDP, that was the new ...

Mr DAVIES: Sure. Yeah. But yeah, so there was some additional money, and we'll be able to talk about this in the Local Government context in a little while, Marion, but there was some additional ...

Ms SCRYMGOUR: Well, do you want to leave it till Local Government, because then we can get down to that breakdown with local gov ...

Mr DAVIES: Yeah, sure.

Ms SCRYMGOUR: Okay.

CHAIR: I just might go back to the matrix while we've got it there, just so we got ... I've got a question here in regards to Package 3A, 10 and 11, and there's no budget for it. I don't know where we can find it on that, I've got to find it myself now, that Package 3A. Yeah. Is there ... and 10 and 11. Are there sort of budgets for those yet? 3A I think's above that.

Mr DAVIES: It should be.

Mr KIRKMAN: Now we're still to finalise budgets on 10 and 11, and 3 we can now provide. So in the December report we'll make sure we provide those, and hopefully we'll be in a position to provide for the ...

Ms SCRYMGOUR: And all the leases have been signed, leases.

CHAIR: Yeah. Can we get all the leases just for a minute, just to finish off on expenditure. The earth connects situation, has that been finalised?

Mr DAVIES: I'll answer that question, the answer is yes, there's been an agreement that has paid them their costs that they incurred in the program that were legitimate costs, so they're no more than that, and the agreement has been concluded and they've moved on. So we went through a ... I can't go into the detail, I'm happy to do that in a different context, but they had a position, we had a full mediation process, we had a judge who was involved in that process, an ex-court judge who's supported the mediation process. We had an agreed position from the Northern Territory and Australian Government that we negotiated and did not exceed that, and what we did was agree to pay them their costs that they had incurred in delivering the program and no more than that.

CHAIR: Okay. But in relation to some of the buildings that were started, and clearly they were the buildings they didn't show us, well, they weren't really buildings, they were foundations. Was there a deduction for buildings that would have to have been ...

Ms WALKER: Sub-standard.

CHAIR: Yeah. Would have to have been demolished, we saw, you know, foundation posts that were ...

Mr DAVIES: I would need to explain that outside of this meeting.

CHAIR: Yeah, okay, that's alright. Maybe we could get on now to leases. Is there someone that could give us a bit of a summary of where all the leases are, because there are a lot of leases. And I think one of our big concerns would be the five year intervention leases and what is going to happen to those five year intervention leases, presuming they've only got about less than two years to run.

Mr DAVIES: That's right. August 18.

Ms SCRYMGOUR: Yeah. Are we able to get, I mean, as part of the update with the list, if you could also note which leases are signed.

Mr DAVIES: Okay. So I can give you a quick, just a high level picture and then go to Andrew and to Ian for further detail. So we clearly have the EDTL involved in the leasing arrangements on Tiwi and Groote Eylandt. There are no township leases in the NLC in the northern end of the Territory or in Central Australia, and there are no negotiations on foot as specific to township leases, in either of those land council's footprints at the moment. But clearly we've been working very closely and effectively with the NLC and the CLC around housing precinct leases, and both the NLC and CLC have been very supportive in those negotiations. And so for the CEO Housing where new housing has been built in the big 15 communities, we anticipate that we will have housing precinct leases, and certainly where we've got building programs at the moment we've got them.

In relation to the refurb communities, the smaller refurb communities that are subject to the NTER and the five year leasing framework, we are discussing with the Australian Government at the moment about the future of those leases. It is not, at this stage, the intention of the CEO Housing to take housing precinct leases over the housing stock in those smaller refurb communities, we don't have an agreed Government position about that at the moment. And one of the issues is that the Territory can't take on ownership for stock that has legacy costs built into it. So in the Growth Towns, in the Territory Growth Towns, we're going to have precinct leases and ultimately we want to see a township lease in place.

In relation to the refurb communities that the Territory is managing, the housing assets out there are rolling out a public housing model in agreement with the Australian Government, and the Australian Government holds the leases over those communities through the NTER. How that is going to work post August 2012 has got to be part of some discussions going into the next 18 months, and clearly the land councils and traditional owners have to be involved in that process. But at the moment, the owner of the leases is through the NTER and that's the Australian Government.

CHAIR: And when you refurbish a house on Santa Teresa, who is the owner of the house?

Mr DAVIES: The owner at the moment is the Australian Government. So there is a tenancy agreement that is entered into and the CEO of Housing is responsible for delivery services into that community, and but we are an agent, in effect, for the owner which currently at the moment is the Australian Government.

CHAIR: So rental money goes to the Commonwealth?

Mr DAVIES: No. The rental money is coming back into my agency, and all of the rental money community by community is being reinvested in each of those communities.

Ms SCRYMGOUR: So does the Northern Territory ... so do you, Ken, as the CEO of Housing then have a sub-lease off the Australian Government or the Executive Director of Township Leasing?

Mr DAVIES: Not at the moment. Not at the moment, we do ... so we can't ... at the moment they're on ALRA land and the Australian Government has got the ...

Ms SCRYMGOUR: Well, the Australian Government's got ... it's a prescribed community, they have the compulsory lease over that community.

Mr DAVIES: It is. That's right.

Ms SCRYMGOUR: So they are technically ...

Mr DAVIES: If we were to get a sub-lease we would have to negotiate that through the traditional owners and the land councils. So the EDTL has clearly a different role both in the Alice Springs town camps and Tiwi and Groote; that's where the EDTL's presence is. Where we're negotiating for housing precinct leases on the mainland like Maningrida, we're dealing directly with the Australian Government, of course, working with them, but with the Northern Land Council. We are not, at the moment, going in and negotiating housing sub-leases in smaller communities like Ali Curung and so on at this stage.

Ms SCRYMGOUR: No. And you wouldn't want to.

CHAIR: So what happens when ... so what happens when, say, the lease isn't renewed, what would happen to those houses?

Mr DAVIES: We are working with the Australian Government around what will happen, that's still, I mean, clearly we're going to have to have some agreement around given that all government assets, Northern Territory and Australian Government assets now have to have a lease.

CHAIR: We could get onto that a little bit later, yeah.

Mr DAVIES: That's right. We are going to have to work out with the Australian Government about who's going to take the lease in the smaller refurb communities.

CHAIR: But no agreement was made in 2012 for when the leases run out, what happens to those houses? What would happen to those houses?

Mr DAVIES: Clearly, well, what would happen to those houses is they're in a public housing framework, but that's part of what we have to work out in the next 18 months, and whether there's an extension, whether there's a negotiation with the land councils, that's all got to be worked through. And it's very clear what's happening with the Territory Growth Towns, it's very, very clear what's happening with the town camps, but in the refurb communities that we still don't have the clarity

at the moment. And of course there is no public housing model on outstations or homelands.

CHAIR: Do you think you can ... I've got to be careful with opinions here, but I have to ask you because ... do you think these lease arrangements are going to be sorted out before the expiry of the leases?

Mr DAVIES: For?

CHAIR: These are the, well, mainly the refurbished housing.

Mr DAVIES: There will need to be a solution around this, because there has been a substantial investment and it will be in the community's interest and both Governments interest to get this sorted out.

CHAIR: Are you confident it will happen in time, because, I mean, it's a big issue and Bob Beadman's raised it?

Mr DAVIES: Yes. Chair, I'd like to think that we would get it done in time, but how we're going, whether it's by ... I think it's going to have to be by some agreement with owners and with the land councils, whether it's extension, whether we go back rather than the straight township leases, we to go to precinct leases. But there's also going to have to be some discussion between the Australian and Northern Territory Government about these housing assets, and who actually takes the overarching ownership for them in a lease arrangement. Currently it sits with the Australian Government. We are clearly, on the Tiwi Islands, the CEO Housing with a sub-lease that's taken ownership, clearly we've done that in the Alice Springs town camps and we're doing that at Maningrida and so on.

But in relation to these refurb communities, we've actually got some work going on to put to our Government around some options for that, but we're going to have to negotiate this with Minister Macklin.

Ms WALKER: From the Northern Territory Government's perspective, Ken, what would be the ideal scenario?

Mr DAVIES: The ideal scenario, Lynne, would be that the assets are part of a sub-lease arrangement, so that the CEO Housing has the locus of control to make sure this is ongoing, currently the arrangement's working well. And the ideal arrangement would be at some point to have a commitment to contribute in an ongoing way to bring these houses to a public housing standard over time. So that the Territory does not take on a liability.

Ms SCRYMGOUR: Just say for in places like Maningrida though, Ken, where I suppose you as the CEO of Housing would have the negotiations that you're having with the Northern Land Council is Section 19. So you're over that precinct, under the Section 19 you would have the head lease of just that precinct ...

Mr DAVIES: That's right.

Ms SCRYMGOUR: ... which means that the control and the ability to do all the things that Government needed to do would be a hundred times better than the sub-lease arrangement that you're having on the Tiwi Islands. Because you don't have the same levels of control under the EDTL like you've done with the Section 19, that's all.

Mr KIRKMAN: In terms of the housing precinct, I can't talk for the broader town, but in terms of the housing community as in it's not significantly different the level of control through us.

Ms SCRYMGOUR: Oh, no, it's not, but a sub-lease is completely different to taking out a head lease, a Section 19 had to be some under the land council.

CHAIR: The CTC and one of its recommendations was that the Territory Government ...

Ms SCRYMGOUR: Are we going to have a break soon?

CHAIR: Yeah. We'll have a break at quarter past. The Northern Territory Government should take out the township leasing instead of the Commonwealth, and we're not really happy with the Commonwealth, the CTC doesn't believe that's a good model. Is there any reason why the Northern Territory Government can't take over the Council leases considering that you're talking about normal towns. Now you're not going to get normal towns if you've just got housing leases, you've got to have a lease over the entire town, roads, parks, you know, public buildings. So why is the Territory Government not looking at developing its own township leasing program?

Mr DAVIES: We are dealing with ... so it's about, I think, Chair, so I'll just try and describe this the way this is sort of manifested. Bob Beadman, the Co-ordinator General's clearly got a view about it. But what we are doing at the moment is securing leases over the housing precinct; this is in the Growth Towns, in particular, over the housing precinct.

Correspondingly, Mathew Fagan and his service delivery co-ordination unit is working with both land councils and with the EDTL to secure all of the Northern Territory Government assets that we currently have out there in leases. And I can ... just I know from talking to the CEO of the Northern Land Council, he was just saying that the last full council meeting they approved in excess of 200 leases.

CHAIR: For houses?

Mr DAVIES: No. On a range of assets, housing precinct leases, you know, so their work is substantial in this area. So there's this work going on, then there's the question about the township lease. Currently, at the moment, the mechanism for obtaining township leases is through the EDTL, and that's supported by the Australian Government. So the question really is, given what we've got, at what point, and there were offers made around township leases by the Australian Government in 2009 for township leases at Hermannsburg, there was a township lease offer made at Maningrida, that's when Brian Stacey was here, with an overlay of community benefit that was part of the offer to seek agreement.

So the real question is, given that that's the structural arrangement in place for the EDTL is, at what point do you shift to negotiating on the mainland because at the moment the Territory's position is that we are going to be working with the EDTL, we don't have approval to put in place a Northern Territory Office of Township Leasing at the moment.

CHAIR: Why do we need approval?

Mr DAVIES: Well, it will ... because there's a cost to this, we would need to have the support of the Australian Government.

CHAIR: But most of the assets are Territory assets, and yet we've got the Commonwealth controlling assets now saying to your Government that you will pay a lease payment for hospitals, schools, aged care, any facilities. Surely that's not the way we should be going, surely the Territory Government should be controlling the lease arrangement, especially for its own assets.

Mr DAVIES: Chair, and you know, that's a question I can't answer, all I can tell you is what the current Territory position is, and the current position is that we are working to secure our assets that we have in these communities where housing precincts are being sought, we're negotiating with the land councils. But in terms of securing township leases, the agency that's been dealing with that has been the EDTL, and that's part of the arrangement we have with the Australian Government.

So the question is could the EDTL transition to an NT entity, the answer is yes. Could the Territory then take on the responsibility for securing township leases, over time, the answer is yes, we would want to work with the land councils around doing that. But just from watching how this is played out on the Tiwi and on the Groote Eylandt, there are costs that the Territory would have to meet in terms of taking on that responsibility, and we'd need to know that we had the full support of the Australian Government in terms of going into that space.

CHAIR: Just we're debating something in Parliament, and I'm not asking ... people may have a different opinion on it, but you talked about ...

Ms SCRYMGOUR: I probably have got a different opinion than you.

CHAIR: Yeah. You've got a different opinion on everything. But I'm putting it out there that I'm not asking for people to agree with me, but I have concern about the Government paying for its own facilities that are there for the benefit of the community, say aged care, why should we be paying a lease payment, why shouldn't it be just a peppercorn rental, it's there for the community, it's there to help the community. In the lease discussions you were talking about you've had with land council, I think you mentioned 200. Is the Territory Government paying a more than peppercorn rental for some of those facilities?

Mr DAVIES: For some of the assets ... I would like, if I could, Chair, to get Mathew Fagan to come to the next meeting to discuss that in detail, if that's alright.

CHAIR: Alright. Well, that's okay. If that sort of leasing's more in that area. But I know that Andrew and Ian have got to leave at half past.

Mr DAVIES: But can I just say, one of the things, sorry Chair, just through you, but in terms of peppercorn, just to reinforce that, the housing precinct leases have all been peppercorn.

Ms SCRYMGOUR: Peppercorn rental, that's right.

Mr DAVIES: So it's then how the other assets play out.

CHAIR: And that's yeah, that's the discussion I'm ... yeah.

Mr DAVIES: And that's the discussion that Matthew ...

Ms SCRYMGOUR: I think the view from ... I don't know about the Central Land Council, but I know certainly in the Northern Land Council region, most of the communities, Gerry, are open to peppercorn rental for police stations, health centres, schools. But I know that in some areas they have asked for a rental payment, which I think that there are probably views that are shared with yours and with others, that it should be peppercorn rental. But at the end of the day, Aboriginal people, like any landowners are entitled to negotiate for the money for infrastructure that's going on. They should also get benefits of establishing that infrastructure themselves.

CHAIR: As long as the other side of the equation is the Government doesn't need to put infrastructure in there if it feels that it's extraordinary.

Ms SCRYMGOUR: That's right. But I think that the discussions on peppercorn rental, I think the majority of Aboriginal communities have no problems with peppercorn rental.

CHAIR: I've just got to note you've got to go in 10 minutes, and so if we can knock off at half past, because there's one, I feel, really important question that I think needs to be at least asked on behalf of those communities who are not getting housing at all. I visited Nauiyu, it had one house since 2003; Peppimenarti no houses; Palumpa no houses.

Now, I could not regard those three really today as outstations, they all have schools, clinics, footy grounds, swimming pools, sewerage, water and electricity. What do I say to the people in those communities, Nauiyu's probably the worst affected, to get the leasing arrangements of down there, but just talking in general, Nauiyu has probably got one of the best tidiest well kept communities in the whole of Northern Territory, it has had an impeccable housing record since 1970, believe it or not, they had houses built out of blocks way back then. Yet for them there's no future, because there's no houses. So either they're doing up the old houses, as I mentioned the ones that go under the flood, so what are those people going to do stop having kids, move elsewhere, where do they go when it comes to new houses?

Mr DAVIES: I'll have a go, Chair, and then throw to Andrew. So I understand it's not a rhetorical question but ...

CHAIR: I mean, oh, sorry, yeah, advise across it, yeah.

Mr DAVIES: Sure, sure. And the real issue is if we go fundamentally to what the real issue is that going forward the public housing stock in an urban context in the Northern Territory in Darwin, and in our big regional centres is 8% of the housing stock. Nationally public housing stock is 4%, in the longer term our housing stock in remote is 100% social housing. So there has to be other ways of securing investment in the communities as well as providing a concurrent public housing model. So that goes to the leasing issue, that goes to investing, that goes to people who have got jobs, it goes to the issues that Marion raised on Nguuu. So we have to look at that model, but I'll go to Andrew to explain with the public housing rollout and with the SIHIP just what we're going to be doing.

Mr KIRKMAN: Yeah. I mean it is quite a common question, Chair, and it's not an easy situation for those smaller communities which in the near future will not be receiving new houses, and I think it's important that we make that quite clear up front, we don't pretend that under SIHIP, for example, there will be. SIHIP is, I guess, the first part of the National Partnership Agreement as Ian Boyson's mentioned it is part

of that. Beyond SIHIP it would be great to see, I guess, some of the ones with the longer term secure land and, you know, some of those communities that will enable us to go and build new houses, and really that's sort of, I guess, what we'd be looking at going forward. But certainly, I guess, our focus in those communities is to maintain the current housing to the best standard we've got with the dollars we've got.

CHAIR: Won't it just exacerbate the problems? If you lived at Palumpa, if you lived at Arrawajin, and you're not building any more houses and the population's increasing, there's going to be a tenancy so long they're going to pack up and go to Hermannsburg or Wadeye because they're building new houses. So all you do is move the problem from A to B. I know it's a nice concept in theory with a 15 growth council or a 21 growth council that ...

Ms WALKER: Twenty.

CHAIR: But these are fairly well established communities, they've not just popped up over night.

Mr DAVIES: Yeah. And part of the challenge, I think, for us, Chair, is to get some science into what we're doing, so it's fair to say that some communities are making decisions to, you know, I mean, quite clearly there's a lot more Indigenous people in Alice Springs than there were a few years ago. Some of those communities, I can remember at Papunya when it had 800 or 900 people in it; I can remember Yuendumu being a similar size, Ali Curung as well. So people will make choices, and I'm not saying that the housing model will drive that. But what we have to do is we're going to start some work this year, sorry, at the beginning of next year with CDU and their demographic area, Dean Carson, to start to get profiles on the community and to map what's going on in those communities to see whether or not ... we shouldn't anticipate that every single community out there's growing, to try to get some science into a program going forward. And part of what we may be able to do in the future is predict a bit more, especially in these smaller refurb communities where there is growth and a real need going on. But I would expect with new houses, 105 new houses going into Wadeye, that some people may choose to shift to that as a regional centre. We're establishing the Territory Growth Towns and service and delivery centres and some people may choose to move to those places.

Ms SCRYMGOUR: Or may have to.

CHAIR: But from a social aspect, I mean, we have problems in some of the larger towns, you know, are we driving people into a town and then creating more problems, but we know we have social issues in some of these towns. But we're not going there because of choice, they're going because they have to, they simply haven't got anywhere else to live in, yeah.

Mr DAVIES: And if we can invest substantially around the road networks and make sure that the services that are provided allow people to get home. What we've got to do is to grow these places under that Working Future banner, so that they are proper service centres and people will come in and seek the services, but they've got the capacity to get back home as well. But does it mean that there will be some pressure with the additional housing going in if we're building 750 new houses, and 86 in the Alice Springs urban living area.

Just as an example of part of that is that going to mean that more people shift into Alice Springs and take up those houses, and what does that then

correspondingly do in terms of the community housing in remote, that's part of where we have to get a whole lot more evidence.

CHAIR: But unfortunately would I be right in saying the bottom line for Bulman, [??Omili] ...

Mr DAVIES: There's no new houses.

Ms SCRYMGOUR: No new houses.

CHAIR: No new houses.

Mr DAVIES: No new houses, that's correct, unless we can find a different way of doing it.

CHAIR: But that's right, but do the people of Nauiyu, the people on Palumpa, know is there someone going down and there say, yeah, we're not building new houses, but here is some practical real options. Because the whole ... well, I'm not 100% sure it's working that well myself, because we saw houses when we went there that were the Chinese packaged houses, it didn't look like they'd last a long time. What practical options are we giving people to live in a house or are we just going to make these little communities overcrowded, and we've got a solution over there and a problem starting to occur here. I mean, I think you should have a choice of houses, and I've said before Indigenous Landcorp paid \$320M for Yulara, why aren't there some sort of Indigenous housing companies investing in housing and getting their return from rent.

Mr DAVIES: And Chair I just go back to the point I think I've made earlier to the Council, is that we're essentially two years into a major reform process here rolling out a public housing model doing a huge investment into the housing footprint, we've got a whole lot of work we've got to do around economic development. We've got to focus around these 20 Territory Growth Towns, and the questions you're asking are absolutely fair enough and we're building it as we go, but we don't have an immediate answer for you.

CHAIR: But what concerns me is the morale of those communities will go down, you know, I'm not saying housing is necessarily involved in suicides but there's been some suicides at Nauiyu that have never been heard of much before, and there's been attempted suicides, there's very little work because there's no housing, that used to be the main area for housing. So what hope have these places got in a sense that this was a vibrant community and now it's sort of going to it's going to sort of sit there.

Mr DAVIES: Well, in the case of Palumpa, you know, having just been out there recently and seeing the new causeway built that connected both communities, both the sort of store area back across the road, again if I could go back and we can do a specific bit of analysis around Palumpa just to see what the underlying ...

CHAIR: Was Nauiyu the problem for you?

Mr DAVIES: Yeah. Well that's right, so whether that connectability means that people take up, it's a more even mix utilising the assets, but I think the only answer we've got for you, Chair, is that the building program at the moment for new housing is focused on the 15 RSD sites, and are by the time the NPA is finished there will be substantially more houses than 750 new. But they will be in these larger regional

centres, they won't be new stock going into smaller communities out there, we're going to have to find another way, at least under this national partnership agreement.

CHAIR: Just quickly, the other question, we got the extra money was announced by Minister Macklin, that's not going to top up the existing program, so we're completely independent of the existing program?

Mr KIRKMAN: That funding, Chair, really is recognised in the commitments we've got on hand, so that's bringing forward funding from outer years to meet the massive commitment we've got.

CHAIR: It's not subsidising the existing program, that's all I want to know?

Mr KIRKMAN: No, no.

CHAIR: Look, we better give you all a break, thank you, I just ...

Ms SCRYMGOUR: Just have a quick break because we're going to have Local Government.

CHAIR: ... I know you're going, Ian and Andrew have got to go, probably have more little questions. But thank you for your help today, and thank you for your help during the year. It doesn't mean we agree with you all the time, but we do wish you a happy Christmas anyway, and we'll see you back in the New Year, and we'll keep doing our work. You're staying on Ken, is that right, and we've got a few other people to discuss matters with.

Mr DAVIES: Yes, I am.

CHAIR: So we might ... is it alright if we have a 15 minute break, there's a few sandwiches down the back, a cup of coffee and people might go to a like a refreshment stop. And so we'll have a break for 15 minutes and then we'll come back, thank you very much.

Mr DAVIES: Thank you.

Ms SCRYMGOUR: Thanks Andrew, thanks Ian.

[MEETING CONVENED AT 12.33PM]

[RECONVENED AT 12.48PM]

CHAIR: Well we've got a mixture of things here. I'm just not sure, I'm just wondering whether we might ask Barry because we've never had Barry here before, and I met Barry down at the AGM of Local Government in Alice Springs, and I'm just wondering, Barry, maybe you could give us a rundown of who you are and what you do and what your role is.

Mr DAVIES: Sure Chair, no, that's fine, Karl Dyason's also here, he's Mathew Fagan's 2IC, and just asked him to sit up as well, Chair.

CHAIR: That's fine, I think we'll go to everyone, I just ...

Mr DAVIES: And of course David, you know David, so, Barry, over to you.

Mr JOHNSON: Okay, thanks. Chair, I'm Barry Johnson, I'm the Manager of the Regional Operation Centre in the Northern Territory, which is a combined Australian Government, NT Government unit that's been put together under the RSD National Partnership Agreement for the remote service delivery, National Partnership Agreement in the NT. Our role under that is to work with the communities, the 15 communities out of the 29 communities agreed Australia wide to improve service delivery to these communities. The National Partnership Agreement is designed to work very intensely with the 15 of those communities, and those 15 come under the ambit of the Working Future 20 Territory Growth Towns.

CHAIR: So you don't have anything to do with the other six?

Mr JOHNSON: The other six, no, or the other five, because we've got the ...

CHAIR: The five and a half.

Mr JOHNSON: ... the two on Groote.

Mr DAVIES: Chair, we have ... just if I could respond to that, excuse me, but we have a commitment, not a commitment but an agreement with the State Manager of FaHCSIA, Dave Chalmers, that the Government Business Managers and the Indigenous Engagement Officer or at least the GBMs in the remaining towns that fit inside the Territory Growth Towns context. So places like Borroloola, Elliott, Ali Curung, Papunya, they are ... the GBMs there will work with Karl and the Service Delivery Co-ordination Unit to develop Local Implementation Plans for those Growth Towns. So the funding and the focus is around the RSD in the context of the Remote Service Delivery partnership that we have with the Australian Government, and the Northern Territory Government's expanded it to the 20 Territory Growth Towns.

CHAIR: So it'll be working together, I mean, they won't be sort of having different policies?

Mr JOHNSON: No. Working very closely with together. So in the 15 specific communities, and they're all listed on both the Australian Government and the NT Government's websites as to all the details. We've got the single Government Interface in each of those 15 communities, which is the GBM and the Indigenous Engagement Officers. And in those 15 sites those two people work very closely with both tiers of Government.

And the purpose of having the GBM and IEO on the ground is to actually build a relationship with the communities, and we've been doing that through the establishment of local reference groups, which we haven't confined that structure to any nominated group of people. We've been working very closely with the communities for the communities who work on what they consider is the best representative structure to work with us on the Closing the Gap agenda and the Remote Service Delivery agenda, and those staff work totally with NTG and Australian Government.

Part of the process is the development of the Local Implementation Plans and with those 15 plans being completed in totality in November, and signed off by the Australian Government and the NT Government through Cabinet process. We're now in the process of working through each of the communities and the shires, local

reference groups, Australian Government, NT Government and signing off those Local Implementation Plans, which have a series of actions to be undertaken by all spheres of Government and the community. In fact, I think, we've got about 1,300 actions in the 15 LIPS in the Northern Territory.

CHAIR: What do those plans cover, I mean they cover ...

Mr JOHNSON: They cover the seven building blocks that were agreed in the NT Remote Service Delivery Partnership Agreement, which comes under the overarching COAG Agreement what's called the National Indigenous Reform Agreement, which has been signed by all the Local Governments.

CHAIR: That's alright.

Mr JOHNSON: And now that we've signed four and then I think you went to Yirrkala the other day and Gunbalunya and the two on Groote, Angurugu and Umbakumba. We've got the process now of signing, the communities have pretty well closed down to signing between now and Christmas, and through from January through to March we'll be signing the remaining 11 Local Implementation Plans.

The activities in those Plans, even though it's taken us a while to establish them, are already being actioned by the Governments, the shires and communities. So even though they weren't signed as a formal document, they're actually what we're calling a living document. They will continue and we will work with the communities to continue to build those documents for the whole five years of the process of the RSD, which is designed to work with the communities to improve service delivery, to improve Indigenous people's sort of involvement in the development of the services or the redesign of the services to build appropriate infrastructure, to work with Government agencies and the shires to best shape and form all services that work for the community. Our target areas are the COAG Closing the Gap indicators so we're looking at employment, health issues, schooling, early childhood issues, community safety, economic development and leadership and governance.

That in a nutshell encapsulates the process we're going through. There's 15 GBMs and 15 Indigenous Engagement Officers and there's about eight or nine staff working with me direct to run this place through the Territory.

Mr DAVIES: Can I just pick up, Barry, if it's okay with you, just so it's 15 of these sites are in the Northern Territory, there's 29 nationally, and the other sites are in Queensland, New South Wales, South Australia and Western Australia. In terms of the responsibility that the Territory has under this National Partnership, it's fair to say that about eight of our sites are the eight biggest Indigenous communities in this program, and in fact Wadeye is the biggest Indigenous community in Australia in terms of the numbers. So for scale and then the next five of our communities though sitting in underneath that are in a tranche of 600 to 700 people.

So in terms of tasks for the Northern Territory, we've got over half of these communities under this program, big commitments from the Australian Government, a big commitment from the Northern Territory Government. Part of the challenge as well as engaging with the shires and Local Governments, so the GBMs have got a key role through that single Government interface of making sure that local Government's networked in as well.

And just further to what Barry's saying, the co-location of staff and the joint effort that's gone into this is pretty unique. The other place we've got co-located staff is in the SIHIP Program, and in the Alice Springs Transformation Plan in Alice Springs, and it's for us, Chair, a very important process because it means that people who are managing these programs are actually working together, not sitting in separate offices.

CHAIR: I suppose what I was interested in is that in setting up this plan for a particular community that we also set up Local Government reasonably in a different format, in other words, we put it across a large part of the Territory. Have we looked at seeing whether these two match, I mean, if you're going to develop a five year living document to develop the future of a certain town without any actually democratic sort of governance over that, because your GBM as the boss, I suppose, followed by other various people in it. But there's no, like, Local Government democratic process involved, that they might slip into the side. But who, sort of, is there a structure that you would have in a normal town like a Local Government that would run this, because the Councils now run like as big as Tasmania, and then they sit themselves in Katherine or Alice Springs. And yet we're building these towns, we say they're going to be normal towns with fairly advanced building blocks. Where is the grassroots ownership of that from a democratic point of view that people have voted this is what I want and this is how I want it to run?

Mr JOHNSON: Ken, do you want to start that or are you happy for me to?

Mr DAVIES: Well, Barry, I'm happy for you to have a go and then I'll sort of come in on the back of that.

Mr JOHNSON: Thanks, Ken. Chair, the process of the shire reforms and the way the shires work best, is by having the Local Advisory Board's out there and there's usually a local Member, the shire remit is for a certain number of functions in the community, and the issues that we're talking about go much broader than the shire's responsibility. So when talking with the community about education issues and increasing school attendance, working with the health service, we're looking at a broad range of social issues in the community.

And what we've been doing is trying to get the shires involved in that, and accept your point about what is the Governance structure. We are in the process of working with a number of different agencies to look at what would be the best longer term structures that would support and link in to have some form of governance in the community. But we haven't dictated it at all as a formalised constituted body or anything; it's a group almost like a Chamber of Commerce sort of thing; there was a group of people in that community that have got interest in what we're doing, working with us to start to really improve a lot of the social agenda in those communities.

The shire is being invited to be very much a partner in this, and we're working with the Shire Service Managers, and as you saw in Alice Springs the other day we're making some inroads into building a much stronger relationship with the shires in that process. But I think from where I'm sitting with this process it's not just the shires' responsibility in these communities, it's the community itself with its responsibilities, and we're working as hard as we can to get the best representation, and that's not an easy task and there's no easy answer to that at all, at the moment.

Mr DAVIES: So if I could just come in there, Barry. So one example of a model that I think is one of the best practice examples that we've got, is the Regional Partnership Agreement that we've got with Anindilyakwa and Umbakumba and

Angurugu are part of that RPA. So there is a high level group that's co-chaired by myself and Dave Chalmers and Tony, the traditional owner out there who's the head of the Land Council, and the LIP processes we've been brought in under that RPA agenda. The shire sits on the RPA as well as both Governments and a range of other stakeholders and the ALC's had some resources which they've contributed substantially to the RPA, and they are committing to surfacing some of the road between Angurugu and Umbakumba and using their resources as well as Government resources to do it.

So that's a governance model that's evolved, which I think is quite robust and will ensure that what's been committed from all parties is delivered. I think it's fair to say, Barry, that in some of the other communities, we've got very strong buy-in around the local implementation process and in others it's still growing, but we couldn't sit back and not have a plan going forward.

So we've got a range of commitments under schedule A which are time framed, they're dollars and they're real commitments and we've got to deliver them and they'll actually, at the local level, be able to hold Governments to account in terms of what we've committed to do, so it's a big change.

In relation to the local boards and their role, I think it varies from community to community it's fair to say, Chair, and, Karl, I don't know whether you've been out and about, but just your experience of it and in fact I think some of the local reference groups have been largely constituted from the local board, haven't they, but it is different from community to community. Karl, did you want to comment?

Mr DYASON: Yeah, Karl Dyason, yeah. Chair, as Ken said, I think a lot of key members of the local board often end up being members of a lot of different Government structures in communities like school boards, health boards, on store committees and a range of other associations and companies. So they do play a key role, and I think they've got good links to community Government structures as well. So while they're not always elected representatives, I think there is a reasonably good representation from most aspects of the community on those local reference groups.

CHAIR: Yeah, okay, you go on.

Ms SCRYMGOUR: Ken, and look, I'm not sure who I spoke, but I missed the signing at Gunbalunya in terms of the Local Indigenous ... the LIP, but I managed to get all the angst that came after. And one of the biggest, I suppose, concerns in places like Gunbalunya and Maningrida, is the lack of representations from traditional owners. And I know, look, the people that are involved in both in the Gunbalunya plan, fantastic members, I mean, they are involved across a number of areas and certainly do a lot of work amongst the various organisations. But you just talked about Groote Eylandt, where I think the key player in Anindilyakwa Land Council is part of your remote partnership agreement, and dealing with some of that stuff.

Where are the plans in terms of trying to get Northern Land Council, whether we like them or not, they are a key player in that they are a statutory authority set up to represent traditional owners in those communities. And when you look across the local implementation plans, there's a lot of areas in which they will need to have involvement with, and I suppose it's better to have them involved at the start rather than down the end and then a whole lot of angst. So has there been any formal engagement with Northern and Central Land Council with some of that, Ken or Barry?

Mr DAVIES: Barry, do you want to?

Mr JOHNSON: Yes. With Noelene Swanson who was working in ROC until recently, and she kept the NLC up to date and we've been keeping the CLC up to date, NT with Land Council with what's happening with this process.

I think one of the things, and I'm not sure, Karl, whether it would be with most probably exactly the same as the work you're doing, is when we're in the community, one of the directions we give the GBM is to engage as much as possible with the traditional owners, invite them to the meetings. We're not forcing people to the meetings, but there's always an open invite, they're not a closed meeting. And I know in Gunbalunya specifically, people were asked to attend for other reasons, most probably chose not to because it's only now that I think we've got the LIPS quite visible. But we'll continue working on that, continue our work with the CLC and NLC then, because as you're saying, there's a lot of land tenure issues in there, there's a number of issues that are coming up through the LIPS that require the involvement of the Land Council in the communities.

Ms SCRYMGOUR: Particularly in the Working Futures and trying to develop those growth things, I mean, I think that there are TOs in both of those areas that are quite keen to get those things happening, but need to ... the other thing, Barry, and I don't know whether there's any discussion, and I suppose this goes to Local Government, as well. Whether there's been any discussion between both Governments, the role of the GBMs and the transferral of those positions into the shires, and in the longer term. I mean, I don't know what discussions are happening in the longer term between Commonwealth and Territory about whether that's a possibility.

Mr DAVIES: The role of the Government Business Managers, is that?

Ms SCRYMGOUR: Yeah.

Mr DAVIES: Sorry.

Ms SCRYMGOUR: Or the GBMs and the Indigenous Engagement Officers being part of the shire.

Mr DAVIES: Well, through the Chair, I think the role of the GBMs, it's fair to say, and Barry, I think, would back me up here, Barry, has changed quite substantially from the initial role of Government Business Managers. And in this space, they are looking at coming at it much more from a community development, lands and the community engagement co-ordination lands and their original role. Where that ends up ...

Ms SCRYMGOUR: I haven't seen that happening, Ken where's that happening? I'm sorry, for someone who's got a bush electorate where you've got these GBMs, where's that happening?

Mr DAVIES: Well, Barry, you might be able to comment, but I will just ... so if I just keep going, through the Chair, one of the issues is where does this all end up? We've got a six year partnership here, in the remote service delivery space; it goes across election timeframes and that sort of thing, so it's a long term commitment. We'll well and truly know whether or not this is successful in the next couple of years and how it works going forward. I think, just as Barry's saying, that this is a live

arrangement, it is literally a live arrangement, and whether the Australian Government would want to relinquish control of the Government Business Manager structure and shift that to the Territory or shift it to the Local Government domain is still yet to be worked through. And we haven't, to be frank, made a formal request that that happen either at the moment.

And I think the other thing, through the Chair, Marion, is that it's really important for us at the moment in the Northern Territory, I think, as much as possible, to keep the Australian Government at the coalface with us, because we've got some big challenges out there, they've got huge resources and we need their support. Now that doesn't mean that they necessarily need to not look at doing things more flexibly, but it's still early days. But Barry, do you want to just, yeah ...

Ms SCRYMGOUR: Ken, can I just correct, I'm not advocating that the Commonwealth should remove themselves from the landscape of Northern Territory Aboriginal communities. I think the money that's going into communities is, after years of neglect of money not going in. So I acknowledge that it is important to keep the Commonwealth Government at the table and because they do have a greater revenue stream than the Northern Territory Government; I just want to make that clear that I am not in any way advocating or saying that the Commonwealth Government should remove themselves from the community.

Mr DAVIES: No, okay, fair enough, no, thank you. But Barry, do you want to comment on the role of ... so ... thank you.

Mr JOHNSON: Thank you. The role of the GBM virtually came out of the NTER process and they were mainly the eyes and ears of Government on the ground. What's happening through the remote service delivery strategy is we're finding that that sort of philosophy of having eyes and ears is not really the way to go in the future and for the skill base of GBMs needs to be more about the capacity to engage with the community, starting to look at what are the development opportunities.

The areas that we're concentrating too on is to ensure that we've got leadership and capacity building programs actually working in community, because over the last couple of years a lot of those programs were run in Darwin or Canberra or wherever. We're now in this last five months been running programs in community with the reference groups, and anybody else that wanted to participate in those programs. So the way we're seeing the GBM role evolve in the RSD sites is one of having a different set of skills to the group that we were initially recruiting.

Ms SCRYMGOUR: And what they did too.

Mr JOHNSON: And so we're developing programs, and I know there's been discussions nationally because of the 29 sites, and that that observation was made early in the RSD process of having a different set of skills, that ability to engage, the ability to have some concept around community development and we're much closer to the community so we're now, if you see our latest advertisements the GBMs are slowly ...

Ms SCRYMGOUR: Changing. Yeah, and look, Ken, I didn't mean to ... let me ... because there is some good GBMs out there and I must say but in some of my communities I've had some good people that have tried and anyone who's worked with communities know how hard it is to try and pull together all the different players and the politics that can happen on a daily basis. But there is, I mean, one of the

things and when you talk to GBMs, and I don't want to get any GBMs into trouble here because they're ...

CHAIR: They're already in trouble.

Ms SCRYMGOUR: All of us who hold bush electorates we see these people slogging it out, doing their jobs out in communities and I've been told and I don't know if it happens anywhere else but I've been told and I'll only speak for my electorate point of view that the Commonwealth make decisions not to allow GBMs to have their families in these communities and they've got like, I mean, they're there for two years but they're not allowed to have their families with them for fear of establishing a long-term relationship with the community. Is that right or ... ? Given that you're wanting to take them into a different role and working with them, because for all of us, it doesn't matter whether you're a white fella or a black fella, family is important and to live in that sort of community ...

Ms WALKER: It's key to building relationships.

Ms SCRYMGOUR: Yeah, and these people are out there, they've got no family, so ... yeah.

Mr JOHNSON: I'll go back to the first group of GBMs because you'll recall they were put in there and so forward emergency conditions with allowances and that and they were expecting to live in fairly, sort of, different conditions, I'll say. As it's evolved again, I think better accommodation, better facilities and I know through, I'll be quite frank, the LIP process, communities and the reference groups have said, you know, why don't the GBMs have family and that out there, so it is an issue we've raised for the longer term, the same as looking at building the engagement skills in GBMs and their development skills. There's also a need to look at their whole package. And we're in the process of doing that but again it'll be a joint decision with the NTG as well.

Ms SCRYMGOUR: Do you reckon that'll change? Because I think we've all got GBMs that would love to have their families.

CHAIR: There's a GBM in my electorate.

Ms WALKER: Are those roles tied to the five year timeframe around special measures of the NTER?

Mr JOHNSON: No, the ones I'm talking about through the Remote Service Delivery are the five years and this tranche of funding and I think the original round of GBMs was 12 month contracts with extensions depending on how they went. I've been approving two year contracts since attending this role, and again, because we haven't had a total guarantee of what sort of package of funding in the long-term, I've spent two years but that was my call.

Ms WALKER: I have to speak from my experience as the bush member that I have come across some very effective and efficient GBMs. I think the issue around them being recruited as single individuals with family not relocating with them has been an issue in Indigenous communities around that capacity to build trust and relationships as well, and you will never keep people there in Indigenous communities long-term, I know we're talking about people being on contract anyway, if people are on those sorts of arrangements. And I have seen at Yirrkala, 1, 2, 3, 4 GBMs now, and I've just seen the amount of effort that goes into, and goodwill from

both parties to work together and the disappointment that community feel, in spite of the ups and downs, when they see a GBM leave.

CHAIR: We saw that at Umbakumba, with a bloke there being moved at Umbakumba. They loved him and he was being sent off to some ...

Ms SCRYMGOUR: And then he was going that ... mmm.

Ms WALKER: And the replacement spends another six months re-establishing all of that.

CHAIR: I'm just conscious of the time, can I just ask one question, and it's the first time I've seen ... I'm not saying I haven't been around but I was just looking at the LIPS for Angurugu and in light of the *Child Protection Report*, was any of that discussed as part of LIPS ... because I didn't see anything here that sort of mentions that ... if this safe community highlights as ...

Mr DAVIES: There's a local ... if you go to schedule A there, Chair, and if ... yeah. Have a look under community safety, there may well be, and I can't ... so, you may well find some elements that might start to pick up some of ...

CHAIR: Mainly about misused ... substance misuse, sniffer dogs, police.

Mr DAVIES: Yeah, it's a big issue, that's correct.

CHAIR: It doesn't say anything about child care.

Mr DAVIES: The specifics of child protection. So some do, some don't, but all of those things impact on the child protection domain.

Ms SCRYMGOUR: But deal with ganja and grog and you deal with child safety.

CHAIR: That's true, but I didn't know whether that ... because it's been such a big issue, whether it should have a, sort of, a line in there as part of ...

Mr DAVIES: Well, look, yeah, the Community Safety Plans came in on the back of a whole lot of safety issues that were ... that came up in the development of the local implementation plans. It's fair to say that a lot of the work I think Clare Barnes is planning to roll out community safety teams into all of these towns, they will come in under this banner of the Community Safety Framework and how that's knitted together with police and alcohol management and that sort of thing. And this is this point about them being live documents, but not all of them specifically refer to child protection.

CHAIR: It's, I suppose, when you understand why we have the intervention, which was to do with the *Little Children are Sacred Report*, which was about child abuse. I suppose that you'd hope you'd see something that actually referred to that in here.

Mr JOHNSON: Yeah. In the forward to it there is mention of it, and I'm looking at Gunbalunya's here, and under community safety is minimum service standards to child protection - a related service will be developing Gunbalunya including an agreed program to implement these standards. And there's mention throughout all of the LIPS about the child protection issue, remembering that these were drafted

before the Bath Report came out, but they did pick up ... every community I visited community safety and child protection was on the top of the agenda. And as Ken just said, we're going to establish a community safety working group in the communities to look at the whole community safety issues.

Ms SCRYMGOUR: One of the issues that was raised with us yesterday, and I don't know if we brought it up with Ken through the SIHIP, but in some of these communities, and if we just looked at the 15 Growth Towns or rock communities or RSD sites are they, yeah, RSD sites, there is a real need to get foster carers or families to take on the care of children. But none of them fit that criteria under child protection, because they're in an overcrowded house. To meet that criteria to be able to become foster carers they need housing.

Whether through your LIPS or the discussions that you're having, whether you talk to the Housing Reference Groups and others to try and, I don't know, reward I suppose, if there's different families that can or will take on these issues, and it comes into that child safety category, whether they're, I suppose, given the incentive with a house so that they can ... so that we can get better foster carers, Ken, you know, but ...

Mr DAVIES: It is one of the things that we are talking to Clare about, and certainly when Trish, Angus and I went and talked to Howard and the team through the report process, we did talk about the importance of the housing footprint to (a) improving child safety, but also being able to align services around the profile of a house and what's in there and we'd have information about that.

But I think the other thing that's come up, through the Chair, Marion, that you've just raised, and I will raise it with Clare is, if we've got 750 new houses going out, is it possible to set aside one or two houses, one in a community or two in a community that would be specifically for a family that has the capacity to do some foster care. And work that through with the Housing Reference Group and get on the front foot with this, because they are social houses, we allocate houses to industry housing in town already, to the Salvos and so on.

CHAIR: I think that's what the ...

Mr DAVIES: So if you were to make to make a little recommendation about that, that would assist, and I could certainly start to negotiate that with the Australian Government.

Ms SCRYMGOUR: Oh, that'd be good.

CHAIR: There's also mention of whether there'd be some housing for child protection workers but, yeah.

Mr DAVIES: Well, I think that might be a bit more challenging, but rather than foster, but foster care.

Ms SCRYMGOUR: That's a bit different and that's got to be care ...

CHAIR: It was mentioned yesterday, that was all.

Ms SCRYMGOUR: But the foster care stuff is, yeah ...

Mr DAVIES: So if you were to make a recommendation that of that housing footprint, one or two are set aside to deal with that in each of these big building communities given they're hub communities. We could certainly talk to our Australian Government counterparts.

CHAIR: How would that go with the Housing Reference Group, I mean, do you think they would come on side with that?

Mr DAVIES: I think the Housing Reference Group absolutely would understand that with the ones I've met, absolutely.

Ms SCRYMGOUR: Well, I know at Maningrida they've prioritised all the people with chronic illnesses first, even though there's a huge need that all the disabilities, people with disabilities and chronic illnesses have got first cab off the rank. And I think if we can, you know, people will ...

Mr DAVIES: So Chair, I think Marion's dead right, and if we were to do it in the context of not housing white fellas, but they'd be local Indigenous foster carers, it's family, in effect. So it's not as though you're taking the housing away from ... yeah.

CHAIR: That's what Dr Bath talked about yesterday. We have the lowest ... what do you call it ... carers, family carers in Australia, lowest ratio.

Mr DAVIES: Yeah. So, I mean, and I'd be very pleased to talk to Clare about that and also I'm sure Minister Macklin would be just as supportive.

Ms SCRYMGOUR: And because that's a huge barrier in some of our communities, if we can get around that, that would be good.

CHAIR: I know we haven't got a lot more time, did you have a question?

Ms WALKER: No.

CHAIR: Could I ask a Local Government question, I'm not sure whether it's for Karl, but it's to do with roads. I think it's fairly important, because I got told the other day, and I won't say who, that three roads that were on Aboriginal land are not going to be maintained by the Local Government Association, simply because no agreement could be made about gravel and water. And I just wonder, is there any, you know, it probably relates to leasing, it probably relates to where we are going with a lot of the issues we talked about before about leasing public facilities. But if people on one hand are saying to a council, grade my road, and on the other hand they're saying, there's no gravel and water available, where are we actually going, because what happens is these three roads have now been taken off the program and they won't be maintained. So is there any sort of people sitting down and calling a spade a spade and saying this is a load of rubbish, if people want roads done someone's got to supply gravel, and they have to supply it at an atrocious price which is one of the problems we've had. So is there something happened to sort this out?

Mr DAVIES: Chair, I think that I wouldn't put that question in the Local Government domain; I think that's a Mathew Fagan, Service Delivery Co-ordination Unit question.

CHAIR: It is Local Government in a sense; the shire has to build that road.

Mr DAVIES: Yeah, sure. But in terms of the leasing and getting access to gravel pits and that sort of thing which has been one of the issues on that Marini Loop Road, I know, with the CLC down there, and that may not have been resolved. I don't know without getting the specific examples.

Ms SCRYMGOUR: Where's the roads?

Mr DAVIES: We could maybe do some investigation and come back to you out of session to deal with that if ...

CHAIR: Okay. I could tell you the roads out of session too, I haven't got them on me but the person that I had the information from ...

Mr DAVIES: Okay. No. And I'd be very happy to follow it up, but David, do you want to talk about Local Government for us?

Mr ALEXANDER: I can say that I'm meeting tomorrow, so David Alexander, meeting tomorrow with LGANT with Peter McClinden, so I'll ask him if he might be aware of this issue.

CHAIR: Alright. He might be aware. But it does raise the issue also of Growth Towns, if you can't access them on a public road and the Central Arnhem Road's a classic. I know the Government ... someone's putting a lot of money into a road, that ... I have difficulty putting money into until that road is an open road that is it's either gazetted or somehow is declared a public road. And I must admit recently I do wonder what the definition of a public road is now, and I'll give you an example why, it might sound a bit convoluted.

A resident in a rural area got booked for having an unregistered quad bike on the Gunn Point beach. Now, so I thought, well, he's not on the road, but if you go and look up the definition of a public road under the *Roads Act*, it's any public place, in other words any place that the public use. So I don't know whether in this whole debate about what's a public road and what's a private road, what's a descended road. We need to sort some of these issues out as part of the Growth Towns project, otherwise I think we could end up with people closing roads, we could end up with people not being able to maintain roads and Growth Towns may end up not being Growth Towns at all simply because people don't get access to them. So I don't know.

Ms SCRYMGOUR: They're very rarely closed, Gerry.

CHAIR: That's true, but I think that we need to sort of get some of these things clarified.

Ms SCRYMGOUR: Yeah. But in mainstream, you've got the controller of roads who can close at any time any roads in and around any major city in the Northern Territory.

CHAIR: Yes. But those roads are also roads that are public roads funded by the Government through Local Government grants.

Ms SCRYMGOUR: But you are saying the roads, Central Arnhem roads are public access roads that the public goes on there.

CHAIR: That's why, but there's a permit required to travel on it any time of the day.

Ms SCRYMGOUR: Anyway, we've got witnesses.

CHAIR: No. There's a sign at the front of the Central Arnhem Road which says permit required. Now while they've got that there and while they're advertisements on the papers, in the television now saying, they are private roads, therefore you must get a permit.

Ms SCRYMGOUR: Are they?

CHAIR: I think that that ... well, that's what's on television at the moment for the Northern Land Council, they've been on TV quite a bit lately, and I haven't got a problem with that ad being on there. But in relation to Growth Towns where the CTC has said, we believe that the Growth Towns should be established without permits and should have them.

Ms SCRYMGOUR: No. The CTC has, I'm sorry, Chair, you've made that statement, but not the Council of Territory Co-operation.

CHAIR: Oh, hang on. Well, we have a ...

Ms SCRYMGOUR: Anyway, you and I can have that debate.

CHAIR: No. Well, the debate needs talking out because we have a ...

Ms SCRYMGOUR: The Government could easily resolve this by taking over the road corridors, simple.

CHAIR: Well, there is a ... in one of our recommendations which basically says that it's ...

Mr DAVIES: It's in the last report.

CHAIR: Yes. The existing township lease is not to be used as a template, and I did have the rest of it here, but it moved in front of me [laughs], and it says without the need for permits, that's the policy of the CTC.

But, look, all I'm saying is that I think some of these fundamental issues need sorting out because I don't know how you go forward if there's not clarity in what's happening. A bit like LIPS have set out some blocks, I don't know whether issues like leasing and roads are part of that discussion, councils need to know this as well.

Mr DAVIES: They are, and ...

Ms WALKER: And they should be, to put so much work into land tenure where we put in Government assets like housing, social housing and that should be the same thing ...

Mr DAVIES: And going back to that original point, sorry Lynne, but Chair, I think that would be a good question to get Mathew back and George Timson, and get a couple of the roads people in and just actually let them know where this is all up to.

I can, as part of this hearing, just let you know, you may or may not know, Chair, but there's been a submission built by Mathew and his team with DCI and DFT, that is a submission to the Australian Government called Bridging the Gap, not Closing the Gap, it's called Bridging the Gap, which is about advancing economic and social reform by improving the Northern Territory's remote road networks. It's a huge submission, it's a fantastic piece of work, and it's designed to deliver the hub and spoke model that we want to put in place. It's a substantial ask in about \$1.7B is the ask, the recurrent is \$34M to maintain the infrastructure. And if we can get a staged program over a number of years to do that, that's the context. The photo on the page doesn't have a road on it, it's about families and children, and it's about growing these places as real communities. It's a very, very good piece of work, and ...

Ms SCRYMGOUR: But Ken, yeah, does that include also for those, because we've said it before that the NT Government needs to take on those road corridors and to control them otherwise it's just pointless.

Mr DAVIES: It does, that's right, and the road, that's part of it, yeah.

CHAIR: Our recommendation 16 is the Council recommends the Northern Territory Government resolve the status of road corridors to Growth Towns for Aboriginal trust land with appropriate land councils.

Mr DAVIES: Okay.

CHAIR: It's basically saying it needs to be sorted out, not just about whether it goes over to the NT Government, whether it goes over to the shire, for some of the local roads.

Mr DAVIES: Sure. And Chair, my suggestion would be that we get the different group of people to come and talk to you about that at the next hearing to give you a status report.

Ms SCRYMGOUR: The transport people, yeah.

Ms WALKER: Ken, could we get a copy of that document?

Mr DAVIES: You certainly can, I brought it here to just leave it here, yeah. Yes.

CHAIR: Alright. I'm just mindful of the time. Have you got any more questions?

Ms SCRYMGOUR: I did have some questions with Local Government just with the matched funding and I was going to ask you in SIHIP, but you said bring it to this. You were probably looking at the time, Ken, and thought I'll wait for that one.

CHAIR: I can't see it.

Mr DAVIES: I can't see it.

Ms SCRYMGOUR: But the ...

Mr DAVIES: I can actually now, in the mirror, I can.

Ms SCRYMGOUR: That's a reflection.

CHAIR: And besides it's 20 past 11 or something.

Ms SCRYMGOUR: All of the shire, you've given matched funding to all of the shires specifically for the housing program. What's going to happen with all of the shires where they've had the CDEP positions that are transitioned to Local Government, and where CDEP ceases, are you going ... because not everyone's working in the housing program, the parks and gardens they're doing essential services. So they're working across a number of areas within core Local Government services. So is the Northern Territory Government or is it the Commonwealth, given that they're pulling out of CDEP, who's going to then subsidise those jobs in there?

Mr DAVIES: This was raised as an issue with Minister Crean yesterday; he was in Darwin around me with the RDA and looking at regions and regional development. I'll just, if I can just set the record straight, the Australian Government have made it very clear that their funding ceased for the matching program, so the Territory's matching funding was to stay in place and that was being drawn out of the operational grants that we were giving them. So that is there, but in addition, Minister McCarthy and Government has agreed to load in an additional three odd million dollars.

Mr DYASON: Four.

Mr DAVIES: Four million dollars and Minister Macklin also agreed to put in some money to keep the matching funding program rolling ...

Ms SCRYMGOUR: But that's only up till ...

Mr DAVIES: ... till June next year.

Ms SCRYMGOUR: ... June next year. So what happens beyond June next year?

Mr DAVIES: So what we have done is concurrently roll out a housing maintenance program which is a different program. We do not want to see a whole heap of Indigenous people lose jobs and not have employment. We're saying to the shires there is an avenue to shift some of these employees into the housing maintenance program.

The issue for the shires is that they've been using this matching funding to generate 500 jobs to deliver core services for the shire, they will have enough money in that program to maintain about 250 of those, it's the 250 we're worried about. And what we're saying is we would like to see some of those workers come across into the housing maintenance program.

Concurrently we've given the shires of LGANT a grant with DBE, and I think the Australian Government have also contributed to get out and do some workforce planning with each of the shires. But the Australian Government's matching funding contribution has effectively ceased, and the additional contribution from the NT Government which was to give them some extra time to transition either into core funded jobs without using the matching funding program or shifting the housing maintenance program, the timeframe is June. There is no more money flowing forward to match what was the Australian Government's cash contribution.

Ms SCRYMGOUR: So what will happen with those other 250, well, that's what you were looking at?

Mr DAVIES: Well, we're hoping that some of them will go to the housing maintenance program. The issue for the shire is that they say, well, it's okay we can shift some of them, but we can't shift librarians, other people that have been delivering some ... I mean, actually I don't know that's it's librarians, but core service delivery. They are worried that they won't have the funds to continue some of the delivery they've been doing for core services. That's correct, isn't it, David?

CHAIR: Yeah. Did any ...

Mr DAVIES: And the real program, and this is what we asked with ... sorry, Chair, with Minister Crean yesterday, is what does the remote workforce look like post-CDEP, and what, because the other option is that people go back onto the dole and nobody wants that. So using resources we've got we've tried to create this sort of co-program, but the real issue for the shires is unless they've got enough in their budget they won't be able to fund all the people they've been employing.

CHAIR: What does Mr Crean ... does he really know what happens out there on the ground?

Mr DAVIES: Well, he's out having a look.

CHAIR: I know, but yeah, having a look but ...

Mr DAVIES: And I raised it with him in the context of some broader discussions we've been having with FaHCSIA about ...

Ms SCRYMGOUR: It's not Mr Crean, it's Minister Macklin.

CHAIR: I know, but he was there.

Mr DAVIES: So it's Minister Macklin, but I think it's also DEEWR as well, it's ...

Ms SCRYMGOUR: No, no, CDEP is Jenny Macklin, it is FaHCSIA, it is not ... DEEWR and other areas lost control of that.

CHAIR: Is ever a question asked of those two Ministers that yesterday or one Minister show us the real jobs, I mean, we're dealing ... we have to deal with reality, most of those communities are relying on Government funding, they hadn't got industry out there. I mean, industry is real jobs because it produces its own income. All the jobs out there nearly all rely on the Australian or Territory Government, or an offset of that. So does anyone ask the Ministers to show me the real jobs or as I've always said, you have to create jobs artificially until people, you have the skills to go somewhere else, but you don't leave them on welfare.

Ms SCRYMGOUR: That's right.

Mr DAVIES: Well, that's certainly the discussion we've been having, and there is some commitment on the part of the Australian Government to continue to look at this, but Minister Macklin's made it very, very clear that the timeframe she'd set was that that money would cease as of June this year and it did.

Ms SCRYMGOUR: But we're just looking at a press release where she's saying that CDEP, they will extend till April 2012, but it's not clear whether it'll be for the main communities or for outstation resource agencies either where they've extended CDEP for outstations but not ...

Mr DAVIES: So this was matching funding and this was designed to give shires time to create the real jobs in core service delivery, and some of the shires have committed, one or two of them did not put anyone off, others are saying they don't have enough money in the budget to.

CHAIR: But shires are pretty well struggling for core function money as it is, and have you got a rate base.

Mr DAVIES: That's right.

CHAIR: I mean, the Commonwealth has to help, I mean, they supply the money for welfare, you'd think it would be far better to turn that welfare into jobs, not just welfare.

Mr DAVIES: Yeah. Well, we're certainly, and I know my Minister has certainly been running that discussion with the Australian Government.

CHAIR: I just think from a Local Government perspective that you've got a great opportunity to employ people, artificially or not, at least it gives people some work, and I think ...

Mr DAVIES: So LGANT, Kerry Moir and Tony have been to see Minister Macklin, and they've put the case, so ...

CHAIR: Oh, they got an invite, we couldn't get one. She's done well, yeah.

Ms SCRYMGOUR: That's because we were in Maningrida and she was in WA.

CHAIR: No. We wrote to her and said we'd visit her in Canberra, and we couldn't get her, we'll have to try again. Alright. Look there is a lot more questions; I know some of you didn't get as many questions as others. I'd like to thank Barry, I know there's some questions about Local Government and its relationship with GBMs and the LIPS, but I've got a fair bit of that from the meeting in Alice Springs anyway. So look, we will continue next year, I am sure. Thank you very much for all your hard work this year.

Mr DAVIES: Thanks, Chair.

CHAIR: I do ... I think we all recognise that it is not an easy job, and that doesn't mean we shouldn't be critical of it, because I think that at least keeps you on your toes and keeps us knowing what's going on. So we do appreciate you coming here today, and we all wish you a Merry Christmas and a Happy New Year.

Mr DAVIES: Thanks Chair, thank you.

CHAIR: That's alright.

Mr DAVIES: Thanks Marion and thanks Lynne.

CHAIR: Okay.

Ms SCRYMGOUR: Thank you.

CHAIR: And I'd like to officially thank all the staff who somehow put up with us as well.

Ms SCRYMGOUR: You.

CHAIR: Alright. They put up with me, and thank you for all the work you do as well, thanks. We're going to have a deliberative little meeting now just to sort of tidy the loose ends for the year up. So we'll have a little five minute break.

[MEETING CLOSED 1.38PM]