

COUNCIL OF TERRITORY COOPERATION

Litchfield Room, Parliament House

Tuesday 10 November 2009

The committee convened at 9.30 am.

Mr CHAIRMAN (Mr Wood): I welcome everyone here.

Before we start the official part of the day, I will make a small statement. Yesterday, I omitted the fact that Ms Alison Anderson, the member for Macdonnell, was not able to attend the council meeting because of personal reasons. It was not a case of 'no show', as reported in the *NT News*, which infers she was staying away for other reasons; she had genuine reasons why she could not attend.

I welcome Rollo Manning, and I have to read something first and then we can get under way.

This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee.

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

**PRIVATE CITIZEN
Mr Rollo Manning**

Mr CHAIRMAN: Rollo, would you say your name and why you are appearing.

Mr MANNING: Yes. Rollo Manning. I am appearing as a private citizen and welcome the opportunity to be here.

Mr CHAIRMAN: Okay. The floor is yours.

Mr MANNING: Thank you for this opportunity. I acknowledge the Larrakia people, whose land on which we are meeting, and also, when I say Aboriginal in this presentation, I am referring to Aboriginal and Torres Strait Islander people.

It is a good chance to speak with the parliament of the NT and I hope my presentation this morning, as a private citizen, can be used as an example to others of the openness with which this council gives the ordinary person to have some input into policy making and program development.

When I hear the life expectancy of an Aboriginal male in Australia is 59 years, I cringe because I know, in the Northern Territory, the median age for males from a remote community is 43 years, and his female partner 53 years. As many men are dying younger than 43 as there are above, and this has a devastating effect on family and community social life.

While I applaud the long-term objectives to close the gap, we must not forget the people who today need assistance to steer a better path in life. Whilst we spend record levels of money on *Closing the Gap* in housing, health and education, we are also spending a large amount on training for employment, which I will now describe to you as I believe is just not hitting the mark.

Michelle - not her real name - came to Darwin in April 2009 to get away from a remote community, with limited opportunities, to try to move ahead in her life through improved education and work experience. I made contact with Michelle in July this year and saw her get her first Centrelink payment on 31 July. After a number of appointments with Centrelink, a Job Services Australia agent, and a welfare organisation, she is today having her third day of literacy and numeracy training at Charles Darwin University. Yes, we send people to university to learn to read and write, even though she attained Year 12 at the school in her remote community. It took her three months to go from the first Centrelink payment to her first day of training. What do we expect young people to do in the meantime, especially after they have put up their hand to say: 'I want to do good with my life; can you help me?'

We can be sure if her cousin or brother had robbed a service station or run amok in a shopping centre, he would have been given help to be accommodated at Berrimah, fed and exercised for a number of months and, then, rehabilitated at CAPS for 12 weeks on release from gaol. We must, in my opinion, start giving as much attention to those who want to do good in life as we do for those who elect to do bad. Every time I drive past CAPS on my way to the Christian Outreach Centre, I make a wish one day we will have a facility as good as that for people who have decided to make good, and not just facilities for those who elect to do bad.

I would like to see funding made available for a type of transitional academy - I have coined the words New Horizons - to which young women from communities can attend on a residential basis for, say, 10 weeks, during which time they will undergo an organised and continuous training program of literacy, numeracy, life skills and work experience. This could then lead to an opportunity to choose a career path that is framed by a better understanding of how the developed world works, and to be a productive member of society representative today.

There is a program called the Indigenous Youth Mobility Program - but try to get at it and through its 20-page application form. I have attached to this presentation a brief on New Horizons, and also an attachment of a recent round table sponsored by the Jungbunna Centre at the University of Technology in Sydney. It is advocating the word 'social' be put back into policy for Indigenous Australians. The paper described research which showed perceptions of inequality and unfairness are more toxic than poverty, and undermine health for Aboriginal people. Yet, the issue of social is barely on the policy agenda.

The last 30 years have seen a decline in living standards of remote living Aboriginal people. There needs to be a paradigm shift in the way we support these people in their quest for a better life, especially for the children. After all, the women today in the age group of 16 to 24 years are the parents of our future. We must plan now for that child, as through that parent is the life of tomorrow's child. For every year a girl gets an education, she will extend the life of her child by four years - such is Canadian research.

A quote I enjoy passing on in this context is from Nobel Prize winner for literature in 1945 Chilean-born Gabriela Mistral who said:

Many things we need can wait, the child cannot. Now is the time his bones are being formed, his blood is being made, his mind is being developed. To him we cannot say tomorrow, his name is today.

It is a matter of urgency and we should not wait.

I now move on to the second matter which I wanted to bring to your attention, and this is to try and get some private sector involvement in the development of the growth town policy. By way of example, I will use the question of pharmacy businesses in 10 remote growth towns.

I first wrote to the Minister for Business Development on this subject in April 2009, and I have attached a copy of that letter. The business case I presented outlined a path down which government could go to establish these businesses and, in doing so, add significantly to the resources available to improving health outcomes. This takes a preventative approach by coaching the populations of those towns and understanding the meaning of good health, a phase of life that not many of them have experienced, in fact, over the last 40 years, children born have only experienced living in a community with a health status on the decline.

The combined good health store and pharmacy would provide the point of sale for all things needed to embrace a healthy lifestyle across all aspects of living, from a good night's sleep to active participation in sport and nutritious meals. Nothing happened. So I wrote in August to the Office of Indigenous Policy, only to receive a phone call to say it was a great idea, but they were not ready for it yet. They were still establishing the correct demographics of the growth towns, this being four months after the announcement of this wonderful government policy. I suggested, had this initiative been acted upon by asking the private sector to develop the ideas to a business plan level, we would now be considering going to the marketplace and asking for expressions of interest from operators interested in being a part of the venture. We might have avoided the position that now exists, where government has let contracts for supply of pharmaceutical benefit scheme medicines to just six operators of private businesses in the Northern Territory, all situated in five main town centres. So, should a pharmacy business start tomorrow in Wadeye, Maningrida, Alyangula, or Galiwinku, it would have to wait until 2013 to start supplying the local health centres in its region.

This is surely an example of where the whole-of-government approach is needed, so the departments responsible for business development in the growth towns is talking to the health department to ascertain business opportunities that exist and which could be located in regional growth towns.

The PBS is a sustainable Commonwealth government program, and the income derived from supplying its product is assured of still being there in the years ahead. This is a unique opportunity for health services to have their own pharmacy business, as only in the Northern Territory can an Aboriginal health service be the owner of a pharmacy business and, Mr Chairman, I think you were responsible for having an amendment to the *Health Professions Act* back in 2004 to make that a possibility. Unfortunately, it has not been taken up.

So by not going down this path, we are denying young Aboriginal people in these growth towns with the employment, training and career path opportunities a pharmacy and healthy store would have to offer. I do not mind being told that my ideas are silly and to go away, but to be told by the Minister for Business and Employment that it is an interesting idea, and that this is supported by the Office of Indigenous Policy, it makes me wonder why nothing can happen.

I admit that a pharmacy in a town of a population of 2000 is no earth-shattering event, but to at least 10 young people, it could mean the start of a whole new beginning. We must seek out these opportunities so young ones that want to make good have a wider choice of opportunities and their communities are more than a one store place with maybe two takeaways as a full complement of retailing.

I know from my own experience at Nguiu on Bathurst Island, it was a simple operation to make happen, and the empowerment it gave to some of the young, and not so young, that it touched the lives of, was satisfying. It is just a pity the government has never said to me, since the demise of the Tiwi Health Board, hey, that was good, could you do it in another 10 places.

I move on now to the third subject area which concerns, what I believe, is a need for a structure that will provide funding that can be used for local need as determined by communities themselves, and in doing this, encourage the development of local enterprises that, in turn, will produce productivity for the local community, employment opportunities for people, and an incentive for some of them to get off welfare and into work.

Back in 1974, yes, a long time ago, I was involved with an agency of the Whitlam government called the Social Welfare Commission. It was chaired by one Marie Coleman, and the program, the Australian Assistance Plan, was said by many to have been ahead of its time. It sought to provide funding to local and regional communities for them to determine their own social needs and then have some seed funding to help make things happen; I am first to admit that an Aboriginal Assistance Plan along similar lines to the Martin government in 2004, when it was seeking views on future social policy. That review was never progressed; I still have a copy of the submission.

Four years ago I was involved in a project at Daly River which looked in to the causes of family violence. My work did not come up with anything the community and Territory government had not been made aware of before, and I turned up a letter of three years before which asked for help in 19 areas the community itself had identified as being important to regain social capital. I asked myself: why is it so hard to make something happen? Had it been in the Balanda world, this would have been discussed at a public meeting in the local hall and pressure put on government agencies and the private sector to make it happen. If the AAP had been ahead of its time in 1974, then it still is in that position in 2009, at least when it comes to alleviating Aboriginal disadvantage.

To my mind, we must note resources available much closer to the ground so people can have a say in their future development and rebuild that social capital which has been destroyed over the last 220 years. The project that I have had some involvement with in north east Arnhem Land called AHED, Arnhem Human Enterprise Development, is using the innovative techniques of the Sirolli Institute in Canada in enterprise facilitation and the cross-cultural communication techniques of ARDS to work with people who have a dream and help them to make it happen.

The facilitators will only be helping people who approach them, and they will not influence the choice of options to be developed. It is activities such as this which could bring a whole new view on the life and hope for the future; and I have attached at attachment E a description of the AHED project which is being conducted by the company Why Warriors Pty Ltd, Timothy and Carmen Trudgeon.

In talking about dreams and fulfilling them, I am always now reminded of a wonderful quote from Bob Beadman's paper for the Manning Research Institute to Indigenous Youth, *Have a Dream*. Bob said:

I am looking at human debris right here in Darwin and wonder what dreams they might have once had for themselves; what dreams they might have had for their children. What dreams their children might have had for themselves. I wonder if people have abandoned those dreams. What caused them to give up? What is it about the world that surrounds us all, that makes them think their dreams are unachievable? We must act now to make those dreams come back and commit a future for the Aboriginal child's dreams as good, if not better, than the one we Balanda wish for our own children.

The gap that has to be closed, in my mind, is the opportunity gap - at present it is huge. I commend these initiatives to you and hope we might see some positive outcomes.

Mr CHAIRMAN: Thank you, Rollo. I am wondering if you could give us some background about yourself, so we know where you are coming from with this report.

Mr MANNING: Sure. I am a pharmacist by profession and I have worked in almost every aspect of pharmacy service delivery, but much of my time was in sales and marketing which lead then to public relations and, for a short time in Canberra when I worked for the Social Welfare Commission in the role of social welfare consultant. I have been in the Territory for 12 years. I came up here to work in retail pharmacy for the first year, and then went to the Katherine region as a rural pharmacist and that is where I came in contact with the problems of Aboriginal health. And I must say, to me, it was a huge culture shock after eight years working in a retail pharmacy where everything happens as it should, to go into a situation where one wondered whether pharmacists had ever had any input at all to the way things were done, because they were being done so badly.

I was then a policy officer with the Department of Health and was involved in the initial working towards the section 100 arrangements which now supply PBS to all remote health clinics; and the Tiwi Health Board in 2000 asked me if I had any ideas to help them improve the way they did pharmacy service delivery, and I was delighted at the opportunity to try and put a few of my ideas in to practice. I must say not many of them worked, and that was my initial introduction to the fact that you think you know what is going to work, but you do not until you actually get there. It is a huge challenge, it is an exciting one and I believe the thing that keeps me interested in it is the way we are learning all the time.

As each year go past I feel fortunate to have learnt so much about trying to alleviate Aboriginal disadvantage, and look back on how I felt when I left Katherine in 1997 when I thought I knew many things, but really I knew very little.

Mr CHAIRMAN: Are there any members with questions, please?

Mr ELFERINK: A few questions. Mr Manning, thank you very much for your input here today. You talk about the establishment of enterprises; I presume you are talking about remote communities. What do you see as the bars to the establishment of these enterprises?

Mr MANNING: Well, it is an innovative technique having people in communities who are trained facilitators to help people achieve what they want to do. It has never been tried in Aboriginal communities in the way it has in mainstream communities, not only in Australia but worldwide through the Sirolli Institute. The first barrier is to get people to understand, and I am sure they do; we all understand, we have heard it many times; we have to try things which are new. The past just has not worked, and the Sirolli Institute, through enterprise facilitation – and there is quite a large project going on in Katherine – ...

Mr ELFERINK: Well aware of that, yes.

Mr MANNING: ... has shown facilitators who are trained to help people achieve the dreams they want to achieve has remarkable results, and creates employment opportunities, and gives us the chance to be able to move from welfare dependence to paid work.

Now, the other barrier is funding bodies who are supposed to be helping innovative activities, not recognising this as something which needs to be tried. We did make a submission, through Enterprise Connect, a new federal government department in the department of Innovation, but were not successful there. I believe the main reason we were not successful was because it was too innovative for the department of Innovation. It had not been tried anywhere. We have just got to give things a go, and me coming from the private sector where your life depends on things being a success; we have just got to give

it a go. I think it is making funds available at a local level where communities can decide, yes, we want to give this enterprise facilitation a go, we will help to pay for a person to be there to make it happen.

Mr ELFERINK: Let us create a fictional Aboriginal community, Community X. Some of the local people have indicated they want to set up a pharmacy. Describe to me how you are going to get this up and running to a point where it does the job and becomes a viable institution under your proposal. So, each of the steps?

Mr MANNING: Well, there is one element in it I cannot help you with, and that is the question of the land.

Mr ELFERINK: Okay.

Mr MANNING: However, let us assume the land is available. It does not have to be anything great. We are not trying to replicate, in Galiwinku, Harrison's Pharmacy in Casuarina. It will look totally different. I must say one of the problems I have in the pharmacy world, and with my colleagues there, is trying to get them to understand a pharmacy in a remote Aboriginal community is going to look like something you have never seen before. It is going to look like what those people want it to look like, not what we think it should look like.

It is a matter of working with them to establish why they want a pharmacy, what goods they want it to sell, what advice they would like to see coming out of it, and then get a very modest building which could be used initially to stock the medicines the health clinic is going to use for its day-to-day work in primary health care, the section 100 PBS supplies.

Now, on Bathurst Island, with a population of 2400 people, we made \$150 000 a year profit out of trading with the PBS in Canberra, and that was enough to employ a pharmacist. We also had money to top up CDEP for four Indigenous workers in the pharmacy at the same time.

Ms SCRYMGOUR: If I could, Mr Chairman, that was part of the coordinated care trials, I understand, which is a completely different situation to what you find in other Aboriginal communities on the Tiwi Islands. Both MBS and PBS were cashed out at the national per capita amount that you would spend on a national level, which was not spent on Aboriginal communities. Just to put it in that context, because I know that Tiwi is completely different to the situation that has happened anywhere else, except for Katherine.

Mr MANNING: Yes, you are correct. In fact, there was \$520 000 of the cashed out PBS money the Tiwi Health Board was getting, so it had the choice of, do we want to continue to receive the \$520 000 cashed out as PBS money, or do we want to go down the path of having our own pharmacy and take the risk on whether it was going to break even, as it turned out it did. The situation as it is now, and what would happen, at let us say Galiwinku, which is a good example, because that is not a government controlled health clinic, it is community controlled, and they could decide at any time they wanted to get their pharmacy from the little demountable which has all these medicines in it.

Ms SCRYMGOUR: Is it with Miwatj health, which looks after that?

Mr MANNING: It is under the banner of Miwatj now, yes.

Mr ELFERINK: On the Tiwis, it worked?

Mr MANNING: Did it work? Yes, absolutely.

Mr ELFERINK: Is it still working?

Mr MANNING: No.

Mr ELFERINK: What has gone wrong?

Ms SCRYMGOUR: The Tiwi Health Board went into insolvency in 2003, because it was not a private business.

Mr MANNING: Yes, the Tiwi Health Board owned the pharmacy business, so when the Tiwi Health Board went into the hands of the receiver, so did the pharmacy business and the government, at the time, was not interested in continuing it.

Mr ELFERINK: Have any steps been taken – so the federal government was at that point not interested anymore in replicating what had been done?

Mr MANNING: No, the Territory government.

Mr ELFERINK: The Territory government.

Ms SCRYMGOUR: Well, both. It was funded - I should declare an interest here, because I was intimately involved both as the CEO of the Katherine West Health Board but also with the Commonwealth government at the time - it was caught up with both governments, rather than just the Northern Territory, but it was more the Commonwealth, because PBS and MBS funds are Commonwealth funding and not Northern Territory.

Mr ELFERINK: The reason I ask the question is - the way I understand your argument – if you take away the issue of the health board, if it was a stand-alone institution, the pharmacy would still be there, yes?

Mr MANNING: Yes.

Mr ELFERINK: Okay.
It is still.

Mr CHAIRMAN: Would it take away some of the workload of the hospital clinics?

Mr MANNING: Absolutely. When we consider the amount of time - and I am actually doing this at the moment for Wurli in Katherine - spent dispensing pharmaceuticals to clients is huge. I do not have a figure yet on Wurli but I will in a couple of weeks and I will pass that on to you. On the Tiwi Islands, I believe it was about \$70 000 per year, when you costed the amount of time Aboriginal health workers and nurses were spending in the act of handing out medicines. Put a pharmacy in place, and all that is taken over.

Mr CHAIRMAN: When you are doing a costing, do you need a qualified pharmacist, someone from outside?

Mr MANNING: You only need a qualified pharmacist if you have a pharmacy business.

Mr CHAIRMAN: I remember the discussions about that, but if you had to have a qualified pharmacist, you would have to, I presume, build a house for that person, and unless there was a shop already you would have to build a shop, so where would that initial funding come from?

Mr MANNING: There is money available through the Pharmaceutical Benefits Scheme of \$100 000 as start-up allowance for a pharmacy in a remote place, but I would also be canvassing the private sector for initial capital in establishing it. I know there is much sympathy, amongst the pharmaceutical industry, both wholesalers and manufacturers, in supporting initiatives to close the gap.

Mr ELFERINK: Coming back to my original thread of questions. You had a stand-alone pharmacy, which, bottom-line, is printed in black, not red at the end of the financial year, you have covered off on your staff, you are able to top up a few CDEP employees, you have a roof over your head; you are an operational business. Why has this not been replicated in other communities, and why has it not been replicated in other communities for other industries? Is it just land title, or are there other complicating factors?

Mr MANNING: It is very hard for me to answer that question.

Mr ELFERINK: Because that comes from the very core of what we are doing here.

Mr MANNING: Yes, exactly. From where I sit, and have done for the last six years, I see it as lack of initiative on the part of those people responsible for planning services in remote places.

Mr CHAIRMAN: If land was available to you, whose job is it to get the pharmacy going?

Mr MANNING: That is an interesting question. One thing I could say here in terms of the Sirolli Institute Enterprise Facilitation is it is its belief infrastructure is the responsibility of government. Once that infrastructure is in place, then the private sector takes over and supplies what has to go with the

infrastructure. Whether that got to the point of government providing a house for a pharmacist, is a decision which would have to be made. It is in relation to nurses and doctors. Where does a pharmacist rank in that in importance in the primary health sector?

Ms SCRYMGOUR: Rollo, if I was to take a step back - and I am well aware of your project on the Tiwi Islands. Look at a number of the Aboriginal medical services in the Northern Territory, such as Tiwi experience and Katherine West which, 12 years down the track, is still successful, and probably the only successful regional health service. The coordinated care trials which created and established both the Tiwi Health Board and the Katherine West Health Board, and the framework could be put back in place or should be adopted again by both Commonwealth and Northern Territory governments, because it did have a community development focus which looked at training and employing people in these health and community development positions. Would the coordinated care trial concept be one that would need to come back? This is what the committee has to grapple with and, with my health background, I believe the funding it is going to take to establish something like that can only be done through the coordinated care trials where you cash out MBS and PBS. Will that be possible? Do you agree?

Mr MANNING: Oh, yes. I am very committed to the fact community control is the way ahead in primary health care for Aboriginal people. I think the sooner the government can come to terms with that fact and agree to handing over the control of health to the Aboriginal community control sector, the better because, at the moment, we have a layer of bureaucracy only duplicating what has already been done in Canberra through policy development, and gobbling up a lot of money that could be being put to use on the ground in those primary health care facilities.

The community control sector in Katherine is very strong through Sunrise and Katherine West, and there is no doubt in my mind, if it moved as quickly as it should be moving, then we have a wonderful opportunity for a large improvement in the way health services are delivered to Aboriginal people in the likes of West Arnhem, through the Kakadu Health Service and the work that is going on there with the development of the Red Lily Health Service, and in the north-east Arnhem region through Miwatj Health.

This has been talked about by government for 10 years now. I remember when I was in the department in 1999, and a fellow called Ben Bartlett did a landmark study of the regionalisation of health services in the Northern Territory – 10 years ago. We have to ask ourselves, when is something going to happen? Are we really serious or not?

Yesterday, at the meeting of AMSANT, I was fortunate to be there representing Wurli, and listened into the discussion on the National Health Authority, which is something AMSANT has been pushing for - and that will be considered this week. The sooner we can get to a point where the money from Canberra goes an Aboriginal health authority and, then, to the ground, the better it will be. We will have a darn sight more money to play with.

Ms SCRYMGOUR: That is what I was asking you, because with the coordinated care trials, part of that was both the Northern Territory and the Commonwealth government would cash out all of the money they spent within a region, and give it to an authority to make decisions. It was proven to be successful - certainly successful in the Katherine region. The member for Katherine should feel very proud of what has been achieved in and around Katherine. In Health those lessons have been learnt. How could we take those frameworks and replicate across other areas where you have had successful community control and you have had outcomes, where, I know in Katherine, the reduction on medical evacuations out of those communities into Katherine Hospital reduced by 50%. So, if you can do a reduction by that amount, you should be able to replicate it elsewhere.

Mr ELFERINK: As I understand it, the underlying principle of your argument is local management, as long it is properly done, will get the best outcomes for local people.

Ms SCRYMGOUR: Yes.

Mr MANNING: Yes.

Mr ELFERINK: In the same way that the local McDonald's store, although attached to a franchise ...

Mr MANNING: Yes.

Ms SCRYMGOUR: Let us not put McDonalds in communities.

Mr MANNING: That is right, and I think the ...

Mr ELFERINK: Well, but why not? Why not make it attractive for organisations and businesses to go into these communities?

Ms SCRYMGOUR: Veggie burgers.

Mr ELFERINK: Well, whatever. I mean, I am not going to dictate to Aboriginal people what they should or should not eat.

Mr MANNING: No, exactly. As I see it from what the member for Arafura is saying, is ...

Ms SCRYMGOUR: Well, if you talk about chronic diseases, you would worry.

Mr ELFERINK: Hang on.

Mr MANNING: It worked in health. Can it work in other areas? That is what you are asking, member for Arafura.

Ms SCRYMGOUR: Yes, that is right, Rollo.

Mr MANNING: Well, we then go to something like the Australian Assistance Plan, which was setting up regional councils for social development. Those regional councils were funded to be able to provide a secretariat for social planning. Now, if we take from what I mentioned about the (inaudible) Institute in Sydney and their desire to see social back on the agenda, then you obtain, through looking at social priorities, the views of the people on every other aspect of life, whether it be education, employment, housing, or whatever.

But we do not have that mechanism whereby the people themselves can provide an input into what they see as their social priorities. We see housing as a real social priority, and it is, but where does it stack up alongside jobs, education, employment opportunities? They are the sort of things that we need to counsel the communities and their members on, but we do not have the framework within which that can happen, but a regional council for social development would embrace those sort of things in its discussion with people on social priorities, and there we would get an insight into what the people really wanted.

Mr WESTRA van HOLTHE: I would like to talk a bit about enterprise facilitation and, as you know, it is working well in Katherine, and our enterprise facilitator down there exists, I suppose, because of the support that she has in the board around her who provide referrals to there. Now, you understand, of course, the basic tenet of Sirolli's work is that facilitators do not go to people and say, 'I want you to do this', it is the other way around, where people come to the facilitator and say, 'Hey, listen, I am good with the books, but I am no good with something else in my business', and they get help that way. Now, how would you translate that type of set up across to remote communities, which are, of course, much smaller, where the number of enterprises out there, certainly at this point in time, would be so much more limited than in larger centres? Do you think that there would be sufficient work out there for an enterprise facilitator? Would they have the support of a similar board, like in Katherine? How would they do their work, who funds it, who drives the whole thing?

Mr MANNING: I do not have the answer to those questions, and the only way we can find the answers is to give it a go. The Sirolli principle is very much based on what you say, which is people doing what they want to do, and I would envisage, in a remote community, a demountable with a sign out the front saying, 'If you have a dream, I can help you find it, make it happen', and you just sit there, maybe a week, maybe two weeks, in the meantime, you are getting around and you are talking to people, and you are networking and getting to know how the system works and what the politics of the place is, hoping that someone will come in and say, 'Hey, I have got a dream. Can you help me find it?' And then the ball starts to roll.

What Timothy and (inaudible) are doing right now in Galiwinku is just that. So far, I think they have got 12 clients who have come to them and said, 'We want you to help us to do something'. Now, Galiwinku, admittedly has a population of 2000 people, but look, there are opportunities there. You say that they are limited. They are only really limited by the scope that we want to extend our mind to, to see what is possible.

Mr ELFERINK: It is only limited by imagination and, unfortunately, that is one of the greatest bars to achieving anything on these communities - a lack of vision and imagination.

Mr MANNING: In work I was doing in Galiwinku last year, there were things that would come to me almost every visit I made to the place; another idea on where money could be made. There was a fellow up there buying mobile phones over the Internet from Japan for \$88 each and he was selling them to Yolngu people in Galiwinku for, I do not know what his selling price was, but he was making money out of it. Why go through the Internet to Japan when you could have a place there that said: 'I have the Internet, do you want me to buy something for you?' There really are endless opportunities if we do as the member for Port Darwin said and just expand our mind on what the available options are.

I believe your point is a good one, they are questions we should have answers to, but it will only happen when we give it a go, and I suggest if government money could be made available to help Timothy and Carmen Trudgeon in Galiwinku, that will be a very good way towards making those answers come forward.

Mr CHAIRMAN: One more question from the member for Arafura.

Ms SCRYMGOUR: I go back again, Rollo, to community control and the major issues. So, you start with the premise that every kid has a dream, which is true. On the ground in those communities how do we make those dreams a reality so those kids can have a future? So you have the basis of community control, you have a number of models that have worked; what is it on the ground, in your experience, where communities - and I am very familiar with the Katherine region, and I believe the models in the Katherine region are probably ones that do not get much attention by people because some people do not like success or outcomes - what is it in those communities, remote communities in the Katherine region, that make things work where you cannot get them to happen elsewhere? Is it leadership? Because governments can have all the will that they want, and you can chuck as much money as you want at these issues, but unless you have that fundamental ingredient on the ground in a community - and that is leadership - and people actually wanting to change their situation. You are saying Galiwinku is starting, where else is it happening?

Mr MANNING: As a general comment, I would say people do want change, people out there do not like the way that they are living now. They have not had the education to be able to initiate that change, and that is why I make a big play on the fact that for young people we have to give them the opportunity to get the education when they put up their hand and say: 'I want to do it.' We do not spend nearly enough resources on helping the individual; like the girl in Darwin now where it took her three months to get a day of training after having done everything she was supposed to be doing with Centrelink and the jobs service agencies.

We just have not twigged to the fact that there are people out there and, to my mind, government programs and government officials are so engrossed in the processes they want to develop to continue their important role in all of this that they forget about the person out there who is the one who is suffering. So, we need this paradigm shift, a whole shift in the way we do things so we are putting more responsibility back to the communities to develop the ideas and structures they want, and giving them resources to make it happen. If there is one thing I would really like to think you could take on board, it is how do we set up a structure that will make funds available for people to use at the local level on things that they want to see happen, and not have to wait for money to come from a program in Canberra that has a book full of guidelines that do not really suit their paradigm, and yet that is what they are lumbered with.

The Indigenous Youth Mobility Program is a good example. It is a 20-page application form and you read what it is for, and it is for exactly what I would like to see being there for this girl called Michelle but, try and get at it - and that is the problem - things dreamt up in Canberra just simply are not working on the ground out in communities.

Mr CHAIRMAN: We might have to close there, Rollo. Look thank you very much for your input. There is obviously a great deal of passion and thought, and I believe that will rub off on us. Hopefully, as this Council goes along, we can pick up some of what you are talking about because growth towns are one of the programs we are looking at. I think what you are saying is also reflective of other industries we could put into communities. Employment, I think is the key; without employment everything else falls apart. Thank you very much for coming, and we appreciate your comments today.

Mr MANNING: Thank you very much.

LOCAL COUNCILS
Mr Robert Macleod, Mayor of Palmerston
Ms Helen Galton, Darwin City Council

[Editor's note: Sound missing due to technical difficulties].

Mr MACLEOD: ... we should plan these schools now.

Mr ELFERINK: You have raised this with the department and their response has been?

Mr MACLEOD: 'We will get back to you'.

Mr GUNNER: So, you are meeting regularly now with the Chief Minister and the Planning minister?

Mr MACLEOD: We meet quarterly, yes.

Mr GUNNER: So, there is another meeting coming up. So, every quarter you meet?

Mr MACLEOD: Yes, correct - and senior CEOs meet a couple of time a year now.

Mr ELFERINK: In these quarterly meetings, has the answer changed from 'We will get back to you'?

Mr MACLEOD: No. We have just started. The thing is, I do not believe we actually have a master plan designed to cover everything. It seems to me things are done bit by bit, blotch by blotch. This has been ongoing for a long time. When you try to get information from DIPE is a nightmare - to try to get the whole plan of what they are planning to do.

I had to look at least four 'Rs' in local government – rules, rates, rubbish and relationships. Relationship is very important because that is the core of the community. When you look at where your social infrastructure is to go – community centres, the parks, and everything else ...

Mr ELFERINK: Can you give me an example of how getting information out of DIPE is a nightmare?

Mr MACLEOD: Rosebery School would be a prime example. We had an [inaudible] member, an officer, on the committee with the building of Rosebery School. All the way through, we argued over having a road built through this brand new school on virgin land, and all the way through we were ignored. At the end of it, the government utilised the fact we had two members on that committee to say Palmerston City Council agreed with it, and it happened - and that is not true. We asked for information; a copy of the minutes – correction, I asked for copies of minutes to prove what was said at these meetings. We could not get that. I asked for plans all the way through explaining why they had this road through this school, when you have a senior school here, middle school here, a primary school here - shared facilities and there is a road through the centre.

When you build a school, the first thing you look at is a safe roads school program. That is the first thing you look at. I know for a fact the consultant the government had advised them not to put this road through that school, and it was ignored - and it was actually in a report.

Mr ELFERINK: I am interested ...

Mr MACLEOD: I can get information in regard to that.

Mr ELFERINK: Okay. I am interested in the lines of communication now, so that is your experience with DPI. DPI has a minister.

Mr MACLEOD: Yes.

Mr ELFERINK: Did you raise it with the minister?

Mr MACLEOD: I have raised this with the minister before.

Mr ELFERINK: And?

Mr MACLEOD: And she has got me certain information I have been after, but it is the whole master plan.

Mr CHAIRMAN: Could I just ask then, what happened to the MOU between Palmerston City Council and the government? There was one set up where they would work with you.

Mr MACLEOD: Yes. Is that the old one?

Mr CHAIRMAN: I do not know. How many – well you might be able to tell me ...

Mr MACLEOD: We had two. We had the old one that was set up between Clare Martin and Annette Burke, and then that died at the end there, with no meetings, and then I worked with our Chief Minister, Paul Henderson, and we have got this one up and running and we have had ...

Mr ELFERINK: I just want to get this so I understand it. So, you ask for certain information, the department either withholds or simply just refuses to give you information.

Mr MACLEOD: I get small information. I have been asking for a copy of a master plan. What is the master plan for Palmerston and outer area? What are your plans for everything that is involved within the community? And I cannot get that.

Mr ELFERINK: And the answer is still, 'We will get back to you'.

Mr MACLEOD: Yes. I (inaudible) 2030 plan there is. It is a bit like a 2030 plan. (inaudible) which to me is absolutely amazing. The planning that we need is not just in roads, it is in all infrastructure, and we do not have that as far as I know. I have asked for it numerous times and it has not come through.

Mr GUNNER: And the quarterly meetings you are having now with the Chief Minister and the Planning minister, and you have raised this issue of master planning ...

Mr MACLEOD: Yes, I raised it at the last meeting we had about a week and a half ago.

Mr GUNNER: Do you feel you are making constructive progress through that forum where that forum is going to provide the ability for constructive progress in addressing the issues around master planning? So I am assuming under that, you are raising – you will say to them 'I want this social infrastructure. I want to do this, I want to do that and I want to do it within a master plan'.

Mr MACLEOD: Yes.

Mr GUNNER: And that is being minuted and it is a formalised meeting process. I am just trying to get my head around what has just started now ...

Mr MACLEOD: I believe that a committee will be good. I believe that we will get things worked out and move ahead.

Mr GUNNER: So we are starting on the path now.

Mr MACLEOD: We are starting on the path now, but what I am saying to you is, I do not believe that we actually have a master plan that incorporates everything we need to be moving at the same time, which is ...

Mr WESTRA van HOLTHE: And you cannot confirm one way or another whether there is one, because the government has ...

Mr MACLEOD: I have never been given one. I have been asking for a year.

Mr WESTRA van HOLTHE: So will not confirm or deny the existence of one, is that how it is working, or they just do not even talk about?

Mr MACLEOD: We talk about it, and they keep saying 'We will get back to that'. I have never had a full master plan in the detail I have asked for.

Mr ELFERINK: Both Darwin and Alice Springs have Land Use Objectives.

Mr MACLEOD: Yes.

Mr ELFERINK: These are very large forms and every individual block in these land use objectives are identified as a particular zone ...

Mr MACLEOD: Yes.

Mr ELFERINK: ... so there is your land planning, and they were created some 10 years ago, if memory serves me. Now, they have been altered over time, but essentially, those plans still exist or are in place. Are you telling me that there is, for the second-largest city in the Northern Territory, that there is no Land Use Objectives statement that you have ever seen?

Mr MACLEOD: I have a copy of the Land Use – which is about the land, the blocks, the areas they are building in, looking at. I am talking about the whole concept.

Mr CHAIRMAN: Yes. There are two issues here. When you started off talking about planning ...

Mr MACLEOD: Yes.

Mr CHAIRMAN: ... the planning that councils sometimes have a fight over with the government is the design of a new suburb, or a new area or a new subdivision, etcetera, but you are talking also about social planning, which is a broader aspect of planning.

Mr MACLEOD: But it still has got to be planned together.

Mr CHAIRMAN: That is right.

Mr GUNNER: Because there is a map that has got the zones and all that.

Mr ELFERINK: No. The Land Use Objectives documents I am talking about actually took these components, and future building, height restrictions, all those sorts of things into it, as well as future use for social planning and those sorts of things. That is what these Land Use ...

Mr CHAIRMAN: But I do not think they exist anymore as such, except for Litchfield, they have been incorporated in the NT Planning Scheme.

Mr ELFERINK: Yes.

Mr CHAIRMAN: And that is part of the problem. They became part of just a general overlook of the whole place.

Mr MACLEOD: They probably had those, we came up with it earlier, you know, it was suggested that we should be talking to developers to get things like community halls built up and social infrastructure through the developer, because they make a profit from the land. And, as I explained, we cannot do that because, one, I do not control planning, I do not have access to the developer, and because you have got one developer doing section A and section C, a different developer might be doing B and D, we do not know what the whole picture is, so I cannot work out what this developer is doing in this area and what this developer doing in this area, because we were not told.

Mr ELFERINK: So, essentially, the second-largest city in the Northern Territory has no overall plan for its future?

Mr MACLEOD: No. Social infrastructure is something I believe is left behind. Planning itself, to me, is a nightmare for local government, where we do not have planning, and yet, no matter what is built, we end up being responsible for it.

Mr CHAIRMAN: I need to clarify that because it sounds slightly simplistic. There was the Eastern Suburbs Land Use Objectives which came out, because I put in a submission to it; so there are land use objectives for planning, but what you are saying is that the social infrastructure you need to run a city, you are not part of those discussions.

I could give a classic example: there is a concept that we may eventually end up with a prison at Weddell. Whether that is good or not is not the argument for the moment. No one in Litchfield Shire was

told that was where the prison was going to go. Same issue, it is part of the social infrastructure, and I believe Litchfield will probably agree with you that there are times the departments ignore the people who live in the area and just do mostly what they want. Would that be fair to say?

Mr MACLEOD: Yes.

Ms SCRYMGOUR: Through the Chair. Robert, with this new forum or the new process that you are now undertaking with government, do you believe that will change the way the process has been in the past? Palmerston is one of the fastest growing cities; surely the council, with government, talk about social infrastructure, the population growing, the number of children in those suburbs - you know that it is going to require a school and other things. What has been the process to date with Palmerston City Council and the government, through the DCA, looking at planning and other issues?

Mr MACLEOD: Well, through DCA, nothing, because DCA is an independent body, supposed to be an independent body, and the plans go them. We grew up with ...

Ms SCRYMGOUR: So Palmerston City Council does not have any members on the DCA?

Mr MACLEOD: Yes, we do. We have two members.

Mr CHAIRMAN: It should be stated too, the people who are on the DCA because they are members of the council are not required to act as if they are a part of the council.

Ms SCRYMGOUR: I realise that, I am just trying to ascertain for myself; you are saying there is not a plan, or there has not been any planning for Palmerston, not just with buildings but with the social infrastructure or ...

Mr MACLEOD: I did not say there was not any planning for the building of social infrastructure, I said there are plans for buildings, there are plans for the land, and for the future etcetera; what I am saying is that the community side, the social infrastructure side, is not included as part of the major plan. We do not get to see that – that is what I am saying,

To go back to the DCA members if I could, please, Chair. The two members we have, and it is the same with the Darwin City Council, for years and years we have been told you cannot bring in the council's thoughts or decisions into the DCA because they are there as community members. That was only ...

Ms SCRYMGOUR: Even though they were elected – are they elected by the council?

Mr MACLEOD: They are elected by the community on council, elected by us to go onto the DCA board and it has been for, I do not know how long, 26 years I know of, and members have not been allowed to bring in council decisions or concerns to that board. It was not until the Chair of DCA sat in Darwin Council three months or four months ago and stated that yes, the members can now bring in council concerns; and that is the first time that has ever happened. Until then, we had no say ...

Mr CHAIRMAN: There was once a very interesting time when there were three councils on the DCA and it gave councils the right to override some of these planning matters. Unfortunately, the government decision some years ago overturned that, and now there are only two council members and they are in the minority.

Mr MACLEOD: That is right. DCA is supposed to be an independent body under ...

Ms SCRYMGOUR: The next part of my question was: the new process that has been set in place now between government and the Palmerston City Council, will that be formalised by an agreement to try and address some of the concerns the council has?

Mr MACLEOD: I suppose the idea of the committee is that we both sit at the senior level discussing the challenges and problems that we have, and I am hoping that what we are talking about today can be resolved. I have been asked to come here today and state my concerns, and these are my two major concerns. If it can be resolved in a month, six months and twelve months; that is great. At the moment, that is a major concern that we have for our ...

Mr GUNNER: The waste management you raised as your second issue; that is partially a planning issue.

Mr CHAIRMAN: Before we get on to that one, it is and it is not. It has other issues.

Mr ELFERINK: In terms of the newer areas that are now precincts, I am talking about Bellamack, Zuccoli and Johnston, what is your sense of the way the government is approaching those in relation to your concerns? I note government seems to have a certain amount of urgency in the way they are trying to roll these things out. Are you at any way in the loop as to how these things are being rolled, out or is just a case of we will get back to you?

Mr MACLEOD: No, they are actually pretty good. We have an officer involved, especially in Bellamack for example, we were fully involved within that process. We are certainly nearly two years behind the release of land, which is a huge concern, and I believe that is what has helped pushed the price up. Again, that falls back to concerns for the community buying the land. Johnson having no developers to buy, as I said, you draw an extra 26%, it is a kick in the side. The only people who will pay for that is my community, you (inaudible) and that can be done.

Mr ELFERINK: The only jurisdiction that does not have a land tax with a land tax.

Mr MACLEOD: You already have your sales tax when you pay for it, you buy the land, and there would be no land cost to the government. To me that was an absolute nightmare when I find out. Unfortunately I was at a uni exam and I arrived at the auction at the end of it. A few people were rather shocked. To answer your question, we are involved in that now, and it is going very well, and I do believe this committee will move us along much better than we have done in the past. I believe the perception Palmerston is a CLP council is long-gone and not true, and people realise that, and people are talking a lot better. Certainly there are still many concerns on information not coming through. It is not just about land, it is not just about schools, it is about everything put together.

When we had Bellamack school designed and started on building, we should have been working straight away on the next one. I realise Dean Malone is working very hard at the moment with his team on the figures on the future for Palmerston, Weddell and so on, but we should have done this two years ago. We are now two years behind the eight ball.

Mr CHAIRMAN: Can I just ask, as a Council what do want in relation to planning. There is the physical planning, that is the roads, sewerage, water, subdivisions, and a social plan. What role do you think your Council should play in those two areas?

Mr MACLEOD: I believe my Council should be involved in the planning for what is required within the new suburb.

Mr CHAIRMAN: Do you mean you should be controlling planning.

Mr MACLEOD: Certainly not. Certainly we should have planning but we are not allowed to have that.

Mr SCRYMGOUR: No, we have got it on record saying they should not.

Mr CHAIRMAN: You nearly knocked me over; I thought Helen had come back with a different version.

Ms SCRYMGOUR: We have you on record now.

Mr MACLEOD: I want to straighten that one, you guys have to accept we have to be involved, because I do not believe many people look at the social infrastructure required, I think they look at it yes, we are going to have parks here and walkways there, and there is a drain running down there so we will that a park. You cannot have that, so we should be involved in the design.

Mr CHAIRMAN: Do you think there needs to be legislative change which requires the government, under the *Planning Act*, for local government to have a role to play?

Mr MACLEOD: Most certainly.

Mr CHAIRMAN: That is something we can look at

Mr MACLEOD: I do believe that. I think working together ...

Mr CHAIRMAN: MOUs, as you say, collapse, and no one worries about them. Council presidents go off on bicycles and disappear.

Mr MACLEOD: There is another side to planning as well where, at the moment DCA - you have something being built and that is the area, and they say right that is all we have to worry about because that is the lot. They do not look at the involvement of areas outside, or how this lot will affect other areas.

Ms SCRYMGOUR: Robert, and I suppose for Helen, I am not saying local government should not be involved in planning, but if you look at the experience everywhere else there have been problems, and I am not blaming one council. The process of local government in planning, where we have seen on the eastern seaboard and elsewhere, if you propose a legislative change, how do you build or make sure that whatever you are transferring you are not going to have ...

Mr CHAIRMAN: Can I clarify that, just bearing in mind the government is not going to give you planning, but there is some legislative requirement you must be involved in the initial and ongoing planning programs being put forward for your city.

Mr MACLEOD: It is not (inaudible) planning, we normally get that, I am not happy about having said that, but what I am saying if we could be involved in helping to design the suburbs and the requirements on the social structure side, where does the community hall go, do not forget the scouts, the girl guides and what about the handicapped, disability people? You look at all these areas, what do they require? They might require a special hall for this, or for a special hall for that, and the developers do not look in to that. We have a suburb and we have got five parks and nothing, and we stuck with trying to find the money to build a hall or even to get the land. That is a major concern for us, because it is like the Chief Minister does not like gardens. Everyone knows I have been screaming about the size of the blocks, and I think it is disgusting. You put all these people so close together, at the end of the day, the developer walks away, and it is left with the government, the council, and local government to look after that infrastructure and the challenges that are caused with having so many people stuck together in a small area.

Low income earners who cannot afford the larger blocks, they are all stuck together. It causes social problems. We have seen it in different areas in Darwin, throughout the Northern Territory and down south. Instead of learning from what has gone wrong down south or what has happened in Darwin, we have the same people who have been doing this for 20 years experience, as you mentioned before, putting the same challenges into place again.

Ms SCRYMGOUR: If I could through the Chair, I was not saying you transfer all of planning. I was trying to explore Robert and maybe Helen, if through the DCA process and legislative reform, what would you – how would that take shape and what role would the municipal councils want to play in terms of planning?

Mr MACLEOD: Certainly in the planning. You mentioned DCA, I have real concerns with the DCA. I went through DCA put an appeal through DCA on Bellamack. There are some concerns I had, and DCA came back and told me I had no appeals right. We went back through LGA, *Local Government Act* and we do and did have appeals rights. You sit back and you say, this is DCA, and you keep saying DCA. I will not work with them because, to me, it has its own agenda, its own set of rules and do not follow the *Local Government Act*. I have said that to the chairman, in writing, Richard Hancock, and to the minister.

You keep coming up with DCA. DCA, to me, does what you are told.

Ms SCRYMGOUR: Sorry, Mayor, but I mentioned DCA because it is the vehicle under which is there at the moment, but if that vehicle is not working or if there are problems, that is what I am trying to gauge.

Mr MACLEOD: The DCA has a private presentation on something which is about to happen before it goes to formally DCA. I have great concerns with that. I know that has happened. I sit here without being derogative to anyone. We need to look at the system you are talking about for us to be a part of. DCA, I do not believe so. Sitting down, and working what is required in the suburb. I am not saying that the local government tells planning what has to happen. All I am saying we need to work together, as the Chair has said, we are part of the process, not it would be nice to get Palmerston and Darwin involved about this, but they are part of the committee which helps design this ...

Ms SCRYMGOUR: That is what I am trying to get.

Mr MACLEOD: That is all we need. We will not get planning, we accept that, but we have to be able to put our point in, there is another side to just a (inaudible).

Ms GALTON: It starts from the beginning, the initial stages of any discussions.

Ms SCRYMGOUR: The discussions to do with planning.

Ms GALTON: Yes.

Ms SCRYMGOUR: Through the Chair, to both of you, I was not trying to say – I was just trying to gauge what it is, and if there are problems with the existing process, if there are difficulties, what are they? We are not part of the council so we do not know, so I am trying to gauge that information.

Mr CHAIRMAN: It has not changed much since I was in local government.

Ms GALTON: Another example for Darwin City Council is the heights within the CBD. We are still waiting to hear back from the minister, whether she is going to accept the 90 m across the board, on the Esplanade or whether Darwin City Council's submission is going to be listened to. So, there are those areas that are of concern.

For Darwin City Council, another area of concern is climate change; that is, storm surges and also rising sea levels. It is a topical topic; we all know that. However, it is very important for Darwin City Council anyway, that the *Planning Act* has done amendments to cater for that - and that is not happening at this stage. They are genuine concerns. Also, an emergency management plan needs to go into the *Planning Act*. When you think about the Darwin CBD area, we have an increased density in Darwin with so many more people moving in. We have three major roads, Tiger Brennan Drive, Stuart Highway and Gilruth Avenue. All, probably, are prone to storm surge and could be cut off if we had a huge blow and a lot of water, but there is nothing in the *Planning Act* to cater for that. So, there are some concerns as far as climate change goes for Darwin City Council.

Mr GUNNER: I thought the CDC would have had plans around - it might not be the *Planning Act* ...

Ms GALTON: The Darwin City Council?

Mr GUNNER: No, the Counter-Disaster Committee would have plans around the CBD. There would be plans; they might not be part of the *Planning Act* formally, but there will be plans from the CDC to the Police Commissioner etcetera, around dealing with emergency situations such as the CBD being isolated during a large cyclone. I just wanted to put that on the record. I think there would be, if everyone in the CBD is worried, there would be plans ...

Ms GALTON: That discussion is happening but it still needs to be in the plan, so it is covered for the Darwin City Council.

Mr MACLEOD: As you said, emergency management covers that side. That is the emergency management side. What Darwin is talking about is the actual planning, and what you would build at the shorefront ...

Ms SCRYMGOUR: Were preparing for.

Mr MACLEOD: We have had quite a few different examples down south where councils have taken developments to court and won because of climate change. It is something, as Helen said, is not being addressed up here. It needs to be, especially since we have pawned so much.

Mr ELFERINK: At the moment, for the information of other members, over the Darwin CBD there is a proposed amendment to section 56 - I could be corrected on the number. It will fundamentally change what may or may not happen on blocks in different parts of the CBD. At the moment, the old 1999 Land Use Structure Plan still applies within the central zone of 90 m step down towards the coast. What is being proposed for Darwin is there is a carte blanche 90 m from Esplanade to McMinn Street, basically, as a building height.

That will fundamentally change what the future of Darwin looks like. Because the government has been slow in making its determination as to whether or not that proposed amendment will be allowed, the consequences are a high level of uncertainty. That is part of the city council's problem - if I make the words

in your mouth, Ms Galton – now, is there is increasing levels of uncertainty around planning in the Darwin CBD. I suspect Mr Macleod you have the same issue in Palmerston; because of the fact you are not getting a look into the future planning process, you have a level of uncertainty as to what you are going to be stuck with as a council. Certainty is one of the bedrock issues of planning anywhere and, if you undermine that, then you get angry mayors sitting in front of you screaming their heads off.

Mr CHAIRMAN: Can I just ask, Helen, in relation to ...

Ms SCRYMGOUR: I cannot see an angry mayor! Can you?

Mr CHAIRMAN: In relation to planning matters, similar to ones Palmerston has, have you any process directly into planning into DPI, from a council's perspective?

Ms GALTON: One vehicle the Darwin City Council does have, which is broader than what you have just spoken about, is actually our Capital City Committee. It is working extremely well, I have to say at the moment. There are a number of issues raised during that process. I chaired the last meeting and it was a very positive meeting and, I have to say, we are working. Probably it is better than Palmerston has at the moment ...

Mr GUNNER: A little further ahead, you have met more often than ...

Ms GALTON: In the Capital City Committee, we find the chairman, if we raise areas of concern, they are pretty well addressed straightaway. It is an extremely good committee.

Mr CHAIRMAN: You talk about a capital city, but does that include say, the development of Lyons and Muirhead?

Ms GALTON: Yes.

Mr CHAIRMAN: That will be included in the ...

Ms GALTON: Well, yes, it can.

Mr CHAIRMAN: It is not just the CBD area we are talking about.

Ms GALTON: No, the whole of Darwin, the whole of the municipality, and Lyons of course, has been handed over now, and Muirhead is on its way. But, once again, it is what we were saying before, Darwin City Council would like to be involved right from the beginning with the discussions, around, rather than coming to us and saying, well, is this going to affect you, instead of being part of that discussion right from the start.

Ms SCRYMGOUR: Put the horse before the cart.

Mr GUNNER: It is definitely a skill set in local government round issues such as green space and traffic management, often, and I think it is important to involve council early.

Mr MACLEOD: It extends to both sides, and I think if they both get together and put their heads together, it is a win, win situation. You would not have one person starts it, and as Helen said, brings the (inaudible) plan, and all of a sudden you are saying well, that is wrong, that is not going to work, that is, and then you have to go back and redevelop it, so what do you do?

Mr ELFERINK: We will get back to you.

Mr CHAIRMAN: So what you are saying, you provide the on ground issues, you know them first hand.

Mr MACLEOD: Yes, working together.

Mr CHAIRMAN: That is why we have local government, and I think it is forgotten about, unfortunately.

Mr MACLEOD: As we said, if we get together, we will be working as a team, eventually there will be both parties be part of it legally, then yes, it will work, but at the moment, you have got one party making all the decisions, and come to the very end, and sometimes, like Rosebery school, the headworks had already started, when we looked at the plans, I mean, what can we do, it makes it very hard.

Mr CHAIRMAN: Can I move on to the waste management now. Do you want to lead off, I know you are very passionate?

Mr MACLEOD: It starts as part of Top Rock, which is at Utopia, Darwin, Palmerston, Litchfield, Coomalie, the concern we have is waste management. I had a waste fill site for 24 years in Palmerston, and we now have turned it into a transfer site, I have just been told by the EPA I do not have a licence, which is really, really good, but I will not tell you what I told the EPA. That is fine for us on our household rubbish, but when you start looking at a regional area, we do not have one. The only way one I can use is Darwin's, I refuse to use Darwin's unless the government helps me supplement it, because Darwin has just put the price up, so it would cost me an extra \$400 000 a year, which I thought was pretty low act after we had an agreement for that sort of thing.

We are being serious, well I am. We do not have a regional waste area up here - and we need one. If something happens with a cyclone this Wet Season, where do we put all the material which is broken and damaged, there is nowhere.

Mr CHAIRMAN: Not disagreeing with you, the government actually said it would do a scoping study when it closed the Humpty Doo landfill site down, I think that is non-existent, it has not been spoken about or published. I think it was about 2005, the CEO from Litchfield down the back there, he was not quite involved in that stage ...

Mr MACLEOD: We started this in 2003.

Mr CHAIRMAN: Yes, well Top Rock actually looked at it in about 1996, I think. I know there are some issues, I am not asking a question here, but the issues are, of course, the siting, and people might know that one of the proposed sites for the gaol was near the waste disposal, the regional waste facility. Defence have knocked that back, so there is a fair chance that the waste facility will get knocked back, it is also in the flight path, or very close to it, and that is another issue.

The other issue that has come up, of course, is the development of Weddell. The other issue related to that again is, how long Darwin City Council can keep operating its present waste facility. People want it to keep going for 30 to 40 years, we will be, when I say we, the other councils, will be basically left behind because no one will worry about building a new facility. So there is a need for a new facility, I think the government has dropped the ball on it because they closed the Humpty Doo landfill down, and that fixed their problem, but it has not fixed the problem that you have got, or the new city of Weddell, or Litchfield.

Mr MACLEOD: You see what we have is, we have residential rubbish, and that is fine, and we transport that the Shoal Bay, we pay for that, and that is what the rates pay for, I do not have a qualm with that, right. It is the regional side, if there is a cyclone, for people to dump large material, where do we go?, You cannot turn around and say, well, Darwin has 25 years up, or 50 years left in their site, because if you are talking about regional waste, and no matter who dumps this, there is lots of paper.

Mr CHAIRMAN: People at Berry Springs, their rubbish goes 55 km nearly to Shoal Bay and that seems to be ludicrous. We talk about carbon footprints; I do not believe that has been taken in to consideration either.

I certainly believe, as a council, we can raise this issue; again, that is about planning. We had Top Rock for an awful long time, and has government taken any notice of it? Would you say it has taken any notice of what Top Rock has put forward?

Mr MACLEOD: The last meeting I had (inaudible) circulated to me as well. When I spoke to Delia about it she said yes, she would certainly look at it. We had to report back through Top Rock which is what I will do next week (inaudible) we have. Again, we can stand up as a collective council and say: 'This is not good enough; it needs to be done.' We have said that for how many years before? And nothing has been done. This is where we need your assistance to get this moving, because we have said, it and said it and we cannot force the government.

It has got to the stage now with the growth we have - Palmerston is the fastest growing area in the Northern Territory, and the third in Australia, currently, and with (inaudible) coming up. Litchfield has the same problem we have. It is not just the household problems we are talking about, we can look after that; we pay 5% of the rates to do that. It is the regional centre we are looking at.

Mr CHAIRMAN: It does relate to that bigger issue you mentioned before, about being involved in planning.

Mr MACLEOD: That is right.

Mr CHAIRMAN: Are there any other questions on that? Because I am wondering if I could ask you about some changes that have occurred in the last couple of years - one would be the new *Local Government Act*. Do people have any concerns about the new *Local Government Act*, or think the new act is an improvement on previous acts?

Mr MACLEOD: I believe it is an improvement. We had to go through the Code of Conduct, which members had no problem with, but I believe if we had to actually go through all three forms on government. I think it is good; the tribunal is a good idea. We have an elected member on there now representing local membership. Yes, I believe it is good, it is moving ahead; and the fact that we actually spoke to it before it was actually finalised was good.

Mr ELFERINK: In general terms though, the municipals were fairly autonomous animals under the old act, and they continue to be under the new act.

Mr MACLEOD: That is correct.

Mr ELFERINK: The new act sort of tips its hat to the municipals and off it goes and does what it does in the shires, much more than anything else. Would that be a fair statement?

Mr MACLEOD: Yes. There were a few things that did concern us but afterwards were changed, which was good. We had good discussion we did format in there, so we have no problems.

Mr ELFERINK: From an overall local government perspective, and now I am including the shires, is it the case, especially now the shires exist, that the Territory government is still too involved? Or would I be better to ask that question of the shires themselves?

Mr MACLEOD: I believe, no matter who you ask, you would be told the government is too involved. Elected members are elected by the community for those members to run their council, and I believe the government is too involved. They have a heavy hand controlling the shires and making decisions for them, but that is something you would need to speak to the shires about because they are very strong in this. I am an executive on LGANT, and it is the biggest complaint all the time.

Mr ELFERINK: One of the things I was looking at closely as a shadow minister years ago for Local Government was actually devolving many of the functions of the Department of Local Government to LGANT, and then creating an Office of Local Government, nothing more, as an interface between the Northern Territory government and LGANT, and that the LGANT basically looked after it all until there was an issue which required attention by the minister under the *Local Government Act* and that went through the office, thus eliminating the need for a whole government department, essentially. Some of the funding that runs the department would have then gone out to LGANT so it could pick up those administrative functions.

What would be your instinctive response to that model now?

Mr CHAIRMAN: It has been around a while.

Mr ELFERINK: I know it has been around a while; it just has not been done. And the rationale exists more for it now than it did in the past.

Mr MACLEOD: I am quite comfortable with the department; LGANT has a role to play and it is a representative for the shires and the municipalities. Whether I personally - this is not my council's views - it is my view, whether I would like to see LGANT running local government, no, I personally would not. I have no idea what my council would say, but certainly LGANT has a good role to play, and a lot stronger role than it is doing now. I would not see LGANT running local government.

Mr ELFERINK: It would not be in its current form, but, yes. This, by the way, is not CLP policy, it is something I looked at years ago.

Ms GALTON: It is a discussion to have.

Mr ELFERINK: I wanted to bounce it off the municipals as well. I often look at the Local Government department, especially now that we have shires, and wonder what its function is, and I assume it is to support the shires in this difficult period of transition. I am just wondering what the future holds.

Mr MACLEOD: There is certainly a very strong lobbying group on behalf of the councils, the shires and Municipalities, I think LGANT play a very strong and good role assisting the shires in the challenges they have had with the new reform, and I see that as being one of the strong points for LGANT, and getting stronger along that line as well. Certainly lobbying is a major fact, getting grants and helping out in different areas, research, advising HR for the councils, certainly along those terms.

Mr ELFERINK: Yes.

Ms GALTON: As far as the shires go, there are still some teething problems. I think we all know that.

Mr ELFERINK: To say the least.

Ms GALTON: And we all acknowledge that. It was done for all the right reasons, in my opinion, and I was certainly an advocate for it. I think the roll out, sadly, has not been as good as it could have been.

Mr WESTRA van HOLTHE: Can I ask about some of the issues with the shires. You both said today in your role on the Executive of LGANT you have heard from the shires and they have said there are still some issues. Are either or both of you able to summarise the major issues which have come up in those LGANT meetings are?

Ms GALTON: Well, I think the discussion I heard yesterday was one of them; those council things.

Mr WESTRA van HOLTHE: Right.

Ms GALTON: It is a major concern for the shires, and also for LGANT. Sitting on LGANT, even as the municipal representative, which we both are, we have concerns for them because of the problems they are having.

Mr WESTRA van HOLTHE: Specifically what would those problems be?

Ms GALTON: Well, they cannot even produce a financial report.

Mr WESTRA van HOLTHE: Which I said yesterday, yes.

Mr MACLEOD: That in itself is ...

Ms GALTON: That is just ...

Mr ELFERINK: You have multimillion dollar organisations without a capacity to produce financial reports?

Mr MACLEOD: That is right. One of the councils actually went out and got another agency in to help them out with that.

Mr ELFERINK: So the ...

Mr MACLEOD: It was really, really sad. I think the biggest thing was the way it was done. The reform was done very fast. One of the biggest problems was there were no elected members to help pick senior management, and therefore we have many problems now because we have lost many CEOs. There is much conflict between elected members and the CEOs because of different views, whereas as the elected members, they should have the right to pick the staff. I picked my CEO and I am lucky; I have the best CEO, he is brilliant, but I picked him, whereas elected members did not pick their staff and now there is conflict.

Ms GALTON: Their CEOs were appointed before them.

Mr CHAIRMAN: That is right, yes.

Ms GALTON: It was all ...

Ms SCRYMGOUR: But even ...

Mr MACLEOD: We said before about the government having control of the councils ...

Ms SCRYMGOUR: The membership of Councilbiz and the constitution, there are many issues which have to be explored to make it workable. There have been some issues from communities saying 'Well, what does LGANT do for us?' In relation to the community development aspect, I think LGANT should play a - there is human resourcing, there is IT, there is all the expertise they have, but the one thing which is missing, particularly in local government in our remote communities, is the issue of community development. You can be the best bean counter, but unless you get things changing on the ground in communities the council is going to struggle to get the outcomes it wants.

Mr MACLEOD: Yes, that is one of the things. It is about paying members in regional areas where you have to travel a long distance. They get paid for the day, but they travel a day in, a day out, that is three days gone. These people have businesses, they support their family. They are not paid a fair amount, and that makes it very hard to get people to come on to council, to volunteer to be an elected member. As you know yourself, it is not an easy role and people see what they get, both the good and bad, and normally they see the bad side. If you cannot encourage good people to come on board to be the elected members then it is exactly the same, it is very hard to come up with a dry determination to make it work for the community.

Ms GALTON: I agree with that, and you asked, suppose Darwin City Council goes under the new act. What concerns might we have? Well, one was regulatory orders, and the other one is allowances, not for Darwin City Council but for our country cousins. There was a classic case recently where one of the elected members, I believe it was on the Roper Gulf shire, they could not come in for a day's meeting. A whole day to get there, stay and then go back home, but they were not paid enough money to travel. I believe that is pretty sad, and the member allowances need to be looked at for the shires.

Mr MACLEOD: I believe the shires have come along, they have worked very hard to get where they are now, and I take my hat off to whoever had a job and I just cannot imagine not having financials again, for the financial year, I cannot fathom that. But they fought their way through, and worked very hard to do that. They need a pat on the back for the work they did. It is something the government used to look at much closer to see how they are going, because many of them are struggling. Even taking CouncilBiz and take one away and just look at the rest they are responsible for, they are still struggling.

Mr WESTRA van HOLTHE: I should declare, at this point, my wife works for the Victoria-Daly Shire, she works in finance, so I do not disclose anything arising out of our conversations, and she does not tell me anything confidential, but I am vaguely aware of some of the issues which occur within that shire. Ms Galton, I wonder, when you say the allowances are not good enough for people to be able to travel, does that apply to all the shires or is it just individual shires?

Ms GALTON: It is part of the act; there is a classification, which I believe needs to be looked at. When the councils first met, and looked at what they should be paid, perhaps they have not had the experience to know what they should be paid and I believe that is probably happening now. It is very important those allowances are considered.

Mr CHAIRMAN: That is also one of the disadvantages of a huge shire. Some people have to travel 1000 km to the other side of the shire.

Mr ELFERINK: It is a 700 km trip from Docker River to Alice Springs, which is where Macdonnell shire operates from, as I understand, and then they have got to go home the next day.

Mr CHAIRMAN: In regards to CouncilBiz, LGANT, in my time and probably after that, spent millions of dollars on an IT program for these councils. Was that all just scrapped?

Ms GALTON: Sadly, yes.

Mr CHAIRMAN: All that money just went down the drain? I do not know how many million, but ...

Ms GALTON: The department decided they would choose a new system.

Mr CHAIRMAN: Did it talk to LGANT and say, 'can we use your system', or was it just a ...

Ms GALTON: Not really.

Mr CHAIRMAN: That answers it.

Ms GALTON: It was pretty sad. But the sad thing was they were grants from the federal government.

Mr CHAIRMAN: That is right.

Ms GALTON: It worked well for the majority of the councils.

Ms SCRYMGOUR: This is why some of the shires are struggling.

Mr CHAIRMAN: Helen, I have a question regarding local government incorporation of the unincorporated areas. This report has come out called Local Government Options for the Top End: Unincorporated Areas. Option five talks about - this is one of the options - a new shire is formed, and it says that Belyuen, Wagait and the Kenbi land claim areas are included in the Darwin City Council area. Has any progression happened from discussions held a couple of years ago in relation to amalgamation of those areas with Darwin City Council?

Ms GALTON: It was looking very positive, and then a decision was made that no, they would not be included with Darwin. But we had meetings with Cox Peninsula, Belyuen did not come to the table, but it was part of the discussion, as such. It was looking very positive, and before the last election, which was last year, it was looking pretty positive, but there have been no further discussions since. I believe that is one of things - what is the government looking at in the future, what do they want from us, are we still to look at including those areas as part of Darwin City Council? It was a very positive, and it was unanimous, with both Cox Peninsula and Darwin City Council we would go down that path.

Mr ELFERINK: Why has it stalled?

Ms GALTON: It was suddenly stopped. The government chose not to go ahead.

Mr ELFERINK: The government simply dropped an axe on it, despite the fact all our local representatives said, 'yeah, that's a great idea'.

Mr CHAIRMAN: I am interested in that. Who in the government said it could not go ahead?

Mr ELFERINK: That was my next question.

Ms GALTON: It was the minister at the time, I believe, the decision was made - prior to the last.

Mr ELFERINK: Who was the minister? They change pretty often.

Ms SCRYMGOUR: They have not for a while. With the shire development it was either Elliot McAdam or Rob Knight has been the consistent minister through the whole thing, member for Port Darwin.

Mr ELFERINK: Consistently, two of them.

Ms GALTON: Elliot it might have been, but I do not know that it was Mr Knight was.

Mr CHAIRMAN: Did it have any relationship to the protest from Litchfield residents, or was it separate?

Ms GALTON: That was part of it. I believe that could be part of it.

Ms SCRYMGOUR: If I could, Mr Chairman, I know there was a meeting of residents at Belyuen who had wanted further discussion or consultation prior to going in it. So, it was not as if government's intent was not to be part of that. I know residents at Belyuen had some issues, but I do not know whether government has picked that up and continued those consultations. I know, Helen, there were some issues or concerns from residents at Belyuen, because they actually rang me and asked me if I could go across. I said: 'No, I am not the minister'. I know residents at Belyuen certainly had some issues they wanted to work through with government prior to any formal amalgamation happening. I do not know where that is at, at the moment.

Mr GUNNER: There is a capacity within the *Local Government Act* for boundaries to change and for councils to voluntarily merge. So, this is not dead; there is a capacity within the *Local Government Act* for the Darwin City Council to negotiate that outcome.

My memory is rusty, but from memory, I think this came up quite late in the local government reform process, which might have been a reason for it not being included when the shires were formed. That decision might have been taken with the knowledge voluntary mergers are still possible. That can still happen with the Darwin City Council if they wanted to pursue that line.

Ms GALTON: Well, we, perhaps, can revitalise that and look at that. However, it was definitely put on hold by the government.

Mr CHAIRMAN: Just one other question in relation to Darwin City Council and reform. Does Darwin City Council still have a role with the Tiwi Shire?

Ms GALTON: Yes, we do.

Mr CHAIRMAN: What exactly is that role?

Ms GALTON: We also have a sister city relationship with Milipakati.

Mr CHAIRMAN: Milikapiti for those old timers. What is the relationship from an administrative point of view with Tiwi Shire?

Ms GALTON: With Tiwi? Our staff will go across and assist in any way with community services, corporate services, and also planning and infrastructure.

Mr CHAIRMAN: Is that a formal agreement?

Ms GALTON: It is not a formal agreement as such, but it is certainly a relationship we have ...

Ms SCRYMGOUR: And a good one.

Ms GALTON: They invariably call on our staff, and our staff will go across there for up to a week, two weeks, and assist in what area they want assistance. It has actually worked extremely well.

Mr CHAIRMAN: So, we will not have the Tiwi Island ward?

Ms SCRYMGOUR: No, we will not. I can say from the Tiwi Islanders, the relationship with Darwin City Council has worked fantastically well over ...

Ms GALTON: Yes, it has.

Ms SCRYMGOUR: ... and even prior to the shires, I must say the relationship, even with the amalgamation of Tiwi local government which morphed into these shires, has always been a good one.

Ms GALTON: Yes, it is very positive.

Mr WESTRA van HOLTHE: Do you mind if I just duck back to Cox Peninsula's relationship with Darwin City Council? Can you just further explain, Cox Peninsula agreed to become part of DCC, is that correct?

Ms GALTON: Yes.

Mr WESTRA van HOLTHE: The minister, you say, said that was not going to happen. Is there a paper trail how you were advised that was not going to take place? Are there minutes from meetings between DCC and Cox Peninsula?

Ms GALTON: Yes, we have those minutes.

Mr WESTRA van HOLTHE: I was wondering would the committee be able to get a copy of any documents that relate to the amalgamation of Cox Peninsula with Darwin City Council, and any correspondence from the minister which relates to it as well?

Ms GALTON: Yes.

Mr CHAIRMAN: There may be another aspect to it, which is the development of the Cox Peninsula city that is proposed. It is shown on that map there, member for Katherine. Whether there is a concept of a broader Darwin city involved with new development over there, I do not know. That is certainly something which was raised, I think, after this event, because there was the discussion of whether we should develop Weddell and Cox Peninsula town that comes under the Larrakia Development Corporation. That may have also influenced the government's decision to hold off.

Ms SCRYMGOUR: Those meetings, and because you are involved at the Local Government Association level, but with the municipal councils versus the shires, I suppose the big issue that keeps getting brought to my attention, particularly from areas within my electorate, is the issue of rates and the shires, where their funding is being reduced over time, and where the rates are supposed to come in to be able to pick up that revenue. Has there been any approach from any of the shires for support, or to look at how they can address some of those issues?

Mr MACLEOD: We have a forum and we discuss how we do things in the municipalities. We rely, not just on rates, but on (inaudible) councils and media on all aspects. Our next meeting, in fact, is on 17 November in Alice Springs, where all the mayors and presidents get together. It certainly is something that, as I said at the last meeting, any time the presidents have a concern, they can ring any of the mayors, Darwin, Palmerston, Alice Springs, and just ask us any questions. We are more than happy to help out. Again, it is all about the experience and knowledge that we have, that we have gained over the years, that we can pass on. Also, the other way as well, we can learn from them as well, what we have to learn from different areas. So it is a give, give for both sides, well, for all us, and it is good to learn what it is new. We have been doing it for a couple of months now, but certainly we are talking about that and trying to come up with what we can.

Ms SCRYMGOUR: I just wonder whether it will be brought up with the local government forum that you are going to have in Alice Springs. One of the issues, and sometimes I talk myself ad nauseum in relation to this but, prior to the shire development under the *Local Government Act*, those councils or shires in remote communities had the ability to charge service fees rather than rates, and I know that people thought that it was a poll tax, but nevertheless, communities were able to, or those councils were able to raise that revenue to be able to do local government, carry out their functions appropriately, I just wonder whether that is ...

Ms GALTON: Well, I think probably the sad thing at the moment is that there has been a cap put on rates for the shires. You know what I mean, it is just crazy, having a cap there for three years.

Mr CHAIRMAN: So much for elected members.

Mr MACLEOD: Well, it just means that, come the end of the three years, there will be a huge jump, instead of having that progression going through, all of a sudden they are going to turn around and say, well, you know, it has gone up. We have not done anything for the last three years, and all of a sudden we have to try and get these services back online again, because regardless of what the cap is, down there you still have the same – the cost of the rise, and your rubbish, and your (inaudible), and all the rest of it, it might as well come from somewhere. I would have thought rates, that is where the money comes from for us.

Ms SCRYMGOUR: But the rating, as I understand, is not only capped for those shires, but also for pastoral properties. It is capped across the board, it is not just a cap that has been put on for remote communities.

Mr CHAIRMAN: We might have to finish up there, we have been going on for a fair length of time, over, as usual. I just passed the agenda for the Local Government Association Annual General Meeting in Alice Springs. I do note that, on Thursday, and unfortunately I will be in Tennant Creek in regard to one of these meetings, there is the 12 o'clock, the issue is relationships with local government, and it is being run by Richard Hancock, the CEO of the Department of Planning and Infrastructure. I would be interested to hear what the government has to say. You might be able to report back, because that is something we certainly been talking about today.

I would like to thank Deputy Lord Mayor, Helen Galton, and President Rob Macleod, thank you very much for coming. I do hope the CTC is not just sort of a nice little word-fest, I do hope that we can get some things achieved. I think planning and waste management are two specific issues that we can get our

feet into, literally, and try and get something going. Thank you very much for coming, I appreciate you taking the time.

Mr MACLEOD: Thank you very much for your time. I have copies of the Municipality's plan, with the work that we are looking forward to do, so I have copies of that you can peruse.

Mr CHAIRMAN: Okay. Are you in picture on the bike?

Mr MACLEOD: No. Not that one there. Thank you very much, it was appreciated.

Mr CHAIRMAN: Before we have Mark Brustolin, we might have a five minute break, thank you.

The committee suspended.

The committee reconvened.

Mr CHAIRMAN: I will read the important bits first. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, however I remind you this is at the discretion of the committee. You are reminded evidence given to the committee is protected by parliamentary privilege.

BRUSTOLIN BUILDERS
Mr Mark Brustolin, Director

For the purpose of the *Hansard* record, I ask you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak. Before us today we have Mark Brustolin. I might just ask Mark to give his full name and his capacity in which he is here today.

Mr BRUSTOLIN: Mark Anthony Brustolin, Director of Brustolin Builders.

Mr CHAIRMAN: Thank you, Mark. Do you have an opening statement or would you just like to take questions?

Mr BRUSTOLIN: I will take questions.

Mr CHAIRMAN: Okay. I will lead, so people are not ...

Mr ELFERINK: I want to know why this gentleman is here.

Mr CHAIRMAN: Mark, can you tell us what your role is in building in the Northern Territory?

Mr BRUSTOLIN: I have done extensive building in the Northern Territory, since the early 1980s in remote areas, both doing housing and schools, but I have also done much construction through the Darwin area, and we still do remote work. We did some houses last year. We are currently tendering on projects at the moment in remote areas.

Ms SCRYMGOUR: Is that for the housing specifically or for schools and ...

Mr BRUSTOLIN: No, for schools.

Ms SCRYMGOUR: For schools.

Mr CHAIRMAN: Do you build many houses out in the remote areas?

Mr BRUSTOLIN: Yes, we have built houses on islands and on the mainland area in remote locations.

Ms SCRYMGOUR: Mark, with the SIHIP program, and through the alliance framework, for builders like you, a small builder who has been working in the Northern Territory since 1980, is there a process through the alliance framework which allows builders, who have wealth of experience with building houses in remote communities to be able to tender for some of the work in some of the SIHIP communities?

Mr BRUSTOLIN: Yes, there is. I have had involvement with Territory Alliance as a stand-alone contractor, so there is engagement and work in the smaller business and areas where people have had more experience.

Mr CHAIRMAN: In relation to housing, we are talking about building houses which will hopefully last 30 or 40 years, do you have a basic model, not so much in the design, from whether a bedroom is here and a bedroom is there, but in the construction materials and how a house is built, from the point of view of good health management, in relation to dogs and rubbish and all of those type of things which congregate around a house?

Mr BRUSTOLIN: Yes. Over the period I have travelled – and I have travelled extensively - I have been to every remote outstation school in the community, from Maningrida to the bottom of the Gulf of Carpentaria, doing assessments for the Education department. One thing became very clear through that process. The use of steel as a medium for construction, should be limited, because it inherently, when you barge it, even though you galvanise it and things like that, it becomes a longevity problem; it does not last. If you are going to build something which is not going to give you ongoing maintenance and which has the durability, it needs to be a concrete structure, and that goes through to the floor framing system.

The floor framing system, I am seeing in many elevated houses, the mesh around the outside generally is removed or taken away, so you have a health issue problem where you have rubbish which builds up under the house. In one instance, they had a series of dead dogs, they could not get out from underneath. Houses are better off as a slab on the ground, which removes that problem and also removes the problem of deterioration in the structure, which is one of the biggest things I have seen.

Five years ago, I was asked to do a survey on Goulburn Island I believe it was. There were 17 houses in disrepair, which were not able to be used and much of the problem has been because of the type of structure it was.

Mr ELFERINK: Why? Was it vandalism or deterioration through over occupation?

Mr BRUSTOLIN: In that instance, probably a high majority of it was vandalism. It probably started by poor maintenance, then obviously people moved out and the vandalism took over.

Mr ELFERINK: From your experience, we heard evidence here yesterday that vandalism makes about 8% to 10%, I could be corrected on those numbers, but it was a very low proportion ...

Mr CHAIRMAN: 10% to 15%.

Mr ELFERINK: Well, 10% to 15%. There was a low proportion of vandalism in houses in the bush. That is actually not my personal experience. You, as a builder, have seen these houses for decades now. Would you say 10% to 15% is a fair assessment of the amount of houses damaged through vandalism, or would you say it is higher?

Mr BRUSTOLIN: I would think it is higher, but I would not know what percentage.

Mr ELFERINK: Without locking you in to an actual percentage, would you be prepared to give a guesstimate of abuse of these houses?

Mr BRUSTOLIN: It depends on how the house is built. If the house is built out of block, then it is much lower. If the house is built out of framework, then it is much higher.

Mr ELFERINK: What evidence have you seen over your years where these houses have been deteriorating, of local people getting themselves involved in repairing these houses and doing the business, or are they just waiting for somebody to come along and do it for them?

Mr BRUSTOLIN: That is a pretty long-winded question, in that I have had Aboriginal apprentices. The guys are very keen and willing, but the problem was the education system had not equipped them well enough in order to do an apprenticeship. We have had Aboriginal people employed in the communities who have done the work. I believe if they had a better education level, they would have a better understanding of what they are doing. You can only really give some of them menial tasks. You find the odd guy who stands up who is quite talented, and you give him more in the variety of work. So, it is a very difficult one to do in the community at the moment, because we have not driven the education as hard as we should have.

Ms SCRYMGOUR: Mark, if we could just go back to what we were talking about, with the design and structure of those houses. I know in parts of my electorate you have block houses. Is it the expense of getting those block structures on the ground in those communities? What seems to be the problem, given if we know those structures are probably more sound, but we go for the prefab and other materials? What seems to be ...

Mr BRUSTOLIN: Well, you have the lightweight structure being the framework structure. That requires more skilled labour to house and, over a slightly longer period than if you have a team of block layers or precast, or any other form of concrete medium that uses a wall. Then, you have the guys on the ground for a limited time. So, the amount of time you have guys out there, feeding and accommodating them, if they are over there for an extended period, then you have to send them back for a break. An airfare of \$700 down to one of the communities and back again, starts to mount up when you might be talking of a team of 20 to 30 guys. That really starts to make a big number.

Mr ELFERINK: How long does it take to build a house?

Mr BRUSTOLIN: It can depend on a range of things.

Mr ELFERINK: Ball park figure average?

Mr BRUSTOLIN: You are probably looking at 16 to 18 weeks, depending on labour resources. At the moment, that is probably going to be something of extreme premium, I would think.

Mr ELFERINK: I know part of the program of SIHIP anticipates an education component and an employment component to construction of houses. Assuming most houses will be built parallel to each other, in the sense they will not be built one after the other - the slabs will go down for the houses and then you will go back and do the block work and that sort thing - how long would it take, would you suggest - guesstimating - to build 10 houses under normal circumstances?

Mr BRUSTOLIN: Probably looking at 30 weeks or so, I guess.

Mr ELFERINK: Okay, so, about half the year. The next question I have then is if we then use the process to train Aboriginal people, what will the skills set afford them after those houses are built? Do you think, from your experience?

Mr BRUSTOLIN: I did an apprenticeship; it took me four years to do the apprenticeship, and I still kept learning after it. To believe you are going to have qualified tradespeople, or people with a high skill level, in such a short period is not realistic at all. We should be looking at houses where it is a low-tech solution, where the skills are minimal, and they can learn the skills quite easily and reproduce the dwellings themselves, the same as what is happening at Port Keats. For probably six or seven years, they have been doing their own pre-cast and making their own walls and slabs, that has worked.

Mr ELFERINK: How many people does that employ at Port Keats?

Mr BRUSTOLIN: I could not tell you.

Mr CHAIRMAN: The employment side of it. Which type of house would employ more people, the type that constructs the walls like at Port Keats do you think, the blocks that have to be brought in and then put up, of course, or the prefab house. Which is going to get more employment for Aboriginal people?

Mr BRUSTOLIN: Prefab house, if you like, structure, probably would not give a lot of meaningful employment, because you are generally talking about a lot of high skill area. So that would take a longer period to build that skill level up and to train them effectively in the task that is required. Block also requires a level of skill to lay the blocks, but that is something that can be learned a lot quicker.

Mr CHAIRMAN: Are there issues about transporting blocks in regard to block use?

Mr BRUSTOLIN: There certainly is. You get a high level of breakage through the process of shipping, barging, and unloading. If you are trying to unload very rapidly when the tide is going out, the pallets of blocks can come off like coming out of a shot gun, you can have a high level of breakage on them. If the blocks are fairly green, even without that, you can still wind up with a very heavy waste.

Ms SCRYMGOUR: There is a possibility of an enterprise where you could do it in the community, such as Wadeye, to do the pre-cast there.

Mr BRUSTOLIN: They do not use blocks there, no.

Ms SCRYMGOUR: Okay, so it is different, pre-cast versus the blocks. So the blocks, you still have to transport them in?

Mr BRUSTOLIN: Yes. You are shipping the same amount of product, whether it is product for cement or product that is block, you are still shipping the same amount of tonnage.

Ms SCRYMGOUR: If you are building those houses in coastal island communities where you have to barge them in, I suppose that is a huge cost factor for the builder?

Mr BRUSTOLIN: It is significant. But it is not just getting it there. In some cases, you actually have to then pick it up and cart it 30 km to the site where you are going to use it. That road sometimes might take you an hour to negotiate, sometimes it can take you three to four hours. We have had times where it has taken us eight hours to go 14 km. So if you are paying guys, and guys now want a pretty reasonable rate to go out remote, if you are paying them and it has taken them so long to cart stuff in from the barge landing, and you have to take four or five guys out there to facilitate loading the trucks and bringing them in, it starts to mount up very quickly. That is the bit no one sees. I see in the paper all the time, the cost of a house \$450 000. You have only to look back historically over the old government records, all the housing programs they have done, I cannot see how it is going to fit.

Mr ELFERINK: Well, they came up with a figure of \$350 000 originally. What figure would you put on it?

Mr BRUSTOLIN: Well, it depends on the locality; it depends on the design of the house. See, the locality of the house can add another \$150 000 to it. Guys do not want to go out and camp in tents any more. They have to have reasonable facilities. We are doing this under the accreditation of the federal Safety Commission, and I do not believe anyone sitting here today would understand the complexities of what that means on a construction site. It does add a bit of extra labour for people to administer that. It does add some cost to it, but in saying that, it is making it a safer place for guys to work, which is very important.

Ms SCRYMGOUR: As I understand, under the alliance model, those alliance contractors, the setting up of the camp and those workers is a completely separate, or should be, cost factor, which is separate from the actual construction of the house, which is \$450 000. What I was following on from is, with the design, and the construction of the new houses is important, but when you look at the training and the skilling of the local Indigenous workforce, all the refurbishments and repairs and maintenance, do you see that program as a means to train and skill Aboriginal people to keep a program rolling for the future?

Mr BRUSTOLIN: Certainly, but you would be limited, you certainly would not allow them to do electrical work, and you certainly would not allow them to do plumbing work, because you have to have a licensed plumber to do that, but they could certainly do a lot of the preparatory work prior to that work needing to be done. You could certainly use them to train up to help refurbishing the house, but the time it would take to do each house would be longer; there is no question of that.

Mr WESTRA van HOLTHE: Mark, you have built houses in remote communities. What is an example of the most recent one, or one of the most recent ones?

Mr BRUSTOLIN: I finished one in February this year.

Mr WESTRA van HOLTHE: And that was where?

Mr BRUSTOLIN: Out in Jabiru.

Mr WESTRA van HOLTHE: Okay. And the house, the construction is block?

Mr BRUSTOLIN: Yes.

Mr WESTRA van HOLTHE: And what did that cost to build?

Mr BRUSTOLIN: They ranged from \$690 000 to \$480 000; but that is traversing by road only 20 kilometres from Jabiru, you are not traversing across ...

Mr WESTRA van HOLTHE: \$480 000 to \$690 000?

Mr GUNNER: Were they three-bedroom, four-bedroom?

Mr BRUSTOLIN: They were three-bedroom, and a six-bedroom, and then single men's accommodation.

Mr ELFERINK: So, just a couple of quick questions. February, Wet Season; so these were Wet Season constructions?

Mr BRUSTOLIN: Yes, but you can drive in and drive out.

Mr ELFERINK: So the access and egress was not a problem?

Mr BRUSTOLIN: No, and I was not paying \$700 to fly someone out there.

Mr ELFERINK: And you were 20 km off the bitumen?

Mr BRUSTOLIN: No, actually I was 3 km off the bitumen road.

Mr CHAIRMAN: You have been working out in Aboriginal areas for a long time. If I said to you: 'Go out and build a three bedroom house of basic design to stand up to a lot of punishment that will last 30 years, and is a suitable design that Aboriginal people will be happy with', would you be able to do that on your own, based on what you have seen built in years gone by, or would you have to go back and do another whole consultation program?

Mr BRUSTOLIN: I would have been able to put something together based on what I had seen and the talks I had with people living in those communities.

Mr CHAIRMAN: What do you see as the important basic design for a house on a remote community?

Mr BRUSTOLIN: It needs to have an outside living area, an outside cooking room, the bedrooms they use for different members of the family, so quite often they have their own locks on the doors. Basically, large outside living area; they do not tend to live inside the house very much.

Mr CHAIRMAN: From an energy point of view, breezeways are important, and lots of louvers, or...

Mr BRUSTOLIN: Yes, breezeways, louvers and an overhead, the same as you would do for a tropical house.

Mr CHAIRMAN: We do not have many of those in Darwin anymore; we have Adelaide houses built in Darwin. So, a basic design would be a breezeway, plenty of louvers, an open living area ...

Mr BRUSTOLIN: 1200 mm overhang around the eaves instead of short eaves, so you get more shade on the walls; definitely louvers, because when you open louvers you get 100% opening instead of half with a slide. We have gone for coloured concrete in some communities, and that has worked quite well for them; for others we have used tiles, but tiles do not stand up to abuse, so the coloured concrete seems to stand up quite well, and the colour goes right through the concrete so if they drop something heavy on it and it chips, it does not look out of place.

Mr CHAIRMAN: Did Territory Housing ever have any discussions with you as a builder who has been around a long time?

Mr BRUSTOLIN: No.

Mr ELFERINK: Are you aware if they have had discussions with any builder who has been around for a long time?

Mr BRUSTOLIN: No.

Mr GUNNER: You were talking before about \$480 000 or \$690 000 for building housing near Jabiru, that was a three-bedroom, a six-bedroom, and a dormitory style. Do you believe there would be economies of scale if you were building, say, 15 houses out there? So, you talk about \$480 000 and \$690 000; is there any way that you can make savings if you are building ...

Mr BRUSTOLIN: You get to an economy scale to a certain point, but from 10 onwards you are still going to need more equipment for the guys, more forklifts or vehicles for the guys to get around. You are going to need more accommodation; you are going to have more flights, more food. It is not like you are going to build 100 or something and you are going to knock \$150 000 or \$200 000 off it. You still need to equip up so the guys have equipment to work with.

Mr ELFERINK: In your opinion, is an average price of \$450 000 for a three bedroom home a reasonable expectation by government?

Mr BRUSTOLIN: Depends on the size of the house you want.

Mr CHAIRMAN: That is what we are trying to find out.

Mr BRUSTOLIN: The ones I have been building, no.

Mr WESTRA van HOLTHE: So your \$480 000 house that you build is ...

Mr BRUSTOLIN: Single men's accommodation.

Mr WESTRA van HOLTHE: What price does a three bedroom house come in at? I gather three bedrooms, one bathroom, an internal living area and an external living area?

Mr BRUSTOLIN: Three bedrooms, the one I looked at this morning was four bedrooms, two bathrooms, outside living area, and that was \$690 000. The single men's was \$480 000, and I did not look at the three bedroom one.

Mr WESTRA van HOLTHE: When you build in remote communities, do you have an Indigenous employment component?

Mr BRUSTOLIN: We try to. You try to engage the community where you can. Croker Island, where we did the school, we had a fellow there who was really good. He turned up 80% of the time, and he was quite keen, worked very hard. We have tried on other islands but we have not had the level of success. They might come for a day or two and disappear because you have not got anything sustained. There is nothing they can see that goes beyond that.

Mr WESTRA van HOLTHE: Do you have a level of cost impost on you as a result of engaging Indigenous people on building sites?

Mr BRUSTOLIN: They are there to work, and if they are not working then you have to get somebody else that will work. You are paying them the same rate as you are paying someone in town.

Mr WESTRA van HOLTHE: I guess what I am thinking is that sometimes ...

Mr BRUSTOLIN: If you want them to learn a skill, then yes, you will have, because you are going to have tradesmen who will not be able to work as quick and will take time to teach.

Mr WESTRA van HOLTHE: Thank you. That is the point I was getting at.

Mr BRUSTOLIN: So if you want to up-skill, it will take longer and it will cost because you are going to have to take time.

Mr ELFERINK: Just getting back to your fellow at Croker Island, what is he doing now, do you know?

Mr BRUSTOLIN: No, no idea.

Mr ELFERINK: Was there any work you could see for him available after the job was finished at Croker Island?

Mr BRUSTOLIN: No.

Mr ELFERINK: Basically you employed him for the time you had him, he was pretty good, he was there 80% of the time and then after that nothing.

Mr BRUSTOLIN: No.

Mr CHAIRMAN: Is there anyone on Croker Island who manages the houses. One of the objects of this program is the skilled people you have in the construction can also find a job in the maintenance of the houses under NT Housing. At the present time at Croker, is there a specific body that maintains those houses or are they just left to themselves.

Mr BRUSTOLIN: I could not answer that. We were pretty focused on getting the school done because we had limited time. I could not answer that.

Mr ELFERINK: Would there be sufficient work for a group of people involved in the construction of 10 houses to keep them occupied full-time in their maintenance, or would that be excessively hopeful?

Mr BRUSTOLIN: Probably hopeful. I think if you just built 10 new houses, you would be pretty disappointed if you had a high level maintenance. You have some of the communities with a large number of houses, there is no reason they could not start working their way through those.

Ms SCRYMGOUR: That is why I was asking about the refurb, and the repairs and maintenance program in terms of that work force, if you had ...

Mr BRUSTOLIN: That would work, but you have to bear in mind you have some very old stock houses where asbestos is an issue. You cannot let the guys loose taking that out. In some cases, where the linings are asbestos, you cannot do maintenance on it because the asbestos stops it.

Mr ELFERINK: Would, in your opinion, there be scope for an enterprising young group of fellows, or one fellow, in some of these communities to essentially establish their own business, with assistance? We have heard this argument this morning, to run their own business maintaining these houses on behalf of the local housing authority, council or whoever runs the show?

Mr BRUSTOLIN: You would be fairly busy.

Mr ELFERINK: You would be fairly busy. That is good, one would hope.

Mr CHAIRMAN: Can I ask – sorry.

Ms SCRYMGOUR: Member for Port Darwin, on the Tiwi Islands you have the Tiwi Enterprise, which engages and employs the Tiwi workforce that is then contracted to the alliance company which will be doing the construction, for your information.

Mr ELFERINK: Okay.

Ms SCRYMGOUR: It could happen elsewhere.

Mr ELFERINK: I would love to see it happen. Employment is one of the greatest problems in the remote communities, particularly ongoing employment.

Mr BRUSTOLIN: But it does not start with employment, it goes back to education.

Mr ELFERINK: Yes, that is an underlying thing.

Ms SCRYMGOUR: And training, yes.

Mr ELFERINK: But the education has to mean something.

Mr BRUSTOLIN: That is right. We are trying to put the kids through school and there is nothing for them afterwards.

Mr ELFERINK: Yes, that is my point, and that is one of the great problems we have. I did quadratic equations when I was a kid at high school, but I would not know one now if I stumbled over it in the street. Unless you use it after you have learned it, it will go away. That has been the problem in some of these communities: there is no job to support the education, as well as an education to support the job, if you know what I mean.

Mr CHAIRMAN: In relation to costs, the average rebuild price is \$200 000, and the average refurbishment is about \$75 000. You mentioned you can get a house with asbestos in it ...

Mr BRUSTOLIN: Yes.

Mr CHAIRMAN: Is the figure of \$200 000 for a rebuild and \$75 000 for a refurbishment realistic, is it a good average, or how would you see, especially in relation to houses you know which have to be rebuilt?

Mr BRUSTOLIN: I believe it would be low. We did one at Goulburn, this is five or six years ago, and that was the order of the costs then and we had to get asbestos removed.

Mr CHAIRMAN: Is asbestos a common problem in many of the older houses?

Mr BRUSTOLIN: Yes.

Ms SCRYMGOUR: I believe, Goulburn and Croker because of the Missions and ...

Mr BRUSTOLIN: Yes.

Ms SCRYMGOUR: ... where you have that, you will find asbestos.

Mr BRUSTOLIN: I am sure it was Goulburn.

Mr CHAIRMAN: In relation to refurbishments, I gather they are generally for the wet areas of a house?

Mr BRUSTOLIN: No, generally the wet areas are the start. The start of the wet area is the kitchen, but then you have other general maintenance, because the wet areas have been left to go so long, it has generally spread outside the wet areas.

Mr CHAIRMAN: Do you think \$75 000 is a little low?

Mr BRUSTOLIN: Yes. On the houses I have seen, that would not be enough, no.

Ms SCRYMGOUR: Based on the Chairman's figures, when he was going through that, and your work at Goulburn, was there an audit, were you given an estimation of how many houses in that community would have contained asbestos?

Mr BRUSTOLIN: No, I was not. I was asked by the CEO to do an audit on the houses for him, the ones which were not habitable, and he was trying to canvass getting money, so he could get some of them refurbished to put people back into them. But he was not able to get any funding to have anyone go and have a look. Because I was on the island I said, 'Okay, I will stay for a day or two longer and I will go and do it for you'. We did that and he found enough money to do one house at a time.

Mr ELFERINK: How much did those refurbishments cost in that instance?

Mr BRUSTOLIN: I could not tell you off the top of my head. I would have to open my computer and find it, but you are talking five or six years ago so the relevance of those prices ...

Mr ELFERINK: So steel costs more or concrete costs more?

Mr BRUSTOLIN: They were timber framed houses when I got there.

Mr CHAIRMAN: Does anyone else have any other questions? Mark, thank you very much for the information, you are obviously a person who knows much about housing. We might need to be in contact with you more often, in relation to some of what we are doing, especially SIHIP. Thank you, once again, for coming and we will have a break until – lunch is at 1 pm – I ask the committee if we can have a quick meeting before we go for our lunch.

Thank you, Mark.

Mr BRUSTOLIN: Thank you.

The committee suspended.

The committee reconvened at 1 pm.

Mr CHAIRMAN: This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances, the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee. You are reminded that evidence given to the committee is protected by parliamentary privilege.

OFFICE OF REMOTE INDIGENOUS HOUSING - FaHCSIA
Amanda Cattermole, Group Manager
Robert Ryan, Acting Executive Director
Andrew Kirkman, Executive Director, SIHIP

Mr CHAIRMAN: For the purpose of the *Hansard* record, I ask that you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak. I would like to welcome Ms Amanda Cattermole, Mr Robert Ryan, and Mr Andrew Kirkman. I might ask if you would give your full name and your capacity.

Mr RYAN: Robert Ryan, I am the Acting Australian government Executive Director, SIHIP.

Ms CATTERMOLE: Amanda Cattermole. I am the Group Manager for the Office of Remote Indigenous Housing in FaHCSIA. That structure includes the Australian government side of the program management of SIHIP as one of the jurisdictions in which we look after in Remote Indigenous Housing.

Mr KIRKMAN: Andrew Kirkman, Executive Director, SIHIP, Northern Territory.

Mr CHAIRMAN: I am just wondering perhaps, for our benefit, whether Amanda, you would be able to give us a bit of a run down of your role, and also your role in the review and how your ongoing role is?

Ms CATTERMOLE: Certainly. I wonder if by way of kind of context and explanation, I might go through the review, the structures and where we are at now, so that is clear, and I have a copy of the structure diagram we are currently operating under, if council members would be interested.

Up until a few weeks ago I headed up a unit in FaHCSIA called the Indigenous Remote Service Delivery Group, and that group looked after a range of Indigenous program and delivery matters including remote Indigenous housing, including SIHIP and the work under the National Partnership on Remote Indigenous Housing which was agreed at COAG in November of 2008. Essentially, that partnership brought into place arrangements about the way in which we manage and deliver and fund remote indigenous housing, which were very similar up to those already a part of SIHIP; in fact, SIHIP was ultimately subsumed into the national partnership. So those arrangements occur across all jurisdictions where there are remote communities.

In that capacity I had oversight of remote Indigenous housing for FaHCSIA for the Australian government, and in July this year I was asked jointly with Mr Ken Davies of the Northern Territory government whom, I understand you heard from, to conduct a review of SIHIP to make sure the housing construction, the refurbishments and the rebuilds were delivered as quickly as possible. Prior to that time I had been a member of the joint steering committee, and I am also a member, in my normal role, of joint steering committees which sit across each of those remote housing programs nationally at a high level, strategic, oversight role.

What I was asked to do, along with Mr Ken Davies in July, which ultimately led to our review document on the 31 August, was to make sure the housing construction and all the work under it was being delivered as quickly as possible. The idea of that review, as I believe you all know, was very much for immediate action to be taken to identify and resolve any issues of program. Ken and I we spent some time working with members of SIHIP, both government members and other stakeholders, including the alliance teams, working on and making decisions along the way. the idea of the review was it would be iterative and we

would have the authority to make decisions as we went, which you can see is reflected in the document, which I am sure you have all seen. At the end of that review process, one of the things we determined was the Australian government needed to have a greater, day-to-day role in the management of the program at a number of levels - as I said, I will hand out the current structure in a moment - including Australian government and Northern Territory government Executive Directors jointly leading the program, along with Australian government involvement in the alliance leadership teams which work directly with each alliance, as well as in a range of other key areas of SIHIP.

Until recently, I have been acting in the Australian government role of Executive Director, what we call Executive Director of Program Strategy; the Northern Territory government role is called Executive Director of Program Performance, and they sit jointly together to lead the program. Another thing the Commonwealth has done recently to ensure we have the best delivery in every one of our jurisdictions, is to establish an Office of Remote Indigenous Housing. So, from an Australian government perspective, our part of the NT team sits in that structure along with a number of other branches which includes support to all of the other jurisdictions involved in the national partnership, as well as housing policy, land reform, and other national programs related to housing.

Once that was established, I moved into that role and Mr Ryan is now acting in the role of Executive Director Program Strategy for SIHIP. Concurrently, we are recruiting for an person to sit alongside Mr Kirkman in that ongoing role, and that recruitment is well underway at the moment; and we are also recruiting for a range of other ongoing positions which will be involved in the program management of SIHIP on a day-to-day basis. So, that is the story in a nutshell.

Mr CHAIRMAN: If you could hand that out as soon as possible, that would be good, because that is a great deal to take in. Thank you.

Ms CATTERMOLLE: I know it is a quite a lot.

Mr WESTRA van HOLTHE: I have a quick question for Amanda. In relation to employment and recruitment of new positions, how many new positions will there be, who will be funding them, will they be on a consultancy basis, or will they be employed by the public service?

Ms CATTERMOLLE: From the Australian government's perspective there will be 15 positions in SIHIP, which includes the ones I spoke about, and I will walk you through those in more detail if you would like. They are Australian government ongoing positions.

Mr WESTRA van HOLTHE: Will they be funded out of SIHIP funding, the \$672m, or separately?

Ms CATTERMOLLE: They will not.

Mr ELFERINK: Can I ask some background questions about Ms Cattermole, if that is possible? Ms Cattermole, what is your background which brings you to this particular role, essentially as the person in charge of remote Indigenous housing for the Australian government?

Ms CATTERMOLLE: I have a long background in a range of Indigenous matters, both for the Commonwealth government and in other areas. For example, I worked in the Northern Territory for several years for a Commonwealth statutory authority. I am a lawyer by background. I worked as a legal adviser for a Commonwealth statutory authority in the Northern Territory in the 1990s. I have also worked in a number of quite senior government positions in Western Australia, including In-House Counsel in the Indigenous Affairs Department, and other key roles. My experience is in management in the Australian government, and other governments, in a range of Indigenous matters but most importantly it is around a strategic management background, coupled with my experience as a lawyer.

Mr ELFERINK: How many years have you actually spent working in remote communities and working in remote parts of Australia?

Ms CATTERMOLLE: I have worked with Indigenous people in remote communities on and off for all of my working life.

Mr ELFERINK: I am talking about lived on the ground.

Ms CATTERMOLLE: I have not lived in a remote community, if that is the purpose of the question.

Mr ELFERINK: I am trying to establish, what I often find in the bureaucracy, and please do not take this in any way personally, but it is often useful for bureaucrats to have experience on the ground for a few years in what happens in these remote communities.

I would express a concern that the person in charge may have limited experience of actually what happens in these remote communities. How can you reassure me, in the absence of having lived on a remote Aboriginal community, the issues which surround Indigenous housing are something you are able to effectively cover us on?

Ms CATTERMOLE: It is little difficult in a way. I guess what I feel more comfortable with is the nature of the questions from this council are around the program and the matters we are addressing. I guess pronouncements about my personal capabilities - I would like to say I hope my background and experience does show I have worked in this area for all of my working life. It is true to say I have not lived in a remote community for any extended period of time, but I have worked with Indigenous people and with Indigenous issues for a long time.

As I said it is difficult for me to make a response like that about my personal capabilities. I have been asked by the head of the department to manage this program, and I would like to hope I do so capably and confidently.

Mr CHAIRMAN: Thank you, for that. Rob, would you like to give us some background of where you fit into the equation.

Mr RYAN: I am normally a branch manager in Amanda's group. What I am doing at the moment is acting in this position while it is going through permanent filling.

Mr CHAIRMAN: Which is again, in relation to our little matrix there?

Ms CATTERMOLE: If you are looking at the organisation structure Mr Chair, the Executive Director of Program Strategy role on the right there in the green box.

Mr RYAN: That is Robert Ryan. That is currently being filled permanently with someone who will remain in that position long term. I am filling that job until it is permanently filled, at which point I would return to Canberra my normal job.

Mr ELFERINK: So you are from Canberra?

Mr RYAN: I have lived in the Northern Territory for about 30 years, but I currently live in Canberra.

Ms SCRYMGOUR: I can vouch for Robert Ryan; he has worked and lived here.

Mr CHAIRMAN: So your role is?

Mr RYAN: My role is to work with Mr Kirkman, as joint Executive Directors, who will make all the key decisions around the delivery of the program.

Mr CHAIRMAN: Andrew, what is your role?

Mr KIRKMAN: My role is as Robert Ryan's counterpart, in delivering and managing the program. I have specific roles and accountabilities around land tenure for the Northern Territory, which is securing leases in each area we need land tenure to build. I have specific responsibility around property and tenancy management, and the framework in which we are undertaking the tenancy and property management going forward in the Northern Territory, and specific responsibilities around the technical and commercial capacity of the team.

Both Rob and I have direct leadership in terms of our alliances. We both have an alliance director in each of the alliances, which is shown in that diagram in the three boxes, so effectively we are jointly managing those teams and directors.

Mr RYAN: There are a number of other direct reports. To make this unusual arrangement functional is to give some direct responsibility each of the Executive Directors will take, so the Australian government will be responsible directly for reporting, employment and workforce development, communications, and community engagement, while the Northern Territory government will take commercial and infrastructure,

technical support, property and tenancy management, and land tenure. They will be direct reports to an individual, even though we will also share key decision making if that is required.

Mr CHAIRMAN: You had a question, member for Port Darwin?

Mr ELFERINK: To get the structure correct, you are ...

Mr RYAN: Amanda is my boss.

Mr ELFERINK: Your boss. Thank you. So then you guys are the Executive Directors who run SIHIP in the Northern Territory. Okay. Essentially, I am seeing, as a result of this review, in spite of what we have been told yesterday, is that this is a Commonwealth takeover of SIHIP in the Northern Territory, because you two being on equal level, and you, Ms Cattermole being the boss, you have ultimate decision making capacity over what happens in SIHIP?

Ms CATTERMOLÉ: No. The day-to-day program management lies with Mr Ryan and Mr Kirkman. Within the overarching ...

Mr ELFERINK: But you are the boss?

Ms CATTERMOLÉ: ... structure of FaHCSIA as an agency, the SIHIP program sits within the group which I look after, alongside the Remote Indigenous Housing issues nationally.

Mr ELFERINK: In spite of what you described before.

Ms CATTERMOLÉ: I want to be clear, the day-to-day program management of SIHIP remains with these two program director roles.

Mr ELFERINK: But, ultimately you are the boss.

Ms CATTERMOLÉ: To the extent Mr Kirkman, ultimately, is responsible to Dr Ritchie, for example, the structure is the same. There are always hierarchies, but at the apex of this program lies two Executive Directors.

Mr GUNNER: You are the boss of Mr Robert Ryan, and Dr David Ritchie, who is not present at the moment, is the boss of Mr Andrew Kirkman, and everyone has someone they report to.

Ms CATTERMOLÉ: Exactly.

Mr ELFERINK: If there is a point of difference between the Commonwealth and the Northern Territory over service delivery, how is that resolved? Whose chain of command resolves it?

Mr RYAN: Initially, we will be trying to resolve it with dialogue ...

Mr ELFERINK: There is a point of difference you cannot resolve, who makes the decision?

Mr RYAN: ... and it would then have to escalate ...

Mr ELFERINK: To?

Mr RYAN: ... above our level to Dr Ritchie and Ms Cattermole to be resolved.

Mr ELFERINK: Okay. If there is a point of irresolution between Ms Cattermole and Dr Ritchie who makes the decision? Ultimately, it is either the federal minister or the Territory minister, is it not?

Ms CATTERMOLÉ: The two of them in discussions together. For example, if a matter ...

Mr ELFERINK: Yes, and if it cannot resolve at some ...

Ms CATTERMOLÉ: The reality is there will be very few matters which will get to that point, but ultimately, if you have been through all the escalation processes one would normally go through, then it would be two ministers who would need to have those conversations.

Mr ELFERINK: The federal minister is the one that ultimately holds the lion's share of the purse strings, in this case, is it not?

Ms CATTERMOLÉ: There is a commitment from both governments to manage this program jointly, which is a clear and genuine commitment.

Mr ELFERINK: \$572m from the federal government, \$100m from the Territory government, is that correct?

Ms CATTERMOLÉ: That is correct.

Mr ELFERINK: The lion's share sits with the federal minister, minister Macklin.

Ms CATTERMOLÉ: It is a jointly run and managed program.

Mr ELFERINK: We can say it is a takeover ...

Mr CHAIRMAN: It is a joint program.

Mr ELFERINK: So, we can say there is a takeover of SIHIP by the federal government, because it was originally supposed to be run by the Northern Territory - that is what I am getting to.

Ms CATTERMOLÉ: That is not the position.

Ms SCRYMGOUR: That is just your – that is drawing ...

Mr ELFERINK: Okay, that is fine, that is the advice we received.

Mr CHAIRMAN: In relation to that, in the review it said one of the issues that caused the blowout in the budget was the Northern Territory government had a philosophy which said there needs to be a six-bedroom house built - it should be a six-bedroom house built. That was not quite the philosophy of the federal government. Who would have made the decision we do not keep going down that path of building six-bedroom houses? Who would have made the decision to change that direction that came out in the review?

Ms CATTERMOLÉ: That decision was made jointly as part of the review. Mr Davies and I jointly worked through all the decisions made. It was a joint review, and it was jointly supported and agreed by both governments.

Mr CHAIRMAN: That is okay. I know that was one of the so-called sticking points, you might say; there was two different philosophies on what type of house should be built.

Ms CATTERMOLÉ: That is public knowledge. The review quite clearly says, at a certain point, there were differences of opinion between the Australian government and the Northern Territory government representatives about the matters you have identified. The review process jointly went through those and made decisions in relation to those - and that is how the program ...

Ms SCRYMGOUR: Ms Cattermole, when you talk about the joint review, prior to the review happening, as I understand, had any assessment or scoping taken place in April 2008?

Ms CATTERMOLÉ: It had. The point at which, I guess, the differences of opinion between the Australian and Northern Territory government representatives became clear, was the point at which we had the first of what we call package development review process. That is the point at which the alliances bring forward a scope and budget and so on, and that is the point at which that work is agreed. At that point, the scoping work had been done but, because of the nature ...

Ms SCRYMGOUR: But that was in April 2008. As I understand, the first assessment and scoping had taken place in April 2008 ...

Mr GUNNER: 2009.

Ms SCRYMGOUR: Was it 2009? Okay, sorry.

Ms CATTERMOLLE: So, shortly thereafter, we had the meeting at which what they call the PDR, or the Patch Development Report is brought in front of the representatives from both the owners; that is, the Northern Territory and Australian governments. That was the point at which the differences of opinion around those cost matters, Mr Chairman, you were raising, became evident. That is the point at which we started having discussions about how to go forward.

Mr CHAIRMAN: These houses are being built now. There must have been a point where it was agreed to build these houses? Did some warning signs not go up: 'Hang on, this is not quite what we expected at the beginning'?

Ms CATTERMOLLE: They did, Mr Chairman, and those were the discussions that were held at that joint steering committee meeting in May, in which those Patch Development Reports were brought forward. There certainly were concerns. Those concerns were raised; it was a very much a topic of discussion. It was agreed those packages would go forward because, obviously, it was important to commence the housing. For those which had been done in conjunction with communities, there had been a lot of consultation. It needed to move forward, but only on the proviso costs would be brought down through the life of the program.

Ms SCRYMGOUR: If I could just persist. In April 2009, when the original assessment and scoping was done and problems - I suppose that was when the difference of opinion you speak of between the Territory and the Commonwealth was, Ms Cattermole. The federal minister, I suppose, would have been aware of these issues in April 2009. Why did she then, essentially, launch SIHIP on - I think it was around 12 April - in terms of the agreement, if there were problems envisaged then? Was there a resolution of those issues when the assessment was done in April 2009, or was that not picked up? Why was it left until July 2009?

Ms CATTERMOLLE: There were concerns, as I said, and those concerns were a topic of discussion at the steering committee. It was agreed - I guess two things were proposed. One was those package development reports proceed so the work in those places could go forward. As I said, they had been done in consultation with communities, there was a strong commitment to that work, but only on the basis costs would be driven down. That was a clear understanding: from that point, costs would need to be driven down to ensure the program remained on track. There were a number of things that were then attempted to ensure that those costs were brought down, and then they were ultimately then overtaken by the review, the decision by minister Macklin and Chief Minister Henderson to put in place the review.

Ms SCRYMGOUR: Mr Chairman, sorry, one more question if I could. On 12 April, as I understand, minister Macklin at that time, that is when she made the announcement about the deliverables, and that was in April, the deliverables of 750 new homes, and the new subdivisions and the 230 houses that would be up for upgrades. In terms of those timelines, how could she have possibly known what deliverables the allocated budgets could buy until the detailed scoping works had been undertaken at each community? If there had been these problems envisaged at the start in April, that is all I am trying to ascertain. We have to stop the buck passing between both, we have to roll houses out here and try to sort it out, that is why I am just trying to work out what those deliverables were, and how did you know about them?

Mr RYAN: Robert Ryan, there is probably some confusion. The 12 April announcement was in 2008, and the PDR process was one year later, in April 2009, so the announcement of the program would have been April 2008 when those announcements were made.

Ms SCRYMGOUR: No. The assessment and scoping was done in 2008.

Mr RYAN: Yes.

Ms SCRYMGOUR: Minister Macklin's announcement was done on 12 April 2009.

Mr RYAN: It is 12 April 2008.

Ms SCRYMGOUR: You can check that if you like, but they were the dates.

Mr CHAIRMAN: You have spent x amount of dollars on houses that were bigger than originally programmed. Obviously, you have also come out with – the minister has come out with statements saying that we are going to build 720 houses out of \$672m. How much money have we spent on programs that will not continue, that is, on houses that will not continue, and then, did someone actually sit down and work out, do a subdivision, and say, well, whatever is left, say \$672m minus what was spent at Bathurst Island,

Groote Eylandt, that means \$620m, and we still need 690 houses. Now, let us divide that into that, and then we need refurbishing, that into that, was there a proper scoping done of each community, where the houses were going, the size of each house, the number of bedrooms, before this average figure of \$450 000 came out, or was it just simply purely a mathematical formula, we need to fit it into the budget so therefore that will be the cost of the house?

Ms CATTERMOLLE: We certainly did a budget that was based on what the program can afford, and you might recall, at the back of the review, I think it is the last attachment, we actually have that. So, certainly there is no doubt that one of the key issues was that we needed to build houses that were going to deliver on the targets. To that extent, there are, as you say, some houses in some places that will be possibly more than that, and that will depend on where they are going to be built, climatic conditions, regional circumstances and so on, but it is absolutely the case that the average cost over the life of the program will be \$450 000 to ensure that we can deliver the number of targets.

Mr ELFERINK: And you are comfortable with that number?

Ms CATTERMOLLE: Yes.

Mr CHAIRMAN: Can I just finish off there. If we find out that there is not enough money, say after the council has looked at all the figures, we find out that simply having heard all the evidence we have got, we have heard evidence today about the cost of actually putting people on the ground to work, you know, fly in, fly out, all this sort of stuff, do we find that the figure will not achieve, or it will achieve, but with a smaller house maybe, is the federal government willing to put more money in to make it achievable?

Ms CATTERMOLLE: Certainly, it is. I should also say, Mr Chairman, I apologise for omitting to mention that the target average unit cost was also arrived at in consultation with the alliances, the consortiums who are going to be delivering the housing themselves. It is our view, and certainly that is supported by the alliances, that that average target unit cost is achievable.

Mr ELFERINK: I have some concerns about this. We have already heard that the houses getting smaller is the way that you are sticking to these budgets. This morning, we took evidence from a person who builds houses in Aboriginal communities, 3 km off the bitumen, he produces houses at a cost – the bottom end for \$480 000 and the top end \$690 000, houses that meet community expectations. So this builder goes out and says what do you need, what do you want and he produces a house that meets community expectations. Do you have some concerns that a house being built 3 km off the bitumen is going to be more expensive at his minimum than your average?

Ms CATTERMOLLE: Perhaps I could answer that question by saying this. We have \$450 000 average cost of a house across the program which was arrived at in consultation with large scale consortium companies which together will bring economies of scale which have not been seen before. This is the largest Indigenous remote housing program ever delivered, so there is an economy of scale issue. We are very clear on what those houses will be: they will be durable, they will meet the building code of Australia and National Indigenous Housing Guide standards, they will be appropriate climatically and regionally.

We are confident this program can deliver houses in the manner I have just described because it has some elements which are different, I believe, to other smaller scale programs that have been delivered elsewhere. I appreciate the point you are making, it is sometimes hard to compare your view, because we are looking at some places that are very remote, you have obviously talked to someone this morning who is actually looking at something less remote.

Mr ELFERINK: Twenty kilometres away from Jabiru; 3 km off the bitumen.

Ms CATTERMOLLE: What I can say, there are elements to this program, in particular its scale, that make a comparison hard to draw and, having worked through the figures we have, we are confident that it can deliver in the manner I have described.

Mr ELFERINK: Economies of scale are important, but they do have their limitations. This gentleman with vast experience, two decades at least building these houses, says between \$480 000 and \$690 000. Economies of scale would have to be extraordinary to achieve those sorts of economies, would you not agree?

Ms CATTERMOLLE: It is difficult perhaps for me to comment on another person you have heard from without all of the detail, but as I said ...

Mr ELFERINK: It would set alarm bells ringing would not it, if the builder comes in to a place like this, and he is a builder, and he says: this is what it costs me to put these things together only 3 km off the bitumen? There is no major component dealing with the distance, and his numbers are coming in substantially higher than your average. You would be concerned, I hope, when that evidence came forward. What is going to be your response to that evidence once you get the *Hansard* transcripts?

Mr RYAN: From memory it was \$480 000 for a three-bedroom house, which is not substantially different from what we are talking about.

Mr WESTRA van HOLTHE: If I might correct that.

Mr ELFERINK: No, no, and I will tell you why, because locality – we are not even going to Goulburn Island with this - we are talking about something quite close to Jabiru.

Mr RYAN: The point I am making is the price is not substantially different; it is a similar price in a very different location which does not have the same cost.

Mr WESTRA van HOLTHE: If I might, through the Chair, just to clarify that point. \$480 000 from my discussions was for a single man's quarters, but he was able to provide \$690 000 as a price for a four-bedroom, two-bathroom house. He did not actually have a price available for the three-bedroom. So I would imagine it is somewhere between \$480 000 and \$690 000.

Mr GUNNER: \$480 000 is for the six-bedroom single men's quarters, I believe.

Mr ELFERINK: I will tell you what my issue is: whilst I appreciate you have been speaking to the alliances, and we will be returning to what the alliances have done so far shortly, but my concern is that a builder with 20 years experience of building houses in remote Aboriginal communities is coming up with a set of numbers substantially different to yours and, with all due respect to everyone here, I do not know of too many people engaged in either the Commonwealth or Territory public service with a history of building houses in remote Aboriginal communities.

So, based on that concern there is an alarm bell ringing in my head, and I am not entirely satisfied we are going to be looking at that particular piece of evidence more rigorously, because I think it warrants an investigation.

Mr RYAN: I guess it is worth making the point that this something that has been worked out in consultation with the alliance partners, not by public servants arriving at a price. This is something that three very large consortiums with highly experienced people, many of whom have a similar experience with remote communities, have agreed this is an achievable cost.

Mr CHAIRMAN: Are you following on the same line?

Mr ELFERINK: I make the observation with, all due respect to the alliance partners when we get to hear from them in relation to this, I am familiar now with any number of consortia being used by government who change what is promised during the process of construction. There are 28 missing promises from the waterfront in Darwin because of the changes made by the consortia after contracts had been signed. What do you have in the contractual arrangements to prevent that from occurring for these alliance partners?

Mr RYAN: The process with the alliance arrangement is we will arrive at a target cost estimate for the program and a scope of works. The basis, which the alliances are now aware of, is there are unit costs they have to work to, and one of those is \$450 000 for the cost of the house. If they are unable to deliver to meet that target cost estimate, then there are particular costs which they experience which are shared with government. There is a penalty for the alliances if they are unable to meet their target. If they are able to bring it in below that target, there are benefits.

Mr ELFERINK: This is the TEC, is it?

Mr RYAN: The target cost estimates. We share the gain, and we share the pain.

Mr ELFERINK: Are there weightings in those arrangements for social outcomes, housing outcomes, environmental outcomes, those sorts of things?

Mr RYAN: There are key result ...

Mr ELFERINK: What are those weightings in those arrangements?

Mr RYAN: There are key result areas in a number of outcomes, the major one is employment.

Mr ELFERINK: Employment? I would have thought in a housing program the major one would have been housing.

Mr RYAN: Well, that is right, but these are non-cost outcomes. The major outcome is, of course, housing, and 96% of the budget is directly related to housing. 4% goes to non-cost outcomes, and 60% of those non-cost outcomes - of that 4% goes to employment workforce development. Yes, the major driver is housing.

Mr ELFERINK: Is all of this written down somewhere? I would love to see this on paper. Can we get a tabled document please?

Ms SCRYMGOUR: Pick up a productivity commissions report.

Mr ELFERINK: I am curious the answer I get, in the first instance, for a housing program the most important issue is employment.

Mr RYAN: Can I just correct that? That is absolutely not what I said. In terms of the key result areas, which are non-cost, the major one is employment. It is the one which is most heavily weighted but that is because in the program itself, 96% of the budget is for housing. It is weighted more heavily in a very small component of the budget, which is for non-cost outcomes.

Mr CHAIRMAN: Member for Arafura.

Ms SCRYMGOUR: Thank you, Mr Chair. I was interested in the 750, Ms Cattermole, you might have mentioned it, but I did not catch the answer. We have \$652m; out of that the minister made an announcement of 750 houses. How did she reach 750 houses from the \$652m which was put on the table for SIHIP?

Mr RYAN: The number of 750 came out when the program was originally announced in April, as part of the 750, 230 and 2500 refurbishments. That was put forward by the Northern Territory Government and accepted by the Australian Government. They were the figures provided by the Northern Territory Government which they would achieve under the SIHIP program. Under the review we have maintained those figures, but we have made certain changes in order to achieve them.

Ms SCRYMGOUR: Andrew, how did the Northern Territory Government base its assessment on the \$652m to come up with 750 houses the SIHIP program would deliver?

Mr KIRKMAN: I cannot really comment on that myself.

Ms SCRYMGOUR: Well someone must be able to comment.

Mr KIRKMAN: I commenced with the program post review, but certainly we can get back to you on that.

Mr RYAN: I can offer an opinion, which the Northern Territory government can correct if I am wrong, but it was based on looking at the population numbers across communities, the number of houses in the communities, what the average occupancy rates were, and which of the highest need communities the program should focus on, trying to achieve not only large efficiencies of scale, but also to make a significant difference in what was regarded as probably the most high need communities in the Northern Territory.

Ms SCRYMGOUR: With your answer on that - I am aware some of it came out of the productivity commissioners report, which stated that the Northern Territory had 65.9% of housing overcrowding in remote communities. If you look at Wadeye, Maningrida and some of those bigger communities where that is a problem. Surely, between the Commonwealth and the Northern Territory, someone should be able to tell us what the analysis was and what was used as a means to come up with 750 houses for the \$652m which was put on the table for the SIHIP program? Surely, if you have the productivity report, you did the scoping study in April 2008, the announcement was made by minister Macklin on 12 April 2009 - and the 750 - I am trying to follow through the process of how it came about. We have the timeframe to be able to estimate, when will the houses - now the agreements, scoping studies and the reviews - going to happen on the ground in those communities. I am still left wondering how we got 750 houses out of \$652m.

Mr KIRKMAN: We can come back to you on this, to respond to that question. There is significant need, as you know, out there in all the major communities. This phase of the SIHIP program will not address all that need, but it will go along way in those major communities. Regardless of how that was arrived at, and we will come back to you on that, is that it will address a hell of a lot of need, but we will need to continue on to address that issue.

Ms SCRYMGOUR: If we could get that information ...

Mr CHAIRMAN: Would you like to put a question to Mr Kirkman, and we will put that on notice?

Ms SCRYMGOUR: ... if the Northern Territory and the Commonwealth government could provide the information about how they derived, or what analysis and information - I am trying to get the information about \$652m and how the analysis was done to come up with 750 houses and refurbishments. The 230 is additional to the 750, that is what I am trying to tweeze out. As I understand, the 750 is new houses, and the refurbishments – let us not get confused - and the repairs and maintenance is a completely separate program, they are completely separate from the 750, am I right?

Mr KIRKMAN: They are part of the one program, but in terms of the original announcement, yes, it was around the 750, and I believe I understand your question.

Ms SCRYMGOUR: Yes. Do you think you can get ... For a member who holds a bush electorate, this housing is the biggest investment, and I acknowledge the Commonwealth and its investment, but it is really important we know these houses are going to happen. I know that 750 are new houses, so I need the information about how that was derived from the \$652m, and then the repairs and maintenance.

Mr WESTRA van HOLTHE: I would also like to see the information provided by the Commonwealth to the Northern Territory government to assist them to make that decision. Was the Northern Territory government told, we are going to give you \$652m, how many houses can you build with it? If it was left at that point to run with it, fine, but if it was given some other guidelines, I would also like to see that.

Mr CHAIRMAN: Hang on a sec, I will get an answer there, if you have it.

Mr RYAN: Do you want me to comment directly on that, or just take it on notice?

Mr CHAIRMAN: You can take it on notice if you would like to put that in the form of a question.

Ms CATTERMOLE: I missed the other part of the question that has been asked.

Mr CHAIRMAN: Well, do we just want to add on to the question the member ...

Mr WESTRA van HOLTHE: Just add on to the question from the member for Arafura for the information to include information guidelines provided to the Northern Territory government by the Commonwealth government in respect to formulating how many houses were to be built.

Mr ELFERINK: I just want to return Mr Ryan to these target cost estimates. That is, basically, the threshold where the alliance reckons they can turn out what they say they are going to turn out at a particular level. Anything they make above those target cost estimates is good for them - that is all part of their profit margin. You suggest - I will rephrase that. If I heard you correctly, if they do not meet their agreements, there are penalties which will apply. Is there a bottom threshold to those penalties? If so, how is that formulated?

Mr RYAN: There is a bottom threshold, but the numbers vary from alliance to alliance. I certainly would not want to provide - that may well be commercial-in-confidence. The Australian government is not responsible for the contract of the alliance partners; that is Northern Territory government. We have to ...

Mr ELFERINK: Mr Kirkman.

Mr KIRKMAN: Certainly, the percentages are commercial-in-confidence. All I can say is a significant element of the alliances profit margins and corporate overheads are at risk if they do not meet either their non-dollar KPIs or, in fact, if they overrun budget. So, for example, they cannot meet \$450 000 and they overrun on those costs, then there will be financial penalties they will see to their bottom line, if that occurs.

Mr ELFERINK: But there is a bottom threshold here. That is not an never-ending cycle?

Mr KIRKMAN: That is right, there is a bottom threshold ...

Mr ELFERINK: And we will not know what those bottom thresholds ..

Mr KIRKMAN: It will not go beyond their profit and corporate overheads.

Mr ELFERINK: So, if I hear you correctly then, this mandated bottom threshold is still within the scope of their profit margin?

Mr KIRKMAN: Their profit margin plus the cost of their corporate overheads, which ...

Mr ELFERINK: Because I would like to assess now what the risk is they are carrying. If there is a mandated and contracted bottom threshold, and if it is within their tolerances of profit, then the penalties that can be brought to bear are limited. Is that correct?

Mr KIRKMAN: They are limited to their profit and corporate overheads. I guess I suggest no contractor would want to go into an extensive piece of work like this one if they are going to walk away with nothing.

Mr ELFERINK: I appreciate the observation. However, the fact is I do not know what that bottom line or bottom threshold is, so I do not know if they are going to walk away with nothing - because they are not publicly available.

Mr KIRKMAN: If the alliances lose all their profit and corporate overhead, they will be walking away with nothing. The benefit of the alliance contracting is it is open book. No, we cannot share that with the public, but we certainly see all of the figures that go through the costs for building a house for refurbishing a house, or rebuilding a house. We see all of those costs and, in fact, we have the capability to investigate every aspect of the cost that alliance incurs in whatever work they are undertaking in communities.

Mr ELFERINK: Well, you have your own people sitting in these alliance partnerships, as I understand it. There are public servants working in the alliances, yes?

Mr KIRKMAN: That is correct, there are some public servants seconded to the alliances. That is totally in accordance with the alliance methodology.

Mr ELFERINK: I am just curious about this bottom threshold and this apparent limitation on their liability. I am frustrated, I suppose, I cannot know what that bottom threshold is. I appreciate there are commercial reasons for that. I suppose I am making more an observation than asking a question, at this stage. At the moment, the alliances have an obligation to do something. If they achieve those outcomes, good luck to them. If they achieve them well, and they come in at, let us say, \$300 000, \$430 000, then they are doing better still, but if they do not, then there is a limit to the amount of pressure that can be put on to them, and I do not know what that limit is.

Mr KIRKMAN: The limit is that, at the most extreme, they will lose all profit endowed to them, they can walk away with just the costs and ...

Mr ELFERINK: Just their costs

Mr KIRKMAN: That is right.

Mr ELFERINK: They have their own direct costs in delivering service, so the worst case scenario for an alliance is that they make no money - best case scenario is that they make a lot of money.

Mr KIRKMAN: Yes.

Mr CHAIRMAN: To clarify something, the \$672m is for new houses, and refurbishments and rebuilds. I seem to have got a different picture there for a minute, that it was just only for new houses.

Mr KIRKMAN: No, it is for the full program, new houses, refurbishments and rebuilds.

Mr CHAIRMAN: I will try and get things in perspective. We had a review in August, and the review came out and said, average house \$450 000. I would have presumed before then that the alliances had already been working on designs, and those designs, if they were above the \$450 000, did they have to

come back within the \$450 000, and did that mean they had to design a house that is actually physically smaller than what was originally going to be designed for those communities?

Mr KIRKMAN: Yes, designs have to be revisited, given the parameters we are going to meet under this program. Yes, the houses were smaller were in respect of the fact that there are less bedrooms in a number of cases, we are not building six-, seven, eight-bedroom houses under the program, so in that sense, yes.

Mr CHAIRMAN: But the standard house that you said will be a three-bedroom house, so they would have been designing some three-bedroom houses. If they were already above that \$450 000 before the review, what got cut out of the system to bring that down to the \$450 000, were there smaller bedrooms?

Ms CATTERMOLE: Perhaps, if I can assist. You are absolutely right, that the cost of houses, as I said earlier, in those first packages in particular, in Tiwi Islands and Groote Eylandt, were, on average, going to be higher than what we now have determined to be the average cost of a house across the program. There were a number of contributing factors for that. Some of them are that we have identified, around the location, the fact that communities had, in consultation with communities, the work been done was for, in a number of cases, somewhat larger houses. And, in addition to that, there were houses that were being built with specific requirements for people with disabilities within the islands, particularly with Machado Joseph Disease on the island. There were a number of contributing factors, but you are absolutely right to say that the scoping occurring in those first packages on Groote Eylandt and the Tiwi Islands was going to a larger average in the cost than the one that we have now determined.

I guess what we were saying in the review was that, if that had continued, then we would not have been able to achieve the number of houses that were committed to under the program. So what had to be done was that we had to identify the unit cost that would do so, but it had to be achievable, therefore done in conjunction with the alliances. Then the question is, what happens to a house of that order? Certainly, it is right to say that those houses will be likely to be more modest than some of the larger houses, for example, that we are going to build on those first three packages, but they will have all of the key elements that are expected under the program, and I think I have identified those.

Mr CHAIRMAN: What I am trying to get at, actually, is that - I know there were bigger houses being built, so the unit price is more, but if, before the review, a three-bedroom house, because that is now the standard house, either three-, two-, or one-, but a three-bedroom house would have been designed, I am sure, before the review was actually completed. I would have presumed that if that cost for that three-bedroom house was higher than the \$450 000 that you have come up with as the capped price, does that mean a new design for a three-bedroom house has to be put into place, and did that mean, for instance, that, not the number of bedrooms, but the size of the bedrooms, say it was a 4m x 4m originally, now it is a 3.5m by 3.5m, or 3m x 3m, has there been some reduction in the physical size of the house to match the capped price of \$450 000?

Mr RYAN: The stage 1 houses, the houses which were approved, they have certainly not changed and they are been delivered. There were a number of scoping and design works happening in the next round of packages and the alliances would have had to make changes to many of those designs to - and that would have involved, in many cases, reducing it in size and it might be something you want to talk to the alliances about - but we have been advised by the alliances that they have done this in consultation with the community. The houses are responding to community need and the community is accepting of both the houses and the number that are going to be provided in these packages, post-review.

Mr CHAIRMAN: Could they be accepting because they have no other option? It is an NT Housing house; you would have had parameters for the size of a bedroom at the very beginning. Are you saying the size of the bedroom has had to be reduced simply because of the capping? Is that really what has happened?

Mr RYAN: The size of the bedrooms - the houses are being ...

Mr CHAIRMAN: That is where you live.

Mr RYAN: Yes. The houses are being designed so they can achieve the program targets, and be appropriate houses for remote public housing.

Mr CHAIRMAN: What has become smaller to make that house smaller? Something has to give.

Mr RYAN: Yes, and to make an accurate response you would probably have to go through the original designs and the current design, which I do not have access to here.

Mr ELFERINK: Have you seen them?

Ms SCRYMGOUR: We have got members of the alliance after this, who are doing remote work.

Mr CHAIRMAN: Coming up, yes. But why I was asking the question is that the project is being run by the NT government and the Commonwealth government who set the parameters. The alliances only fit within the parameters you have set.

Mr ELFERINK: That is right.

Mr CHAIRMAN: Who decided, therefore, that the houses will now have to be smaller?

Mr KIRKMAN: The parameters remain what they are, and that is in accordance with the National Indigenous Housing Guide and through the Building Code of Australia. They remain. By all means go through and discuss with the alliances where changes have occurred in terms of where there has been original or the earlier scope of works, in that case, for three-bedrooms under the scope we are providing now, and there will be changes in sizes in a number of areas of the house. That is something we have had to go through to meet the parameter we are meeting. But these houses - and we need to reiterate that - are still of a good standard; they are an excellent standard for a public housing scheme such as this, so they will be of a good standard, they will have very good fittings, they will have outdoor living spaces, they will have reasonable sized bedrooms in line with other public housing models and, by all means, explore that further.

Mr CHAIRMAN: But surely that would be the quality you wanted previously and, from my point of view it looks like: well, we have actually built houses outside the scope we originally were thinking of, that is six-bedroom or five-bedroom houses, we are not going to put anymore money into the project, but we are still going to achieve X number of houses and the only way to do that is to put out a formula which says, that is the maximum amount of money you can spend on a house. And they say, 'Well, how are we going to achieve that?' 'Well, we still need a three-bedroom house; we are going to squeeze it in a bit, so everything is a bit smaller'. If that is the case, are you not getting away from your original quality house you said you were going to build in Aboriginal communities for NT Housing?

Mr KIRKMAN: No, we are not getting away from that standard we set. There is still going to be what is expected under the National Indigenous Housing Guide under the Building Code of Australia and, importantly, there will be enough of them to address significant overcrowding in the communities.

Mr CHAIRMAN: Are we able to see the design for a three-bedroom house before the review, and are we able to see that same house design after the review?

Mr KIRKMAN: I guess that is up to the alliance partners whether they would like to do that and go through that with you.

Mr ELFERINK: You would have been shown some drawings before and after, would you not?

Mr RYAN: It actually had not reached the stage where drawings would be submitted under the PDR process, so they were still being worked on by the alliances at the time of the review.

Mr ELFERINK: I really need to follow up that answer. Do I understand these contracts for the alliances were being signed, and these alliances were being established under the auspices of government, before government had seen the drawings?

Mr RYAN: No contracts have been signed for the buildings, they were developing the drawings. At the time the drawings were completed they would have been submitted and, if approved, there would have been a contract entered into at that time. So they were in the scoping stage where they were developing the scoping works, which included the designs of the houses.

Mr ELFERINK: So the alliances had been selected, and then the process of scoping out what they were going to do was being done, is that correct?

Mr RYAN: That is correct. It is done on a package by package basis. They were developing the designs and scope of work for the next packages.

Mr ELFERINK: So you had not finalised anything at that stage?

Mr RYAN: We had finalised the first packages, but there was another round of packages being developed.

Mr ELFERINK: It is that round you have not seen the drawings for?

Mr RYAN: There may have been some NT government people who would have seen those drawings, but it had not been put forward.

Mr ELFERINK: Mr Kirkman, had the NT government seen those drawings for that second round?

Mr KIRKMAN: What time are you ...

Mr ELFERINK: Well, the period under discussion.

Mr KIRKMAN: Not that I am aware ...

Mr ELFERINK: The reason I raise this, Mr Chairman, is there has been a public expectation built in the community, and now we are being told they are getting smaller. That really is the issue under discussion. The real question is how much smaller are they than were originally proposed?

Mr GUNNER: I heard through Mr Ryan that we would be able to talk to the alliance partners about this later today. The draft plans, which was the stage the review came down, were being worked on in consultation with the local community, and the community were happy with the plans. The member for Port Darwin has raised some concerns, but they have not been raised by the local community. In fact the local community has been part of the drafting process and are apparently happy with the plans.

Mr RYAN: That is correct. The alliances have advised us they have continued, as they have always done, to work very closely with the community about the type of houses, and the community is very accepting of these houses. Furthermore, I think it is easy to forget we are doing this to produce more houses. The communities have been very positive about the increased number of houses coming out in the post-review. Yes, they might have been made smaller than the ones prior to the review, but there will be far more houses and the communities have been extremely positive about that. I attended two consultations post-review, and in both cases the community was extremely positive about the number of new houses that will be provided in the post-review SIHIP program.

Mr WESTRA van HOLTHE: Sorry, I am a little confused. Has there been a change in the number of houses proposed to be built under SIHIP? You said they are now getting smaller, you have had consultation, the communities are happy they are getting more houses, is that the case or not?

Mr RYAN: As Ms Cattermole stated earlier, and as the review stated, if the program had continued as it was running for the first package, we would not have achieved the targets. If we had continued to build houses of that size, we would not have achieved the targets. The reason we will achieve the targets, the reason those communities will get the large numbers of houses, is because we have made these adjustments to the program.

Mr WESTRA van HOLTHE: We are going back to the original number promised to begin with.

Ms CATTERMOLE: That is correct. Mr Chair, may I please step through this for a moment because I want to be absolutely clear on this point. I am concerned there is a lingering concern on behalf of council members there is suddenly this immediate reduction in the size of houses. Can I step through this for a moment? It is on page 11 of the review, but I want to be absolutely clear. SIHIP was set up around a number of clear objectives, and I am going to walk those through. The first one is housing outcomes; housing which meets needs and reduces overcrowding. The whole point with a large number of houses being built in a manner in which we are using large scale consortiums and economies of scale we have never had before, was to make sure we could deliver on that primary point, which was to reduce overcrowding. SIHIP is, and will continue to do that. Secondly, it was quality. New and existing housing to be constructed and refurbished to an appropriate standard. All the houses built under SIHIP will meet that objective. They will be durable. They will meet the building code of Australia. They will meet the national

Indigenous housing guide. They will be consistent with the amenity expected of any public housing anywhere, and that is what we are delivering here; a public housing program, albeit one we need to make sure will meet people's needs, in terms of the housing mix in each community, making sure it is durable, climatically and regionally appropriate, and that people have involvement, which, of course, you all know they have.

The third is socially and economic outcomes, employment supported by training of Indigenous people to achieve a sustainable workforce. You all know we have the 20% employment workforce development target and SIHIP intends to deliver on that. That will be completed by 2013; we will build in large numbers, as I am sure you have already heard, we will build more than double the average number of houses which have been built over the last five years, in SIHIP from 2010, and we think we will probably do better than that. You probably heard Dr Harmer made that point in estimates recently. There will be management best practice and we will achieve positive relationships with tenants, contractors, and so on.

As Mr Ryan just said, we have had a very positive response to the matters which were brought out in the review, in particular, we will build the number of houses this program always set out to build, to meet its primary objective to reduce over crowding in remote communities. Those houses will be durable and consistent with public housing standards.

Mr WESTRA van HOLTHE: Can I follow the same theme for a moment. We have heard that, by and large, it looks like the houses will be smaller, so the parameters for the houses have changed. Have the parameters for the refurbishments and the rebuilds also changed? Have the refurbishments and the rebuilds going to get less bang for the buck post-review, than pre-review and, if so, what are those changes.

Mr RYAN: Yes, the parameters have changed and, no, they will not deliver less bang for the buck. The purpose of the changes was to deliver more bang for the buck. The most significant change is in terms of refurbishments. We have focused refurbishments on the elements in existing houses which are most critical to those houses functioning, that is the wet areas and the kitchens, and we will be prioritising those houses in terms of where that refurbishment work is most critical and most needed and we will be prioritising that work across the community at those most critical areas. It will be a very specific targeting of work at the areas in the community where it is going to make the biggest difference to people's lives and improve the largest number of houses in terms of their liveability.

Mr WESTRA van HOLTHE: Are there items in the original parameters which will no longer be met post-review.

Mr RYAN: The most significant change, in terms of refurbishments, will be that, prior to the review, there would have been a smaller number of houses which would have been improved to a larger degree, and we are now talking about a larger number of houses; a larger section of the community will benefit from the refurbishment program post-SIHIP review than it would have prior.

Mr WESTRA van HOLTHE: Is it the same case for rebuilds?

Mr RYAN: No, rebuilds, by its nature, is targeting a significant amount of its investment in houses where we believe the structure is sound, we have found that the structure is sound and there is value in the government investing funds in bringing that house back up to full functionality. It is restoring it to the same functionality as a new house.

Mr WESTRA van HOLTHE: The parameters have not changed for a rebuild?

Mr RYAN: No, the rebuilds were an evolving sort of project under the program. We discovered through the first three packages that there were a larger number of houses which we thought we might have to knock down and replace them, but there were a large number of houses which were worth further investment, significant investment, to return them, which was good investment for the government because we could do it at a much lower rate than it would be for a new house.

Mr WESTRA van HOLTHE: Are those parameters pre-review and post-review in a written format which could be provided to this committee?

Mr RYAN: We are currently finalising the parameters document. There are some public documents we are working which could be provided soon.

Mr CHAIRMAN: Do you want to put that in a question?

Mr WESTRA van HOLTHE: When they are available, could the pre-review and post-review parameters for refurbishments and rebuilds be provided to this committee?

Mr ELFERINK: One very quick follow up on the refurbishment questions. The refurbishment money is going to be spread over more houses. Did I hear you correctly when you said there was going to be less done in each refurbishment to stretch the money further? If so, what is being changed?

Mr RYAN: It is a different approach. Prior to the review, the major focus for refurbishments was if you go in to a house you do a large fix in that house. It is more like a rebuild, but a refurbishment.

Mr ELFERINK: Right.

Mr RYAN: So, you restore that house to something which looks similar to a new house in functionality.

Mr ELFERINK: And now?

Mr RYAN: What we are talking about, what that would have left, is a large number of houses which would have severe problems that were not touched by the program.

Mr ELFERINK: So, what has changed?

Mr RYAN: What we are now doing is targeting the refurbishment dollars at those areas in a community which are most important to allowing families to function, and to have a healthy house.

Mr ELFERINK: What has been taken out of the refurbishment from the original process to stretch the money across more houses?

Mr RYAN: The major difference is, rather than focusing on a smaller number of houses and doing a large fix in those smaller number, we are – and some of those things we would fix would not be as critical as areas in other houses that are untouched.

Mr ELFERINK: For example?

Mr RYAN: Well, functioning toilets, for instance.

Mr ELFERINK: So, sorry ...

Mr RYAN: What you might find is you fix in a house a toilet, you paint it, you restore it completely, while the other two houses next door do not have functioning toilets.

Mr ELFERINK: So what you will do is, drop painting off one so you can have a functioning toilet in the other.

Mr RYAN: What we will do is determine what is the most critical work across the community, and target the money at that. So, the money will actually be targeted at the most important work that needs to happen to make the biggest difference in the lives of the people in those communities.

Mr ELFERINK: So, it is conceivable a house that would have been repainted will now no longer be repainted because the house next door needs a new toilet?

Mr RYAN: It is conceivable it would not get painted under this program. It might get painted under repairs and maintenance, but not under the refurbishment program. That is correct.

Mr ELFERINK: Thank you.

Mr CHAIRMAN: Could I just say while the member for Arafura is looking at her papers there ...

Ms SCRYMGOUR: I have lost my questions.

Mr CHAIRMAN: ...in relation to refurbishments, we heard from the builder that was here, Mark Brustolin, it is not simply a case of just going in, for instance, and fixing up the wet areas. If those wet areas have been leaking for a long period of time, you might find there are far bigger costs than just the \$75 000 allocated. What is going to happen, for instance, if it is the kitchen, the shower, and a toilet has

been in a bad state of affairs for a long time, and you find quite a bit of house is affected? Will you still go in and fix that up?

Mr RYAN: That assessment will be made. It is possible that will actually be treated as a rebuild rather than as a refurbishment, because the extent of work required to bring the house back to full functionality exceeds what is available under the refurbishment part of the program. So, we would need to look at what the condition of the house is, and what is going to be the value of that work. If the house is structurally sound, then that would be considered under the rebuild part.

Ms SCRYMGOUR: Yes. As I understand it, that was not part of the original scoping studies? If I was to look at the Tiwi Islands, Groote Eylandt and Tennant Creek, and the scoping study - well, one would hope there was a scoping study and audit that looked at that. To bring in what you were saying, Amanda, about looking at the productivity report and the key deliverables, would they meet the occupancy standards adapted by the ABS - which is a Commonwealth requirement in housing? So, if there has now been changes to the scope of the program from the original – from Tiwi, Groote, and Tennant – what has fallen off or been reduced from SIHIP that is going to allow the alliance partners to deliver on 750 houses, which includes 230 upgrades and 2500 refurbishments in those communities?

Mr RYAN: The changes to refurbishments, in fact, will assist to meet these targets because you are dealing with a larger number of houses. Previously, prior the review, what was happening was more rebuilds, so there was a larger investment in a smaller number of houses. So, in fact, as was the case with new houses, those targets would become difficult to reach if you continued that approach.

What we are doing here is making sure that the money we have available, which is not sufficient money to return all houses to full functionality, that there is enough money to make a significant difference in the community, and what we are trying to do is to make sure it makes the biggest difference across that community and the most positive difference across that community.

It has changed from where a few families would benefit in a very large way, to where most families in the community will benefit in quite a significant way.

Ms SCRYMGOUR: I realise that. As I said, I recognise that it is the biggest capital investment on the ground in community, but if you were to look, and I heard Ms Cattermole quote the productivity report, if you were to meet the key performance outcomes, how can communities be assured that the 750 houses are going to be delivered? What has gone? Are there changes in the design, the design flexibility, we talk about bedrooms and certain bedrooms changed. Are we fitting a round peg in a square hole? I do not know. That is what I am trying to find out.

Mr KIRKMAN: We addressed some of this a little earlier, by all means with the alliance partners. It has taken quite a bit of work from the alliance partners to look at what we needed in terms of liveables. In terms of that first part of your question, the 750 houses will be delivered, because we can build them for \$450 000. That is why we can say there will be 750 houses delivered. In terms of the design of those houses, that is also still being worked through in quite a bit of detail with the communities, so they are comfortable with what the size of those houses will be.

Ms SCRYMGOUR: Mr Kirkman, if I can just add to that, with what you are saying then, if you add community consultation, design flexibility, community employment, education and training programs, all great objectives, and all worthwhile in their own right, but when you bundle this up in an alliance model, you are going to have an unavoidable, you know, there are going to be budgetary implications. Is that separate from the \$450 000, so the house is \$450 000, or do the alliance partners have to account for that as part of delivering on within the \$450 000?

Mr CHAIRMAN: We are well over time. I have a few questions. If I had a standard three-bedroom housing commission house in Darwin, would the bedroom that you would produce in Darwin be the same size as the bedroom that we are going to provide for an NT Housing house in a remote community? I will throw the second bit in - if it is going to be smaller in a remote community, was the community told that there will be a smaller house because of the budget constraints?

Mr KIRKMAN: The standard and size of each area of the houses will not be inconsistent to the public housing elsewhere, whether it is in the bush or in the suburbs in Darwin or Palmerston. Yes, the community has been consulted in regard to the size of the houses and, as Robert Ryan stated, they are comfortable with that size, with respect to what alliance partners have advised us.

Mr CHAIRMAN: We are well over time. We were going to talk to the alliances, I am sure those questions will come up soon. They have heard them all anyway, so they should be well prepared. I would like to thank Ms Amanda Cattermole for coming, and could you please thank the minister for allowing you to come. It is good that the Commonwealth has worked in with us. We may possibly ask you back again because, as you can see, there are plenty of questions. Thank you to Mr Kirkman and Mr Robert Ryan.

Part of what we are doing is, not only just questioning you, but it is, hopefully, keeping that impetus up so that the department will know there is someone keeping an eye on what is going on, and, hopefully, we will achieve what you are hoping to achieve, we will just give you a little impetus.

Thank you very much. We might have a two or three minute break, then we will ask our first alliances to come up.

The committee suspended.

The committee reconvened.

Mr CHAIRMAN: I welcome you all back. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances, the committee may decide evidence, or part thereof, may be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you this is at the discretion of the committee. You are reminded evidence given to the committee is protected by parliamentary privilege. For the purposes of the *Hansard* record, I ask you state your full name and the capacity in which you are appearing today. I also ask you state your name each time you speak. Brian, if you could give us your full name and the capacity in which you speak.

NEW FUTURE ALLIANCE
Brian Hughey, Project Director
EARTH CONNECT
Andrew Schroth, General Manager
TERRITORY ALLIANCE
Dick Guit, Alliance Leadership Team

Mr HUGHEY: Brian Hughey, I am the Project Director for New Future Alliance.

Mr SCHROTH: Andrew Schroth, I am the General Manager for Earth Connect.

Mr GUIT: Dick Guit, I am a member of the Alliance Leadership Team for Territory Alliance.

Mr CHAIRMAN: Later on we will be having Ms Amanda Cattermole and Mr Andrew Kirkman joining the front table.

I am wondering if each one of you can give us an idea of what your alliance is doing, in the sense of what region you are covering and approximately what part of the housing project you will be covering in relation to number of houses, refurbishments and rebuilds. I will start with you, Brian.

Mr HUGHEY: New Future Alliance, the first package we started on was Package 2, Tennant Creek. Following that package, we have commenced work on the development of the PDR for the southern shires package, which involves 29 communities across three shires in the southern region, and also package six, which includes Wadeye, Peppimenarti, Nauiyu and Palumpa.

Mr CHAIRMAN: Was that Nauiyu?

Mr HUGHEY: Daly River.

Mr CHAIRMAN: I should know I got married there. Andrew, would you give us a brief on what your areas are?

Mr SCHROTH: Our package was Package 4, Groote Eylandt. It consists of 26 new houses and 75 rebuilds and refurbishments. More recently, we started on Gunbalanya, Package 7, which also includes Acacia, Larrakia and Belyuen, and that is a total of 62 houses and approximately 50 to be rebuilt.

Mr GUIT: Territory Alliance, our first package was the Tiwi Islands, which involves Nguiu - with 29 new houses, 37 rebuilds and 58 refurbishments.

Ms SCRYMGOUR: How many refurbishments?

Mr GUIT: 58 refurbishments. Milikapiti - 30 refurbishments; Pirlangimpi - 30 refurbishments; Galiwinku - 90 new houses, 22 rebuilds and 52 refurbishments; Maningrida - 9 new houses, 16 rebuilds, 79 refurbishments; Minjilang - 31 refurbishments; and Warrabri - 47 refurbishments. We also have the Alice Springs package, but that is on hold currently with the Federal Court injunction.

Mr CHAIRMAN: Any questions.

Mr ELFERINK: First question to Mr Hughey. When were the numbers you provided settled on?

Mr HUGHEY: For the Tennant Creek package?

Mr ELFERINK: For each package.

Mr HUGHEY: In Tennant Creek we are undertaking 78 rebuilds of those community living areas, plus some infrastructure work on those areas. For Package 6, Wadeye has 105 new houses, around 26 rebuilds ...

Mr ELFERINK: When were those numbers finally settled on?

Mr HUGHEY: About three months ago.

Mr ELFERINK: About three months ago.

Mr HUGHEY: Yes, correct.

Mr ELFERINK: Were those numbers different at any stage?

Mr HUGHEY: I do not believe so, no.

Mr ELFERINK: Let us look at the Tennant Creek package. Have the designs of the Tennant Creek houses changed over time?

Mr HUGHEY: It has.

Mr ELFERINK: When you did your consultation with the local people in Tennant Creek, did you show them what was proposed in the consultation process?

Mr HUGHEY: Correct. Although, Tennant Creek is 78 rebuilds of the existing houses on the community living areas and only two new houses.

Mr ELFERINK: Only two new houses, that is correct.

Mr HUGHEY: Yes.

Mr ELFERINK: Taking us to the next package, can you say the same for the next package as you have for Tennant Creek?

Mr HUGHEY: For Package 6, Wadeye is the major package with the number of new houses. The early discussions, and when I say early discussions, there was one discussion with our housing reference group at Wadeye, around the size of the houses they were looking at, and we gave them a look at some options of designs. Following the review - they included some 6 bedroom options - we have gone back with the options of 3 bedrooms, 2 bedrooms and so on, with our reference groups and those reference groups have agreed to those designs now.

Mr ELFERINK: 3 bedrooms, 2 bedrooms and so on, with so on meaning 1 bedroom.

Mr HUGHEY: Yes, single bedroom.

Mr ELFERINK: Has the ratio of houses changed? Are there now fewer 1 bedrooms and 2 bedrooms than there were 3 bedrooms, or is the ratio the same?

Mr HUGHEY: No. The ratio has stayed the same because we have not actually had consultation with community on the number of and different sized houses which were going to be built.

Mr ELFERINK: Have those houses become physically smaller from the original proposals?

Mr HUGHEY: In our case, no, because we had not actually got to the design stage prior to the revision of SIHIP.

Mr ELFERINK: Okay. So, when did you finally settle on designs?

Mr HUGHEY: We are just settling on designs now ...

Mr ELFERINK: You are settling on designs?

Mr HUGHEY: The HRGs have just signed off on the three-bedroom design and the two-bedroom design. The single accommodation design is still to be finalised this week with the housing reference group.

Mr ELFERINK: Correct me if I am wrong, I was under the impression work was already being done at Wadeye?

Mr HUGHEY: At Wadeye and Palumpa, that is correct.

Mr ELFERINK: There are houses currently under construction?

Mr HUGHEY: There are building pads been done, and there are foundations being laid for some three-bedroom houses, correct.

Mr ELFERINK: Okay, I am sorry. I may have missed something along the way here. How did that work commence if the designs are still being finalised?

Mr HUGHEY: The design for the three-bedroom house has been finalised.

Mr ELFERINK: Oh, I see, for the three-bedroom houses, but the other stuff is still being finalised?

Mr HUGHEY: The two-bedroom houses have been finalised, but the single quarters have not yet been finalised.

Mr ELFERINK: Okay, I misunderstood. Thank you.

Mr CHAIRMAN: I have a question about the difference between a Wadeye house and a Tennant Creek house in relation to its durability. We know from listening to Mark Brustolin today, one of the best houses is the concrete house, and Wadeye have been doing that for many years. What are you refurbishing houses in Tennant Creek with? Will that stand up to 35 years of use with the new material you are putting in those houses?

Mr HUGHEY: They are actually rebuild houses in Tennant Creek; they are not refurbished ...

Mr CHAIRMAN: Oh, rebuild, sorry, yes.

Mr HUGHEY: There is a difference there. The majority of those houses have been rebuilt are block houses, so the structural foundations, etcetera, are quite sound.

Mr CHAIRMAN: And the two new houses, what will they be built out of?

Mr HUGHEY: The two new houses are steel-frame houses for Tennant Creek. Then, for package 6 for Wadeye, we are looking to work with Thamarrurr to utilise their tilt-up factory there for the construction of some of the houses, albeit the program would determine the number of houses the TDC could actually work with us on out there.

Mr CHAIRMAN: With the steel-frame houses, what is the wall cladding going to be - internal or external?

Mr HUGHEY: I will have to get back to you on that one; I do not have the actual design with me at the moment.

Mr CHAIRMAN: Any other questions there? Well, in relation to your other programs for Nauiyu and Palumpa - what were they going to be?

Mr HUGHEY: They are all refurbishment communities. For Palumpa and Peppimenarti, there will only be refurbishments on those communities, no new houses.

Mr CHAIRMAN: I might go to Amanda and Andrew on this. The issue with Nauiyu, it is actually on private property; that is, it is a lease from the Catholic Church. The issue has been resolved there in relation to the community handing over, basically, what are private houses to NT Housing? Have they been resolved yet?

Mr KIRKMAN: We are finalising our lease negotiations with the Catholic Church in regards to that particular use of land tenure. We are pretty close to that.

Mr CHAIRMAN: Will that mean that all houses at Nauiyu will become property of NT Housing?

Mr KIRKMAN: I am not sure about the size of the housing precinct lease. I gather it will be a significant amount of the community housing currently there.

Mr CHAIRMAN: Who would know that answer, exactly? The reason I am asking is, obviously, if you were to build a brand new house at Nauiyu, obviously, the NT Housing would want control of that house, because they would want to do the maintenance on it, etcetera. However, if you were just to do a refurbishment for a shower and toilet on an existing house, does that mean that the house has to, first of all, be given over to NT Housing before the refurbishment can occur?

Mr KIRKMAN: We are certainly seeking land tenure over all the communities in which we are doing work. So, yes, we will be looking into land tenure.

Mr ELFERINK: This is a different form of land tenure. This is private property owned through normal freehold. It is not like it is a lease being sought from native to full title, it is completely different.

Ms SCRYMGOUR: Through the Chair, you are not right there, member for Port Darwin. In terms of Nguiu and the land status, the Catholic Church has what is an SPL over that component of the community, and what would be granted by Northern Territory Housing would be a sub-lease under the Special Purpose Lease, which the Catholic Church has, which, as I understand, is coming up for review, I think it runs out in 2020.

Mr ELFERINK: You sure it is not freehold?

Ms SCRYMGOUR: Yes, they have a 99 year lease many. Many years ago, when the mission was established, and that lease went for 99 years and it is up for review in 2020. It is not private land, it is a Special Purpose Lease.

Mr CHAIRMAN: Brian, now you are in Palumpa, they are just going to be refurbishments, and that is all?

Mr HUGHEY: Correct - and Peppimenarti refurbishments.

Mr CHAIRMAN: Andrew, you have Groote Eylandt and Gunbalanya. How far is Groote Eylandt at this stage, as it is one of the first places to actually get going?

Mr SCHROTH: We have nine new houses under construction right now - six in Umbakumba and three at Angurugu. We have completed 10 refurbishments and rebuilds on the island, and have handed them back to the community. We have about half a dozen under way right now.

Mr ELFERINK: What has been the average cost, or what will be the average cost of the houses that you have constructed, what is the average cost of the rebuilds and the refurbishments?

Mr SCHROTH: They would be about \$200 000 or thereabouts.

Mr ELFERINK: What is the average cost for the construction of the houses, that is the new houses?

Mr SCHROTH: The new houses?

Mr ELFERINK: Yes.

Mr SCHROTH: Well, they are not complete yet.

Mr ELFERINK: So what would you expect, you would have a budget for them, I presume?

Mr SCHROTH: Yes, I do.

Mr ELFERINK: What is the average cost, as per the budget?

Mr SCHROTH: That is commercial-in-confidence.

Mr ELFERINK: Okay - the refurbishments?

Mr SCHROTH: Refurbishments, approximately \$200 000.

Mr ELFERINK: Each?

Mr SCHROTH: That is correct.

Mr ELFERINK: And the rebuilds?

Mr SCHROTH: I am describing both rebuilds and refurbishments in that number.

Mr ELFERINK: Right, so how many refurbishments and how many rebuilds did you have?

Mr SCHROTH: That have been completed?

Mr ELFERINK: Yes.

Mr SCHROTH: Five of each.

Mr ELFERINK: Five of each. If you are rolling them all together, that is 10, at \$200 000 each, so what is that, total of \$2m?

Mr SCHROTH: Approximately.

Mr ELFERINK: That is a little bit higher than the refurbishment estimate that we have been told here today, is that because of the distance and the particular environment you are in?

Mr SCHROTH: It is prior to the changes in the program.

Mr ELFERINK: It is prior to the changes in the program. What changes have occurred in the program to make those estimates work?

Mr SCHROTH: Pardon?

Mr ELFERINK: The estimates that we have been told today in terms of \$75 000 for a refurbishment, and \$200 000 for a rebuild.

Mr SCHROTH: \$75 000 for a refurbishment to target functionality ...

Mr ELFERINK: Yes. Getting back to my question, what has been done to make those refurbishments work for that sort of money?

Mr SCHROTH: We are changing functionality now as opposed to fully refurbishing the house.

Mr ELFERINK: All right, so you are rolling them altogether and you are saying, if I understand correctly, that the refurbishments and as far as (inaudible) is concerned, that refurbishments and the rebuilds are essentially an extension of the same thing?

Mr SCHROTH: That is correct.

Mr ELFERINK: What functionalities have been changed to meet those parameters?

Mr SCHROTH: No functionalities have changed. We are just focusing on functionality now around the board.

Mr ELFERINK: How has your approach changed to meet those parameters from before the review?

Mr SCHROTH: Prior to the review, the houses were fully refurbished.

Mr ELFERINK: And now?

Mr SCHROTH: Now they are functionally refurbished.

Mr ELFERINK: Okay, how are those two things different?

Mr SCHROTH: Functionality refurbishments are making the house safe and addressing bathrooms, and kitchens and stoves in new homes, and waste management.

Mr ELFERINK: As was described before by Mr Ryan, if two houses that need to be fixed, one was originally going to have a paint job and a toilet, and now we have decided to go for two toilets. Are we in the same area?

Mr SCHROTH: Whereas now we are focusing on just fixing the functionality of the house; prior to that we might have fully refurbished the kitchen and fully refurbished the bathroom to its almost original condition.

Mr ELFERINK: So there is a substantial change then to the approach, to make the dollar stretch?

Mr SCHROTH: To targeting houses.

Mr ELFERINK: To target more houses. Are there more houses currently being refurbished? Apart from the 10 you described which have been completed, are there any more coming through the pipeline.

Mr SCHROTH: Yes.

Mr ELFERINK: So you have got more coming through. Are you doing more houses now than you were doing before?

Mr SCHROTH: There were always 75 houses targeted as part of the original package for Groote. The program now enables us to target more than 75 houses.

Mr ELFERINK: How many more?

Mr SCHROTH: Well, we do not know; we are scoping them up now.

Mr ELFERINK: So how many are being scoped up at the moment, all of them?

Mr SCHROTH: There are about 124 houses in total on Groote, and we are identifying 124 houses that are able to be targeted under the program.

Mr ELFERINK: So you are now addressing the functionality of the houses rather than complete refurbishments. I am layman, I do not know a great deal about refurbishing houses, and anyone seeing me painting will attest to my handyman skills - ask my wife. The questions I have though: are you now only doing basically toilet/showers and those functional things at the abandonment, for lack of a better word, of all other aspects of refurbishment?

Mr SCHROTH: The program requires us to target those things first.

Mr ELFERINK: So that is now a requirement as part of SIHIP? So that is actually an instruction you have received?

Mr SCHROTH: It is part of the brief.

Mr ELFERINK: Okay. Has that brief changed since before the review?

Mr SCHROTH: I think it is clearer now than it might have been previously.

Mr ELFERINK: So you have now received directions, or been given a brief, to do refurbishments and rebuilds. We have heard today you do not make a particularly strong distinction between the two. Was that part of the brief as well to blur that distinction, or ...

Mr SCHROTH: No.

Mr ELFERINK: ... is that just a choice you made as Earth Connect?

Mr SCHROTH: No, it is not a choice we made at all. We have done rebuilds and refurbishments at Groote Eylandt today. We have finished five of each at an average of \$200 000.

Mr ELFERINK: At \$200 000 each. And that is just doing the functional stuff?

Mr SCHROTH: No, that is fully refurbishing.

Mr ELFERINK: That was fully refurbishing?

Mr SCHROTH: That is what I explained earlier.

Mr ELFERINK: Well, you will have to lead me through it a bit more carefully because ...

Mr CHAIRMAN: I believe he is saying that under the old scheme there was not a cost so much for what a refurbishment would be - if it needed refurbishing at a certain amount of money it was refurbished - and now that has been capped, which has reduced the scope of the refurbishment.

Mr ELFERINK: That is right. That is what I have heard.

Ms SCRYMGOUR: So it just brings it back to functionality.

Mr ELFERINK: And 10 have been completed, and the yardstick is just functionality?

Mr CHAIRMAN: Can I ask Amanda: when the original program went out was there a number of houses lined up for refurbishment but no actual budget amount put to that number of houses requiring refurbishment?

Ms CATTERMOLE: I would have to take the question on notice of exactly what there was; but what I would like to say, and perhaps draw your attention to the review, what we did was to clarify that so, as you described it, there was a clear amount that was, on average, linked to each of those key elements of the program. I have to take on notice what there was at the beginning, but one of the things we did in the review was to ensure that we could meet each of those targets, was to identify what those program parameters are.

If I could perhaps respond to the 'just functionality'. It needs to be clearly said it is a different approach, as distinct from a lessened approach. It is an approach designed to target the things that would make the most difference in people's lives, which is based on work done, for example, in the *Fixing Houses for Better Health* methodology which is a tried and tested method of targeting those things which will make the most difference for people in the amenity of the houses they live in and, therefore, in their lives

So it is a changed approach, and as Mr Schroth was saying, yes, that does mean there are clear parameters, but it is not a lessened one; it is a changed approach based on targeting those things that are going to matter most.

Mr CHAIRMAN: Can I ask a question for *Hansard*? Would it be possible to receive details of what refurbishment meant before the review?

Ms CATTERMOLE: Certainly.

Mr CHAIRMAN: You were working within a budget previously. Someone has worked out there will be 2500 refurbishments. Did someone physically check all the houses that will need refurbishment and come up with 2500, or was it a good idea? Was something done on the ground to say that is how many houses would need refurbishment?

Ms CATTERMOLE: I am sorry; I would have to take that on notice, Mr Chair. Mr Ryan may be able to assist.

Mr RYAN: My understanding is the number of 2500 was based on looking at the number of houses which existed in all 73 communities targeted under SIHIP as well as the town camps, and then making an approximate number of houses that would be targeted. It certainly was not the full scoping, that would not have been possible in the time available.

Mr CHAIRMAN: Did anyone take random sample and say: 'well look, if we are to refurbish a house, are we to paint it, get rid of the wet areas, make it safe, fix up the waste, therefore that will cost X amount of dollars'? What we are hearing is when you do that you will not fix 2500 houses, you will probably only fix half of that. Did anyone sit down and say 'well, let us give this a fairly smart estimate of what it would cost'?

Mr RYAN: That is probably a question the Northern Territory government would have to answer, but certainly my understanding is the people who made that estimate were very experienced in terms of remote communities and the houses, and there would have been a fairly high degree of knowledge which would have sat behind that estimate. I probably could not comment further than that.

Mr CHAIRMAN: Since you said that, the Northern Territory government must answer that question. Could I ask Andrew Kirkman to answer that question please?

Andrew, I was asking who came up with the figure for refurbishments? We have heard it was an approximate figure based on knowledge of houses out there, but who actually targeted how much money would be required to do a refurbishment, because you have to come up with a budget to do that?

Mr KIRKMAN: I will have to take that on notice, given I commenced post-review. I can do that and come back with the specifics of how the 2500 was arrived at. I can say the department of Local Government and Housing has a number of asset managers and remote facilities managers attached to each regional office that assist in providing scoping, and are currently assisting by providing functionality scoping across the board, and they will continue to do that. Whether they were involved regarding the scoping, I presume a number of them probably were involved, but I will have to get back to you.

Mr CHAIRMAN: Could I put on notice I ask Andrew Kirkman if he can provide the basis for working out firstly the number of houses for refurbishment, and secondly the approximate cost of each refurbishment.

Amanda, what is obvious from what we are hearing today is the refurbishments are less than what people expected. Was the community told during the consultation period that a refurbishment was going to mean painting the bedroom, painting the kitchen, fixing the toilets, fixing the showers? Was that the expectation of the community before the review?

Ms CATTERMOLE: Mr Chair, I am not sure I can answer that for each and every community. What I can say, from my own knowledge, is this: in the communities which were the first three packages, so particularly Groote Island and the Tiwi Islands, I think it would be fair to say prior to the review they would have had discussions which would have suggested that a refurbishment, for example, might mean something more along the lines of what Mr Schroth described. More broadly, it is hard to say. Housing reference groups are established and become the major forum for consultation through a kind of staged way as we move through the program. How much of that detail other housing reference groups might have had, I am not sure I can answer that right off.

What I will say is post-review we spoke with each community, between us we went and visited each of the communities that would be more immediately affected, particularly the first three packages, where they were to that higher degree of finalisation, as well as the next tranche. I believe people were generally, whilst not speaking for each and every person we spoke to, it is fair to say people were generally

comfortable with the approach we were taking, in particular, given we were going to be able to deliver on the larger number of new houses, which was the focus for most communities in the discussions we had.

Mr CHAIRMAN: One thing, which is sometimes a common feature when governments put out budgets for a particular project, is they underfund. Do you think you have set expectations for many people, especially about refurbishments, it is a total cost of about \$187m for refurbishments. There is an expectation, because if my neighbour has already got the house, their house is painted and it is all new and the kitchen has all been done up, you are going to feel there is a 'them and us' before the review and after the review. If you found you could not actually reach the program you told people you were going to do, is there not some beholding on the federal government, because this is its program really, to say, we have not budgeted correctly and therefore we are going to put more money back in, to make the refurbishments do exactly what we told people they would do? Is that a fair comment to take back to federal government?

Ms CATTERMOLE: It is hard for me to say, you know Mr Chair. I do believe that is putting it in a way that is probably not quite correct in terms of the major elements of this program. I believe it would be fair to say that there has not been a significant degree of community expectation which has been driven around the refurbishments in the way you described. I believe this program will deliver exactly what it committed to, which is 2500 refurbishments, which will make a large number of houses, for people in remote communities in the NT, significantly more functional than they are. It will make sure we do the best we can in terms of bringing those houses up to functionality, which will enable people to have better hardware for their lives. We know this is based on an endorsed methodology, and this program was always going to deliver those three things and that is what it will deliver.

Mr CHAIRMAN: At the very beginning, was there a definition of a rebuild or a refurbishment? Was there actually a written definition of what a refurbishment would be?

Ms CATTERMOLE: Not to my knowledge. I would have to take it on notice Mr Chair and ...

Mr CHAIRMAN: Can I put that on notice anyway? I ask if we could possibly get a definition of what refurbishment meant in relation to the SIHIP program? The member for Arafura had a question.

Mr WESTRA van HOLTHE: We have canvassed that before we put that on questions on notice to have ...

Ms SCRYMGOUR: What is that?

Mr WESTRA van HOLTHE: ... the differences between refurbishment and rebuild prior to and after the review.

Ms HANCOCK: That question has been answered before.

Mr CHAIRMAN: They like to publicly embarrass the Chair for not listening at the right time. The member for Arafura had a question.

Ms SCRYMGOUR: I was going through, Amanda, and listening to the alliance partners, when you talk about functionality of those houses with either refurbishments or rebuilds, but I suppose it is the refurbishments where the scope has changed to get those houses up to functionality. If I was to look at Maningrida, it is a well known fact, through every health report, you have 20 people in one house. How do you get a house which was poorly and inadequately built, prior to this program, to a stage of functionality, where 20 people will continue to live in that house until you have the program of 109 houses. How is that determined, in terms of functionality, which is then put on the alliances to try to make that house, with 20 people, functional, so you meet all your key performance indicators of: no more than two people per bedroom; a household, couples and parents with separate bedrooms; children of less than five years of age of different sexes sharing a bedroom; the list goes on in terms of the standards the SIHIP program is supposed to achieve?

Mr RYAN: I believe you have to look at not just the refurbishments, but the 109 new houses which are going in to Maningrida; that will have a significant impact on overcrowding. Maningrida is, from our understanding, probably the most overcrowded of major communities of the Northern Territory. While 109 houses is a massive commitment, it will not be sufficient to bring the numbers down, but it will make a very large difference.

We will also be looking at rebuilds. There are some houses where refurbishment is inadequate. There is an option of doing some rebuilds in some cases where the structure is sound and where a rebuild provides a good investment for government for that community. Lastly, the refurbishment will do the balance.

Behind that as well, will sit the property and tenancy management program. It is worth noting the funding that has gone into property and tenancy management for the remote communities has doubled over the last two years. We have significantly more money going into R&M now than was the case prior. That is in recognition of the fact, not only that we have to maintain the investment we are putting in, but the role maintenance of houses plays in addressing maintaining houses and keeping houses to a good standard.

Having said that, Maningrida is a very difficult community with overcrowded housing conditions. This is, in itself, not sufficient to get it to the point where government will want it to be, but it is a very significant first step.

Ms SCRYMGOUR: All right. I realise the 109 new houses are going in there. I can tell you the community is happy. Which alliance partner is doing Maningrida? Right, Territory Alliance. Maybe I should ask Territory Alliance.

You have been chartered with having to get - and you would have done the audit on those houses out at Maningrida. How does Territory Alliance – all right, you have a number of refurbishments you are going to do. You are going to get these houses up to functionality. How do you address that issue of overcrowding, where you have 20 people to a house, and you have to meet the expectations of building 109 houses? These are questions the community wants to know. What is going to happen in their houses being refurbished? Where do they go and stay while these houses are being brought up to functionality; up to standard?

Mr GUIT: We are actually providing some transitional accommodation, as we did in Milikapiti and Pirlangimpi where we have actually cycled people through. We prepared accommodation they can live in, in the interim, refurbish the house then, they will move back into the house. At the same time, we will be concurrently building 109 new houses, so that will actually decrease the population of some of the existing houses because they will be moving into their new housing.

Mr WESTRA van HOLTHE: I have a couple of questions for Mr Schroth. I do not mean to single you out, but you are the only one who has talked about the dollar figures so far. You said earlier, on average, the refurbishments and rebuilds will cost \$200 000 each. What I would like to try to do is exclude the rebuilds for a moment and just focus on the refurbishments.

Of the five houses you have refurbished, are you able to say, with any degree of accuracy, how much those refurbishments cost? I know it is easy to say we have spent \$2m, we will divide that by 10, average \$200 000 each.

Mr SCHROTH: Not here. I do not have anything.

Mr WESTRA van HOLTHE: All right. Would it be significantly less than \$200 000, do you believe?

Mr SCHROTH: Significantly.

Mr WESTRA van HOLTHE: Okay. I am just trying to examine where this has gone because, on those figures you gave before as \$200 000 per refurbishment, if we extrapolate that across the 2500 refurbishments going in under SIHIP, it would cost \$500m just to do the refurbishments.

Mr SCHROTH: I would not do that extrapolation.

Mr WESTRA van HOLTHE: No, okay. Thank you. You have put my mind quite at ease. Is it possible then, to get some information of the cost of refurbishments you have done?

Mr SCHROTH: It is possible.

Mr KIRKMAN: It would be good to comment on Groote Eylandt today. The work Earth Connect has done on Groote Eylandt is what we would largely class as rebuilds. If you go and have a look at the work undertaken, it is significant work going to also the structural integrity of the houses, in many cases, and would now come under what we are classing as a rebuild as opposed to the refurbishment.

Mr ELFERINK: So, the classification can change depending on the amount of work required on a house?

Mr WESTRA van HOLTHE: When you did the call and rebuilds on Groote, were you given a budget parameter to work within? Like, your cap is \$200 000 or whatever, or were you just told to go ahead and do whatever needs to be done and give us the bill?

Mr SCHROTH: We are working within an overall budget. We are looking at the individual houses, based on their needs, and refurbishing or rebuilding it, as prescribed, to a standard where it brings the house almost back to its original condition.

Mr WESTRA van HOLTHE: All right. So you have got an outline of the scope of work that needs to be done on Groote - x number of refurbishments, x number of rebuilds, x new houses, you have an overall budget for that, and then you individualise, I suppose, the amount of money to be spent on each house.

Mr RYAN: Just to clarify, Groote is one of the existing communities . I would not like you to confuse what was the system that was in existence prior to the review.

Mr WESTRA van HOLTHE: Yes, I understand that.

Mr RYAN: In terms of going forward, there are very clear parameters for all the alliance partners.

Ms SCRYMGOUR: So, through the Chair, that first package was Tiwi Islands, Groote and Tennant Creek, right, then the scope changed.

Mr ELFERINK: I just wanted to clear up on one detail, Mr Schroth, and this is for Ms Cattermole. Mr Schroth said that his brief changed as a result of the review, was that correct, Mr Schroth?

Mr SCHROTH: That was no clearer.

Mr ELFERINK: What? I am seeking the documentation that may have been forwarded to Earth Connect Alliance to clarify that review. Is that documentation available?

Ms CATTERMOLE: To clarify the changed parameters? The review itself is the primary document. There were discussions with each alliance through the review ...

Mr ELFERINK: Was there any other sort of exchange of correspondence?

Mr KIRKMAN: I believe this question has been asked twice before, and that goes to, what were the refurbishment parameter prior to the review?

Mr ELFERINK: No, I just wanted to know if there was correspondence between Earth Connect and yourself.

Ms CATTERMOLE: I do not recall, I would have to check my records to make sure, but I do not recall any such correspondence. As I said, there were discussions. The alliances were involved in talking through the issues, and the review is the primary document itself for those changed parameters. I will take on notice to absolutely confirm that there is no other correspondence to each alliance.

Mr ELFERINK: Okay, then I will place this question on notice. If there was documentation, beyond the review itself, between the department, or between SIHIP and the alliance partners, and I mean partners, all three, could that correspondence, e-mail, letter, whatever, be made available for the committee?

Mr RYAN: This goes to the remarks I made earlier about, following the review, we worked with the alliance partners to clarify exactly what the review means at an operational level. We are finalising those documents, and I think we undertook that, we said that there are some public versions that we are in the process of finalising that we would provide to you. I think that probably goes to what you are saying, as a clarification.

Mr ELFERINK: So there are other versions, or are there just public versions?

Mr RYAN: There are public versions and there are more detailed versions.

Mr ELFERINK: Well, that is what I am asking about.

Mr RYAN: Then we will take that on notice.

Mr CHAIRMAN: Can I just ask a question, Andrew? What materials are you building your houses out of, and will those materials stand up to 35 to 40 years of wear and tear?

Mr SCHROTH: If you are talking about Groote Eylandt, we are building two forms of construction there. One is on slabs, much like the evidence you heard earlier today, block work houses on slabs, but that is mainly in Umbakumba, although there are a couple in Angurugu, and the majority of the houses in Angurugu are the basic houses made of steel.

Mr CHAIRMAN: What is the wall cladding like, exterior and interior?

Mr SCHROTH: It is made of (inaudible).

Mr CHAIRMAN: All right, and will that stand up to ...

Mr SCHROTH: It is robust.

Mr CHAIRMAN: Yes, a steel picket? Things get thrown around houses. Will it be able to stand up to a fair bit of punishment? Simply because part of the arrangement is to keep the maintenance costs down, and part is also to make sure the house lasts for the period of 30 to 40 years, so it will do that?

Mr SCHROTH: It should do.

Mr WESTRA van HOLTHE: Can you just tell us how thick the cement sheet is?

Mr SCHROTH: I cannot confirm that.

Mr WESTRA van HOLTHE: There is a bit of a difference between six and 12 and 18, isn't there?

Ms SCRYMGOUR: I would have thought the tenancy arrangement would help deal with pickets going through windows and stuff.

Mr CHAIRMAN: But you do not want them to go through, if possible.

Ms SCRYMGOUR: No, that is true, the design can be affected, but it is also about the tenancy arrangement for the people in the houses.

Mr CHAIRMAN: I wonder if I could ask a general question maybe someone could answer. Ever since the project got going I have had many a phone call from a builder down south who says he can build a house half the price of the house that you are putting up - just as strong, just as tough, stand up to cyclones, do it in half the time etc. I presume the alliances have also had people saying the same. Are those builders down south actually capable of doing this, or is it a group of builders who do not really understand the situation they would have to build in up here?

Mr GUIT: We have had an approach from a number of builders from interstate. When you actually put them to the test, sure, they can do it, they can build it in Brisbane or Sydney or wherever, but they do not build for cyclonic conditions. When you actually try to pin them down to construction programs and definitive costs in remote areas, it all goes haywire and all of a sudden all of the add-ons start to come into it and their costs are in excess of what we are going to be building these houses for.

Mr CHAIRMAN: That is good, because so many people have rung me and said: 'You have got to go and get onto the Chief Minister and say my house should be there.'

Mr GUNNER: Nothing like a little bit of local experience.

Mr CHAIRMAN: That is right. Yes.

Mr ELFERINK: I just have one more, and that is it.

Mr CHAIRMAN: All right, go ahead.

Mr ELFERINK: Some time ago there was a media event at one of the locations for the pouring of the first slab for SIHIP, a new house. Whose area did that happen it?

Mr SCHROTH: Do you mean the pouring of the foundation?

Mr ELFERINK: The foundations, yes, the first slab.

Mr SCHROTH: Grootte Eylandt.

Mr ELFERINK: Can we recall what date that was done?

Mr SCHROTH: I believe it was late August.

Mr ELFERINK: Late August. Is that house complete yet?

Mr SCHROTH: No.

Mr ELFERINK: When will it be complete?

Mr SCHROTH: Around the early part of next year.

Mr ELFERINK: September, October, November, December, January – has worked continued on that house in that time?

Mr SCHROTH: Yes.

Mr ELFERINK: How long does it normally take to build a house in these ...

Mr SCHROTH: Somewhere between 16 and 18 weeks, each individual house, so if it was 10 houses being built in Umbakumba, so consistent with what you heard this morning, you are looking at about a 30 week period.

Mr ELFERINK: A 30 weeks period for those houses.

Mr SCHROTH: For that group of houses, yes.

Mr ELFERINK: Thank you.

Mr CHAIRMAN: The Gunbalanya houses, are you able to get in there with enough equipment - the Wet has not come, thankfully, from a building point of view - are you able to get enough equipment and materials in there to continue the housing program during the Wet season?

Mr SCHROTH: The answer is yes. We are undertaking the stockpiling of materials right now and we have actually commenced early works. We have proceeded with ordering materials for the single men's quarters, building the camp, and ordering houses that will be delivered post-Wet, and we will be continuing with refurbishment and rebuilds right through the Wet by stockpiling those materials.

Mr CHAIRMAN: Yesterday we were talking about infrastructure, and we could talk a bit longer on that, but if you are putting houses in areas where there are no roads, who pays? Do you have to build the road?

Mr SCHROTH: Part of the infrastructure is included in our package.

Mr CHAIRMAN: And a road would be part of that?

Mr SCHROTH: Roads and underground services would be covered in the infrastructure work.

Mr CHAIRMAN: In the case of your infrastructure, say it is sewerage, you do not have to do the whole sewerage line, you only have to do it to a ...

Mr SCHROTH: We would connect those new services to existing services.

Mr CHAIRMAN: Existing services?

Mr SCHROTH: Yes.

Mr CHAIRMAN: When do you expect to see (inaudible) and Belyuen?

Mr SCHROTH: We will be working on those two communities right throughout the Wet.

Mr CHAIRMAN: Because they are more accessible?

Mr SCHROTH: Yes, that is correct. We are scoping those houses right now.

Mr CHAIRMAN: I might ask Dick if he could give us a run down on the Tiwi Islands at the moment and more specifically the number of houses that are actually being constructed at the moment.

Mr GUIT: There are 29 new houses being constructed in Nguuu, six of which have commenced and will continue on through the Wet. The construction methodology we have adopted there for the first 29 houses allows us to continue through the Wet Season. We have reasonably good access. We are also starting, next week, three houses out of the next 61 package, which are of a different design, and that is the sort of houses we are going forward with from now on.

Mr CHAIRMAN: That would be the three bedroom design.

Mr GUIT: Three bedroom design and we will be commencing those and have those to lock up before the Christmas break.

Ms SCRYMGOUR: Maybe the Commonwealth can confirm this, was this part of the agreement through the 99 year lease, or were the 29 and the 61 the total of the 90 house package your minister announced?

Mr RYAN: Yes, that is correct. The 29 and the 61 make up the 90 package. The 25 houses that were part of the head lease were constructed outside of SIHIP privately.

Ms SCRYMGOUR: Okay so that is the first ...

Mr CHAIRMAN: The second stage houses, you say you will have those ready before Christmas this year?

Mr GUIT: Have them to lock up before Christmas this year.

Mr CHAIRMAN: They will be three bedroom houses?

Mr GUIT: Three bedroom houses.

Mr CHAIRMAN: What materials are you using?

Mr GUIT: It is a panelised construction. There is an aluminium spacing within the panel so it does not corrode. The two external faces are AC sheeting so it does not rot, burn or anything and then it is concrete built. For all intents and purposes the same as a precast concrete wall for the high class finish internally and externally. You want them to be robust.

Mr CHAIRMAN: You will not put a picket through that.

Mr GUIT: You will not put a picket through it. What we have arranged with the supplier of that system is to set up a factory in Darwin, rather than supply them from the east coast which he has agreed to do. It is a system which allows for local labour, and I guess by the time we have finished building those 61 houses you will actually have teams of people who will be quite capable of continuing on. If there is further funding to build more of those houses, they will have the capability. It is a very simple system and very robust.

Ms SCRYMGOUR: You will have to put fences around them.

Mr CHAIRMAN: In relation to cement, and this might apply to other alliance partners, are you able to source enough sand and other materials to provide that source of concrete, without having to barge materials in?

Mr GUIT: In most communities, yes.

Mr CHAIRMAN: You can do it on Nguiu?

Mr GUIT: Can do it on Nguiu. In Maningrida we have just opened a new quarry; the material has been tested and approved for concrete. Cement we will have to ...

Mr CHAIRMAN: Is it the same for the other alliance partners? Are you able to source materials locally or do you have to bring it in?

Mr HUGHEY: Materials like concrete are available locally. Things like block work have to be brought in.

Mr CHAIRMAN: I mean sand and those raw materials, are they available locally?

Mr HUGHEY: For Wadeye we are trucking in the blue metal or the gravel from close to Darwin as there is nothing available locally. The sand is available locally.

Mr CHAIRMAN: That adds to the expense?

Mr HUGHEY: It does, yes.

Mr CHAIRMAN: When I pull out this map of the Territory there is the bottom half; who is doing the bottom half?

Mr HUGHEY: (inaudible)

Mr CHAIRMAN: Is the bottom section not happening at the moment because of leases? Is that the main stumbling block, or are you waiting for the Wet Season to come and you will move down there for the dry?

Mr HUGHEY: I would have to pass to government on the leases one. I know of 29 communities I think 28 are available at the moment for refurbishment work. I do not think Finke is available at the moment. Of the other 28 communities, we commenced at Ali Curung yesterday on refurb work. (inaudible) to get going before the end of this calendar year. The remainder of the communities work being performed over the next 18 months.

Mr CHAIRMAN: Can I ask, Andrew, about leases. Are leases holding up the progress of the SIHIP program in central Australia up at the moment or is it going ahead?

Mr KIRKMAN: In terms of the refurbishment in communities, that is going ahead. In terms of the major ...

Mr CHAIRMAN: Can I ask about that, so I know. With refurbishments now, as soon as you have a refurbishment in a house, this is a house I have asked about in Nauiyu, does that house become an NT Housing house?

Mr KIRKMAN: Currently, all community housing is under management of NT Housing regardless of whether it has had work done on it.

Mr CHAIRMAN: How does NT Housing own the house if there are no leases there?

Mr KIRKMAN: It does not own the houses, and that is why we are very keen to get land tenure, in those major communities, long term land tenure. We have land tenure across all other communities, in terms of, or a significant number, the NTER five-year leases, which are enabling us to go ahead and do refurbishments in those communities. But, in terms of the major communities, where we undertake new houses and significant rebuilds, we will be seeking significantly longer land tenure than that. In regard to your question, has that held up works in those communities? We would have liked to have been in those communities sooner, and we are working through, with the community and the Central Land Council to come to agreement around land tenure, and we have, I guess, in-principle agreement on a couple of those majors, so we are moving along significantly in that regard.

Mr CHAIRMAN: Are likely to have a Northern Territory Housing house on a lease, next to a Northern Territory Housing house not on a lease, and what difference will it make?

Mr KIRKMAN: Are you referring to one in a particular community?

Mr CHAIRMAN: No. You said you were going to do refurbishments, and the leases have not been worked out on some of those houses.

Ms CATTERMOLLE: Perhaps if I could assist, Mr Chair. The underlying principle, around the housing investment, is there will be sufficient security of tenure underlying each of those, to ensure not only the housing work to continue, but also to ensure the ongoing tenancy management and repairs and maintenance of those houses. The government needs to ensure it has sufficient tenure to be able to go on and do its job in relation to those houses. There are 73 communities which are involved SIHIP, as well as some targeted town camps, as you know, of those there are 15 major communities and four town camp locations, in which we are seeking long-term leasing because those places are going to include new housing building.

In addition to that, there is sufficient tenure under the five-year leases that were established under the Northern Territory Emergency Response legislation to enable the housing to proceed in those other 53 communities, which are going to be primarily around refurbishment work, as distinct from new housing. We have 19 locations where long-term tenure is required, we have – as of today - nine of those are in place, that is leases for 40 years or more, and negotiations are currently underway for another number, and that will be stepped through throughout the life of the program. Leasing has not held up this program in any way. Those leasing arrangements have occurred, as they have needed to, in front of the need to go into communities and commence the scoping and construction work.

The only matter that is currently unresolved, is the leases in the Alice Springs Town Camps and, as all of you will know, that matter is subject to litigation.

Mr CHAIRMAN: Member for Katherine.

Mr WESTRA van HOLTHE: While we are talking about leases, I wonder if you would explain to us, please, the guts of the leases. Who are the lessors and the lessees? I know it is not a simple formula, because there are sub-leases and all sorts of things going on in these communities. In as much detail as you are able, could you explain that process please?

Ms CATTERMOLLE: Yes, it is going to look like a (inaudible) because the situation is quite different in different places. The leases are subject to a number of arrangements, which have been made various times over the last couple of years, and will continue to be made throughout the life of the program. That includes, for example, the 99-year leases which were agreed as part of negotiations in Groote Eylandt and on the Tiwi Islands, it includes a 20,20,20 lease which was negotiated in Tennant Creek. There, for example, the leases are held by Julalikari Council Aboriginal Corporation; there are subleases then to Territory Housing or Department of Local Government and Housing so it can then can manage the housing throughout the life of that sublease.

In other places, those leases are negotiated through the Northern and Central Land Councils where they are held as leases. For example, you have a land trust to hold the underlying land tenure and, then, leases that will be provided to what we call Housing Precinct Leases that will enable there to be an appropriate coverage of all of the houses.

So, to answer your question, Mr Chairman, the intent is each of those will sit in a housing precinct, so all of those houses are subject to the lease and, then, all of the work required by the alliances and the ongoing tenancy and property management, repairs and maintenance, can then be done as right by government - the Territory government, in this case, which is responsible for that housing in an ongoing way.

Mr WESTRA van HOLTHE: And who holds the head lease over the communities - the areas you are talking about?

Ms CATTERMOLLE: It may not always be a head lease, but the leasing arrangements will be held by the Northern Territory government in most cases but, in some cases, those leases are held by the Executive Director of Township Leasing, which is a Commonwealth body established to hold leases.

Ms SCRYMGOUR: Which is in the case of Nguuu.

Mr WESTRA van HOLTHE: Where do the land councils – sorry.

Mr KIRKMAN: Just to clarify where there is a township lease held across the Township Leasing intention of the Northern Territory government would be to, then, have a sublease over the housing. So, they would still be the lessee of the housing.

Mr WESTRA van HOLTHE: Right. And where do the land councils fit into this - the leasing arrangements?

Ms CATTERMOLLE: Large amount of that land is land held in trust, so land councils act on behalf of traditional owners, who then have land trusts established that hold that land on behalf of the people who own the land; that is, inalienable freehold held by Indigenous people. The land councils role, as you know, is to represent those people in negotiations when, for example, we are talking about leasing to sit over. So, they still hold the underlying land tenure, leases are then granted to Territory Housing. For example, it is a housing precinct lease, so they have the wherewithal to be able to go on and do that work throughout the life of the lease.

Ms SCRYMGOUR: It is an interior transfer.

Mr WESTRA van HOLTHE: Yes. So, in an example like that where the land council holds the overlying land tenure, they would lease the land in question either to the Northern Territory government through NT Housing, or to the Office of Township Leasing in the Commonwealth. Then, that is subleased again to, say for instance if it was held by the Office of Town Leasing, back to the Northern Territory government for housing. However, there are other parcels of land in those communities leased to other organisations such as the shires? Is that how it ...

Ms SCRYMGOUR: Yes. Well the sublease. It subleases. If we look at Nguuu, the head lease for Nguuu was transferred to the Tiwi Aboriginal Land Trust for 99 years, to the Director of Township Leasing. All right? The bureaucrat who sits in Canberra controls the head lease of Tiwi Islands. For NT Housing to then get a lease for the public housing, they would have to go to Pat Watson, ask him for a sublease. All right? 'We want a sublease for all these houses'. So, he gives them a sublease. The Tiwi shires have huge difficulty. The shire has to then go to Pat Watson as well and say: 'We want to sublease so we can carry out or conduct our activities'.

The Office of Township Leasing has, effectively, replaced the role the Tiwi Land Council should have been doing, but said they could not do. So, the OTL is now doing the work the land council would normally be doing.

The situation is a bit different on the mainland. I know Groote has a 40, 40 lease, and that is with the Office of Township Leasing as well, but that was Anindilyakwa land council's decision to go that way as well, whereas other communities have said: 'No, we want the land trust to still hold the head lease', which is under the *Aboriginal Land Rights (Northern Territory) Act*. It is a section 19, which is like a head lease freehold title which goes to NT Housing for those houses.

Mr WESTRA van HOLTHE: Is there a financial component to these leases? Is there a payment made by lessees?

Ms CATTERMOLLE: Yes.

Mr WESTRA van HOLTHE: Yes. Perhaps you can explain a typical quantum, I mean, if the NT government is going to lease a portion of land from the office of town leasing, how much in quantum will that cost the NT government or, for that matter, it might be a shire that needs to lease some property for sheds, or an office and that sort of thing?

Mr RYAN: I cannot comment broadly on it, it is not my area but, in terms of the housing leases that are being negotiated, housing precinct leases, certainly, there is no payment for those leases. The land council and the traditional owners grant the lease in return for the investment that comes with the program. The Territory government is currently negotiating subleases with the Office of Township Leasing for those, and I probably cannot comment on that. I think that is under discussion. There is payment attached to the township leases, both to the traditional owners, and then payments that would be made to the Office of Township Leasing, which would then provide an income flow for traditional owners, but to get that level of detail, you would need to speak to the relevant area, which is either the Office of Township Leasing or our Land Reform Branch.

Ms SCRYMGOUR: Which has been waived for 15 years.

Mr RYAN: Certainly, in terms of the housing precinct leases, they are leases granted by the traditional owners and the land council, at no charge to government in acknowledgement of the investment that is going into community housing.

Mr CHAIRMAN: I would like to ask Brian a question. You are going to build three-bedroom houses, and they will roughly be capped at \$450 000, and some of yours will be at Wadeye and out in that area. Is there going to be a vast difference in price between, say, building a house in Central Australia, a three-bedroom house, and one at Wadeye? In other words, are you able to sort of spend \$490 000 at Wadeye, because of the cyclone coding, and, say, \$360 000 at Hermannsburg because you are in areas that do not require the same building restrictions?

Mr HUGHEY: There is a difference, obviously, and it goes to building materials, size of the houses, etcetera. The so-called cap on a house, what we have said is the average price of a house at Wadeye is going to be \$450 000, or whatever community we are working on, the average price is going to be \$450 000, but yes, it does come down a bit on the materials etcetera, cyclone rated areas, non-cyclone rated areas, for example.

Mr CHAIRMAN: Any idea, have you done on any costing on what roughly a house would cost, say, out in Central Australia, three bedrooms?

Mr HUGHEY: Yes. Tennant Creek, the first two houses that we scoped there for construction back in April, they came in at \$450 000 for a three-bedroom house. That was prior to the review.

Mr ELFERINK: These are houses in Tennant Creek, and those are the two that you are talking about? So, not quite Yuendumu or Papunya, is it?

Mr CHAIRMAN: I might ask Andrew about consultation with the community. Is that still ongoing? Are you going out talking, have we finished the consultation process, because the feeling that I get is that the process has been going on a long, long time, and you might have heard, when we were talking to Mark Brustolin, he could have walked out there and said, well, I have building these houses, I know what the houses look like, we can get going. Obviously, there has been a consultation period required, I think it is one of the requirements of the Commonwealth government. Has that period of consultation finished now, and is it full steam ahead, or are we still waiting for approvals?

Mr KIRKMAN: Obviously, there are a number of communities which we are now in which we were not in, and we will continue to move into new communities as land tenure gets sorted out. There will need to be continued community consultation, but certainly, as the review goes to this point, that government will be taking the lead role in that community consultation and it will be around what the program will provide under the key objectives, so we are taking a lead role in that. Certainly, we will continue the community consultation, that is an ongoing process. It is certainly a major process around agreeing with the community on the types of houses and the location of houses that they would like. So that is a major bit of work, but work has to continue throughout the construction phase of the project to ensure that the community is brought along with the work that is undertaken, and then continue on with the housing reference groups, which form the basis of our consultation.

So that work with the housing reference groups will go on in perpetuity around sort of allocations of houses, around movement of people in the community with houses and other advice the Department of Local Government and Housing need to seek from the community about housing issues. So I guess the consultation will never cease in that respect.

Mr CHAIRMAN: Do you employ consultants to go around with you in consultations on communities?

Mr KIRKMAN: The people who are involved in community engagement in the jointly managed SIHIP team are direct employees of the NT and Australian governments. In the past there has been some project management-hired community engagement consultants engaged through Parsons Brinckerhoff. What we are doing now is directly employing all community engagement people who will be working on the programs for SIHIP.

Mr CHAIRMAN: One of the complaints I have had several times is out comes a fleet of Toyota Land Cruisers, or a great heap of people catch a plane, and they are all being paid so much an hour plus the cost of the flight, and I people have seen that as overkill in regard to spending; and I presume they are consultants who have been going out like that?

Mr KIRKMAN: Without specific and exact examples it is really hard to respond to those types of comments you hear from time to time, but what I can say is alliances are out there often with professional people who are required to go through and look at houses and decide what work needs to be done. They are professional people and they come at a cost and the program is around for a number of years so, yes, we need some vehicles for them to get around. But unless I have specific cases or examples it is hard to respond.

Mr CHAIRMAN: Well, we might write to you about one or we might have already done that, anyway.

You mentioned targets required to be finished this year; I believe you mentioned them yesterday. Do the alliances know about those targets? I do not know whether you could repeat those targets, but do the alliances know those targets, and do they know they have to finish them according to what you said yesterday?

Mr KIRKMAN: Those objectives, those targets have come from the alliances, so, yes, they do know them.

Mr CHAIRMAN: So you had the information given to you and then you have handed it back as if it was your own - I was a bit worried for a minute. So they will guarantee, because they have given you the information, that those targets will be reached by the end of the year?

Mr KIRKMAN: That is correct and, by all means, speak to the alliance. The good thing about what we are doing now in terms of our management structure which you have got before you, is we are working directly with the alliances, so day-to-day and week-to-week we are discussing these matters, so it is all a matter of direct agreement between the alliances and the government management.

Ms SCRYMGOUR: Who then picks up the cost if the cost overruns the \$450 000? Do the alliances pick that up if they go over that? And is there a cost or a penalty?

Mr KIRKMAN: Yes, the typical alliance structure is - and in every respect governments are part of each alliance - each party of the alliance share in whether it is an overrun or an underrun. So, yes, certainly, if there is an overrun alliances will take some losses, and government will as well, because we are part of the alliance.

Ms SCRYMGOUR: The issue of the tenancy management, who is doing that consultation, is that Northern Territory government, so Territory Housing has the full run of consultation with tenancy management?

Mr KIRKMAN: That is correct; it is Local Government and Housing. Their regional offices have teams who are responsible for those community consultations. They do that in conjunction with the Australian government business managers in each of the communities, who assist in that work.

Ms SCRYMGOUR: When is the department going to assess whether people in those communities fully understand what a tenancy management is. When you hand over a house to someone and they sign a tenancy management agreement, they understand it is the same agreement they would sign if they were to move into a house in Darwin. Is it going to be the same agreement?

Mr KIRKMAN: The framework around tenancy and property management is still under development. Certainly, it will be similar to an urban structure, but might have some unique differences around home ownership. We would be keen to see as much home ownership in the bush as we can.

Ms SCRYMGOUR: I was going to alert the Commonwealth to have a look at some of their houses on the Tiwi Islands. If we talk about quality of houses, we should look at those ones.

Mr CHAIRMAN: Member for Katherine.

Mr WESTRA van HOLTHE: You mentioned before if there was a cost over run the NT Government would be partly liable for the penalty associated with that because you are on the alliance. If there is a penalty, where would the NT Government get that money from? I do not recall seeing anything in the 2010 budget.

Mr KIRKMAN: Anything which will result in over running, believe you me, I will be very closely managing going forward in that respect. However, we do have a contingency component as part of the

\$672m, and that is a little in excess of (inaudible). That is the bucket, if you like; I would look at to address those issues. I fully anticipate and expect we will not be using a significant amount of that bucket. My great desire would be a significant amount of that bucket actually goes back into real housing, or additional housing, sorry. It is all going to be real, but additional housing.

Mr WESTRA van HOLTHE: Thank you.

Mr ELFERINK: There is a contingent liability component built into all of this and that is sitting there tacked to the side. All being perfect, you will not have to touch that bucket, and there will be more houses built out of that contingency over and above the number already stated?

Mr KIRKMAN: That would certainly be our desire.

Mr ELFERINK: What is the percentage of the contingent liability? Is it about 8%?

Mr KIRKMAN: It is not a contingent liability; it is actually a contingency fund.

Mr ELFERINK: A contingency fund, sorry, I apologise.

Mr CHAIRMAN: I need a point of clarification. John has raised an issue, and I have also been asked the same thing. Andrew, the figures you gave for the number of houses and refurbishments yesterday, that is for the end of this year, 2009? Not 2010, 2009?

Mr KIRKMAN: That is right.

Mr CHAIRMAN: There was just concern there might have been two figures. So it is 2009?

Mr KIRKMAN: There was a figure around the completion of 150 houses at the end of 2010. In fact we would hope that would be more like 200 houses, as Dr Harmer stated in the senate.

Mr ELFERINK: Can I just clarify that? Dr Harmer said 50 new houses under construction would be completed by December 2009. Which 50 houses will be ready by December 2009?

Mr RYAN: Just to clarify, and I have not got the transcript, but I believe he would have said would have been 'underway' or 'completed'. I do not think...

Mr ELFERINK: I will give you the quote: 'I will just repeat those figures, almost 50 new houses under construction and more than 180 rebuilds and refurbishments underway or completed by 2009'.

Mr RYAN: That is correct, they would be underway or completed. Some might be completed, but it would be the total number of houses that are either completed or underway, and the total number of refurbishments that are either completed or underway.

Mr ELFERINK: Those houses on Groote we were hearing about before, they are in that 50?

Mr RYAN: Yes, correct.

Mr ELFERINK: They are the ones turning off early 2010?

Mr CHAIRMAN: Can I ask Andrew a specific question, he probably knows about it, because I did see a design of a house and it had what I thought was slatted timber. I apologise, it was not slatted timber, but slatted something else. Is the material you are using on the verandah fire-proof, weather-proof, destruction-proof, or what is it?

Mr SCHROTH: The number of low-set houses which have elevated verandahs, we chose to use hardwood on the verandahs, which is consistent with the material which is both communities that we are working in now.

Mr CHAIRMAN: Has it survived okay? It has not been turned into something else?

Mr SCHROTH: No, not at all. In fact, the verandahs are in pretty good nick. There were one or two boards which had to be replaced on refurbished houses we are doing now.

Mr CHAIRMAN: My concerns were, one it gets broken, and, two it might be used for something else to cook meals and, third, would it stand up to 35 years of hard wear-and-tear, because that is one of the important issues.

Mr SCHROTH: It is not our experience to date.

Mr CHAIRMAN: Does anyone have other questions? We are going to Tennant Creek on the 19 November and it would be great to meet Brian. We are having a meeting with the alliance and Julalikari Council, so we will be looking forward to seeing how far Tennant Creek has gone. Somewhere just after January, at the end of January, we will be trying to go to Bathurst, Groote, and Wadeye to see what the arrangements are there.

I believe part of what we have to do, is get out there and get our feet dirty and see what is happening on the ground. We have to be able to relay that information back to the community, the bigger Territory community, and tell them what is going on. If it is a good story, I have no doubt we will put out a good story. If we believe there are issues which need moving along or criticisms, we will be doing that also.

I thank you all very much for coming. You had patience waiting before you started, we are only five minutes over time, which is not bad. Thank you all very much for coming, and we will have about a five minute break before we ask the next people come along and speak.

Thank you very much.

The committee suspended.

The committee reconvened.

Mr CHAIRMAN: This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances the committee may decide that evidence, or part thereof, can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera but I remind you this is at the discretion of the committee. You are reminded that evidence given to the committee is protected by parliamentary privilege.

LITCHFIELD COUNCIL
Mary Walshe, President
Russell Anderson, CEO

Mr CHAIRMAN: For the purpose of the *Hansard* record I ask that you state your full names in the capacity in which you are appearing today. I also ask that you state your name each time you speak. Mary, tell us your full name please and what you are doing here.

Ms WALSHE: Mary Ellen Walshe, President, Litchfield Council, as an invited guest.

Mr ANDERSON: Russell William Anderson, CEO, Litchfield Council.

Mr CHAIRMAN: This morning we had the deputy Mayor of Darwin and the Mayor of Palmerston here to discuss the issues they thought were important to those two councils. The two main issues they talked about were planning - I am not talking about planning in the specific sense of subdivisions and that sort of thing, but holistic planning, which included where hospitals, childcare, playgrounds, schools and all that go, as well as general planning - and the regional waste facility. That gives you an idea what they were talking about.

We are interested to know, first, what issues you have which concern you, and second, has the reform package or the changes to local government affected you and are there any issues, for instance in relation to the *Local Government Act* and/or I flag that I will probably ask you a few questions on the local government options for the Top End unincorporated areas and what you think of that. To lead off, Mary, if you have any areas of concern you think might be relevant to what this Council is looking at.

Ms WALSHE: I was going to start, by giving a brief overview. Do think it is required ...

Mr CHAIRMAN: For those non-Litchfield residents, yes.

Ms WALSHE: For those non-Litchfield residents?

Mr CHAIRMAN: I will go and have a cup of tea.

Ms WALSHE: From my perspective, since being involved with Litchfield Council in 2000, I do not believe things have changed significantly. We are 3100 km² of the most pristine areas surrounding Darwin and Palmerston. Pristine, in some areas, remaining in tact, I suppose, but other areas where development is done.

Litchfield has much going for it, in regard to any development has to move out that way. Unfortunately, the relationship I have had with the government in that time, it has seen us as a rural local government and have not acknowledged the significance of the growth of us I suppose.

I have continually had to fight for Litchfield, on the grounds of understated population, which we know, and generally the way the Northern Territory is. I am very proud to be a Territorian, but there are things we do not have under control such as the ABS figures and the full capture of those. Population of the Litchfield shire - the Litchfield Council area has always been understated by about 4000.

Dealings I have had with government, I have always found everything to be political. It is the unfortunate thing; the pool is the big one. Any dealings in regard to requests for finances have always been responded to with 'Well, charge them more money'. That is the only option to raise money.

In particular, one of the things you brought up, Gerry, in your committee is the Freds Pass Reserve. I have always seen that as a regional centre that has not been funded as well as it should. So, there are a lot of little things. All councils in the greater Darwin area understand what government is doing. We understand we are a small population that cannot demand a lot of the things they have down south, purely based on our population and our funding. We do not push government too hard, I guess, on a lot of things.

Government relation is one you have brought up. I do not think, in listening to the other councils and the relationship they have – just because you have an MOU, does not mean you are going to get to meet with the Chief Minister, or whoever, anytime you wish. I believe we will see the minister when we need to see them; we do not need to have an organised meeting with them. If we could establish that, it would be good.

The main issues we really have - and it is coming back to haunt us a lot now, Gerry - is planning, in regard to the 1982 planning scheme picked up a lot of development that went before it. Now, with the lack of land available to a lot of people, we are now back nearly to 1982 where people were using land for industries they should not be. Not that we want planning powers, but the lack of release of land is having a big impact on our area in that regard.

Mr CHAIRMAN: Industrial land?

Ms WALSHE: Totally, and a lot of other things, Gerry. It is putting a big pressure on. I know a few years ago, people spoke about aged people being unable to manage large lots, and the requirements to subdivide. That has gone one step further now, where people are seeing the large lot and saying: 'Well, why can I not use it for all these other uses that I cannot get land for anywhere else?' We have done a bit of a topsy-turvy on that one, and it is more towards that sort of development, unfortunately.

We have the same problems with planning in relation to developments going ahead. The smaller subdivisions - as you are fully aware, which has been a bane of yours as well - issues we have, I guess, Gerry, is not necessarily we are caught out in planning in that regard, but our rural subdivision design was never intended to address these smaller subdivisions. So, if we go down the path a lot of them are heading, we really need to look at the minimum requirements for these subdivisions. The developers are saying, even though, say, it is for 4000 m², it is still rural. My strong, personal feeling on that - and I think it is still the opinion of council - is it is not rural. We really need to look totally with a different outlook on that subdivision.

I have to agree with the other councils on the essential services that also not looked at in consideration with that - as in the increase of population to schools, to open spaces, to shopping centres, to all the things that go with it.

Of particular issue to us is the landfill. Lack of landfill and lack of progression on the regional site, with the increasing population, is only going to make the situation worse. That is No 1 on our list.

In regard to planning historically, I guess, is the axe-handle subdivisions that have occurred previously. That is something we need to resolve - we have about a dozen of them throughout the shire. That is a program that needs to be jointly run with government, the council, and the landowners - a partnership - to get that fixed.

Mr CHAIRMAN: Do you want to explain to those - do you know what a battle-axe subdivision is?

Mr ELFERINK: Yep, sure do.

Ms SCRYMGOUR: What?

Mr CHAIRMAN: A battle-axe subdivision is not anything to do with the Indians ...

Mr ELFERINK: No, it is the shape of the subdivision that, basically, has one road frontage and a driveway up to a block at the rear ...

Ms WALSHE: No. I have copies for you. It is not so much, the axe handle that they refer to is just the one with the two blocks at the back. These are historical battle axes, where everyone's address is from this road, and they all own a slither of that. That is actually their property.

Mr ELFERINK: They own the road?

Ms WALSHE: They own the road.

Ms SCRYMGOUR: So how long has that been – is that historic ...??

Ms WALSHE: I think some of these go back about 1967.

Mr CHAIRMAN: Even earlier.

Ms SCRYMGOUR: What is that?

Ms WALSHE: 1977 is the LTO announcement, Marion. I can hand – this is a copy of ...

Mr CHAIRMAN: It was a cheap method for a subdivider to subdivide land without having to build a road.

Ms WALSHE: They did not have to build a road. The issue that we find is that, over the years, we have sort of basically given those roads a cursory formal scrape over the years, being private property. We have continued to do that over the years. When I first got on to council, it was an issue that I looked into at that point in time. The problem that we had then was, because that piece of land is actually part of the title, it would be a bit of a drama with the banks, because of the valuations of property, etcetera. Even though it was only a slither of land, it was an administrative nightmare that ...

Ms SCRYMGOUR: Just to check, who maintains this, do the land owners, or is it Litchfield Council?

Mr ANDERSON: Some of those are maintained by the owners.

Ms SCRYMGOUR: Sorry, Russell. I am trying to understand it, Mr Chairman.

Mr CHAIRMAN: That is very good, member for Arafura.

Ms SCRYMGOUR: You told me not to talk when you are talking, Mr Chairman. This is an important issue, which you keep telling me, it is an important issue.

Ms WALSHE: In the majority, the land owners. We look after the bigger ones that have more use. There are some that have limited use and they have maintained their own. One of note that might be in there if you want to have a look is Old Bynoe Road, actually.

Mr ANDERSON: That explains it the best.

Ms WALSHE: Yes, very much. The issue that we are dealing with at the moment, and one that has come to attention more recently is what we call, it is referred to as Wattlers Way, or No Name Road in

Humpty Doo, which is the one on the front there, I think? The last one, sorry. It is very similar. We are currently sealing Strangways Road and we had a proposal put to council to have that sealed. It is interesting to note, even the people who live on some of these blocks, were not aware of actually the situation of their own land holding. The particular interest that we have there is that all those blocks along that road are currently 20 acre blocks, and if we sealed that road, they would immediately seek to have them subdivided, which they would not be able to under planning, because the access is Strangways Road. So the only way for future subdivision of that can occur is if we acquire that road formally back.

That one is of particular note immediately, but there are copies of where they are throughout the shire that I would like to see government work in conjunction with us, and the way I would like to see government work is that they undertake all the administrative changes to titles and that process, in conjunction with the land owners.

Mr CHAIRMAN: Plus the subdivision costs, because every block will have to have a subdivision application to change its boundaries.

Ms WALSH: Good point, Gerry, yes.

Ms SCRYMGOUR: That would raise issues of – well, I suppose, if that road easement or that is part of the block, that would raise issues of ...

Mr CHAIRMAN: The maps do not show exactly what is there, because you need another map which shows you the easements and, in some cases, there is a 30 m easement over all that.

Ms SCRYMGOUR: That is included with that?

Mr CHAIRMAN: But it goes over the block of land as well.

Ms SCRYMGOUR: What is the area of the ...

Ms WALSH: I think at the start, you might end up with about 45 m, it does go to 50 m in some instances, but it is wider at the front and it ends up about ..

Ms SCRYMGOUR: It tapers out as you go up?

Mr CHAIRMAN: It is 30 m, I think, is the maximum that you will get, because it is 5 m per ?

Ms SCRYMGOUR: Down here.

Mr CHAIRMAN: So, if you count all the blocks that need a handle, you multiply that by five, and I think you end up with ...

Ms WALSH: I think that one is a little bit excessive. I think it is about three.

Mr CHAIRMAN: You might be right, it might be wider than that. There is an easement over usually, not a lot, but they have got an easement which is 30 m wide, which is for water, power and access easement, an area which has not been actually defined legally. The Litchfield Council, actually in the days when Mick Palmer was the Minister for Planning, asked that the government look at this particular problem, because they had to look at change of titles, change of boundaries, so there was a planning issue, the cost of doing it and you had to get all the landowners to support it. And the answer back from the government at that time was no.

Ms SCRYMGOUR: What is the view of landowners, where this road easement is part of their property, what is ...

Ms WALSH: It depends.

Ms SCRYMGOUR: Okay.

Ms WALSH: In the instance we are talking about on Strangways, many of them sort of saw it as immediate subdivision opportunity, but were not aware they would not be allowed to subdivide, unless it was a full road.

Ms SCRYMGOUR: Okay, on that ...

Ms WALSHE: In the main, I believe people want the road anomaly fixed. Naturally, they will not want to pay any money towards it, is the unfortunate thing, and it does cost money, but in other areas some people do not want it done, they are happy for it to stay as their own private property, so there is no through access, and they are happy for it; it is different all the way through.

Ms SCRYMGOUR: If they sell their block, someone puts their block up for sale, can they sell that part which is attached to their – so that becomes part of the whole sale of the title?

Ms WALSHE: It is part of the title.

Mr ANDERSON: One of the complications is that some of those lots have houses and there is a mortgage in the bank.

Ms SCRYMGOUR: On the easement ...

Mr ANDERSON: On the bank.

Ms WALSHE: No, I ...

Mr ANDERSON: The bank has a mortgage on that lot and if you wish to do any changes to that lot you have to lift the mortgage, so there is another cost.

Ms SCRYMGOUR: What would be the solution then? If you were to – besides having discussions with the government about how to try and resolve this. Obviously, the council would have thought about how to ...

Mr ANDERSON: The one in particular, which Mary referred to on Strangways Road, all the residents want something done because Strangways Road is being sealed, at this moment, and they wanted that sealed. The problem is that you have this road reserve of 30 m wide, fenced, power and telephones down that road already and they are saying it is very simple to form it, gravel and seal it too. The difficulty is that it is private land.

Ms WALSHE: Gerry, an immediate concern with that one, because it is an axe handle, there is no drainage off through the blocks to allow it to drain properly. If you formalise that, and built the road up, as you would, it would either push a hell of a lot more water down towards the front and it would be draining away from where it would naturally sit. As much as people see that they want a bitumen road immediately there is more to it than ...

Ms SCRYMGOUR: It has to be built up and ...

Mr CHAIRMAN: The only thing is that with Old Bynoe, the ruling by the council was that it was an access easement. You either had a large parcel of land and it was left as it was, or you sealed it, and the council bit the bullet and sealed it. It is not as though it cannot be done, but the issue is, it is not proper, the way it has been done. It needs to be formalised.

Mr ANDERSON: Recently, the Territory government have done the acquisition of Arnhem Highway, which was exactly the same, only recently, within the last six months.

Mr CHAIRMAN: We have to put it down on our notes that it is a major concern. It is an historical fact that subdivisions ...

Ms SCRYMGOUR: You could do the same acquisition with the Arnhem Highway, are you saying it could apply?

Mr ANDERSON: They have negotiated with the landowners there and the Arnhem Highway easement was similar to this.

Ms SCRYMGOUR: The Central Arnhem?

Mr ANDERSON: The Arnhem Highway, yes.

Ms SCRYMGOUR: Yes.

Mr ANDERSON: Past the pub, and recently it has been acquisitioned.

Mr CHAIRMAN: All right.

Ms WALSHE: That is one of the major ones. Another issue I have, Gerry, personally, with many of the subdivisions, is the reticulated sewerage. If they are going to the down to the small lot subdivisions, I firmly believe they need reticulated sewerage. I believe we should be going forwards not backwards. The rest of Australia is reticulating sewerage everywhere, and we are increasing to have septic tanks. That is a personal opinion, and I disagree with it.

Mr CHAIRMAN: What, you disagree with your personal opinion?

Ms WALSHE: Beg your pardon?

Mr CHAIRMAN: It sounded like you said you disagree with your personal opinion.

Ms WALSHE: No, it is a personal opinion, and I disagree with the increase in septic systems throughout the rural area.

Mr ELFERINK: I suspect the government should be looking at spaghetti mains before they handball that issue as well.

Ms WALSHE: That is another one, on the water.

Mr ELFERINK: That is a shocker.

Ms WALSHE: Yes.

Mr ELFERINK: I was unaware of spaghetti mains, until I got to see one about 18 months ago. They are bizarre.

Mr CHAIRMAN: If you do not want to raise other issues, they are in the agreement, and the government is looking at starting a program to get rid of the spaghetti mains. In relation to the sewerage, the discussions that have been looked at, at the present time, from a number of aspects in regard to sewerage, are not necessarily dealing with small housing blocks. I believe you are talking more suburban because even one hectare can have an aquatreat system, both with power and water,

Evan Lynne, who is putting forward the proposals for the new Coolalinga shopping centre, a group at Howard Springs shopping centre, and INPEX are all involved in some preliminary discussions into the possibility of hooking those areas into a sewer system at Palmerston. At the moment I do not know how far advanced that is, but that is the concept. The planning people who came to the meeting at Howard Springs suddenly started talking about densification. I do not want this discussion to be forcing densification of land at Howard Springs. It is about fixing up those commercial areas where there is a very high concentration of sewer and not enough land to, in many cases, actually use aquatreat properly. I have a concern the government is trying to put smaller lots into some areas without any adequate public consultation, and using the sewerage issue as a leverage to do it.

I should also say it is likely there will be some housing development behind that big shopping centre. That is an issue we will come to at that stage. It would be worthwhile ensuring there is a system in there which would pick up it if happens. There are some discussions; at what stage they are at I cannot tell you.

Ms WALSHE: The existing sewerage treatment plants in some of the bigger developments we already have, I would like to see a study on how they are faring and the property they are irrigating, how that is holding up. There have been a few complaints of late with some of those systems not performing as they should. We tend to hold up, when development occurs, that the sewerage systems will be to the requirement of the Health department. I think that is leaving a little bit too much in there hand. We really need to be focusing on the quality of the output of these systems. I am not aware of any of them being monitored to severely. I know the way some people use there septic, unfortunately is not something you want the major population in the rural area to be using.

Mr CHAIRMAN: I would imagine they would have to be licensed, especially a large sewerage system. The question is are they being checked on a regular basis to fulfil their license? It is not the system is a bad system; we just have to find out whether it is being kept at the required standard.

Ms SCRYMGOUR: Would that be waste management?

Mr CHAIRMAN: No, environmental health.

Ms SCRYMGOUR: Environmental health. Would it come under the waste management.

Mr CHAIRMAN: NRETAS or one of those would have to licence it.

Ms WALSHE: Apart from that we are all a very happy bunch of campers out there. We are happy with the way Council is functioning; we are looking forward to the new city of Weddell.

Mr CHAIRMAN: Can I ask you, in relation to the land fill site, you may or may not know one of the sites picked for the new prison was up near Taylor Road, in an area close to where the regional waste facility was. I think it had to move. It was a great site; far enough away from residential land; close to town. The Department of Defence said no. For what reason we are not 100% sure, but I would imagine if it is no to the prison, it is no for a regional waste facility.

The other issue which needs to be taken to account is Weddell will be coming on line. There is probably a fair chance the Darwin Shoal Bay facility will continue. John, or someone, mentioned a figure of 40 years. There is no push by Darwin for a regional waste dump, but Palmerston, Litchfield and Weddell obviously are going to need somewhere. They do not want it so far away from what is happening that you may as well dump it at Shoal Bay.

I do not know whether some consideration by the council would be worth looking at. We know Sunday Creek was a site picked, and it has had three reports done. There were reports done, but it may be they will look at other sites, bearing in mind where Weddell is situated. I think the government would be happy to hear any input from the council in what they think an alternative site would be. There is a fair amount of land about the place, especially in south Humpty Doo.

Ms WALSHE: Sunday Creek is still available.

Mr ANDERSON: Has the committee got a copy of the proposed area (inaudible).

Ms SCRYMGOUR: Is that for the waste management strategy?

Mr CHAIRMAN: I knew they had some, that is the one the council put out.

Ms SCRYMGOUR: No, that was the government's. Is not that the EPAs?

Mr CHAIRMAN: Is that the scoping report?

Mr ANDERSON: This is the preliminary overview.

Ms SCRYMGOUR: Which was going to lead to the scoping report. That is what he is having a go at me for.

Mr CHAIRMAN: Ex-minister? 1999 was a long time ago.

Ms SCRYMGOUR: No, but that was the basis, it was going to lead to that scoping study for Sunday Creek, no?

Mr ANDERSON: Is it okay to get a copy of that one? Thank you.

Mr CHAIRMAN: It is obvious, from talking to Palmerston and Darwin, not so much Darwin, but Palmerston wants something done in relation to a regional waste facility. The other area you should think about is Coomalie about its waste as well.

Ms WALSHE: Mr Chairman, I was going to expand on that, in that this is a hearing, the point I had is that politics, unfortunately, is involved in many of these essential services that are needed. If you go back

on the history of the landfill site for Litchfield, we were a member of Top Rock at that time, and we had a Commonwealth grant looking at the site. Darwin was leading the push for that site, and pulled the rug out literally from under us. The whole of waste management in the Northern Territory is, unfortunately, a dirty game to be involved in and not everyone is looking at it, unfortunately, with a critical eye to moving forward in the future. The costs involved, with the 80 000 population of Darwin, moving it away from there is enormous, so that is a strong political push, but instead of physically looking at what is on the ground and coming up with a decent commonsense proposal, is one thing that will annoy me for the rest of my life, living in Darwin. Something could have been done, and it was not. There are many people you could speak to about waste management.

Everything, to go forward, is going to be expensive, but if you look back at where we were, if we had started at Sunday Creek when we were trying to start, things would have progressed pretty productively, I believe we could have had one of the better recycling systems in Australia. I suppose that you cannot, with both sides of government, but if they can take the politics out of future planning for everything. I do not believe future planning should be a political tool, there should be a formula for the minimum essential services required for a population as it goes up. There should not be allowed to be political argy-bargy over it, especially at election time. It should be a requirement, and it is a need for the people. I do mean essential services, I do not mean the pretties, but the essential services that are required, and good planning be put down for the future.

Ms SCRYMGOUR: Through the chair, Mary, whether it is DPI or the Department of Local Government and Housing, has there been any - surely, with the Litchfield land use agreement and other things you have to do with future planning and needs within the Litchfield Shire boundary, – you say politics, and the politics of government – I am sure public servants would not play politics, but politicians play politics – what is the relationship between those government agencies and the council in trying to address some of these issues?

Ms WALSH: Mr Chairman, I guess I have learnt a hell of a lot in – unfortunately, you try to develop in the Northern Territory and you work with the government departments and then there is the politics of everything. Without being nasty to anyone, if the government departments were fully aware of the position of the requirement for a future site, but once it got up to the government ranks is when it fell away. The politics of it, when you look at the regional site, is that Darwin has a population of 80 000 people...

Ms SCRYMGOUR: This is the Sunday Creek site?

Ms WALSH: Yes. If anything moves away from there, it is going to be an enormous cost to that council of only 1000 people, where you are looking at a little council of 15 000. That is where the politics come into it, because it does not make sense to maintain the existing facility in the format it is in.

Things change in waste management, too. Practices change, so the way things were done previously years ago, have changed totally different. From that side of things, it is difficult, working with government departments and, then, that next step up to government, because you do not want to rock the boat, unfortunately.

Mr WESTRA van HOLTHE: Unfortunately, I lack a little of corporate knowledge around some of these issues, particularly in Darwin. How long has this been going on?

Ms WALSH: In the early 1980s, it was identified we would need in Litchfield a new site. That commenced and a site was identified. It deteriorated from there. It was more in Gerry's time; the initial stages of it.

Mr CHAIRMAN: There were three studies done, and those studies pointed to two sites. One was at Howard Springs and one was at Sunday Creek. There was also another site down towards Berry Springs way.

Ms SCRYMGOUR: This is the preliminary ...

Mr CHAIRMAN: What kicked it off, when I was in parliament, the government made a decision to close down the Humpty Doo landfill site. Whether the Humpty Doo landfill site was up to scratch or not – well, we can always debate that issue. However, when the council said: 'Okay, we are happy for it to be closed down if you allow us to open up the Sunday Creek site' - which is probably the best site - the government simply said, 'No, you will take your rubbish to Shoal Bay landfill', which cut them out of spending any money as the council would have asked them for some money to develop the new site.

That, in turn, has turned our whole landfill system upside down because people from Berry Springs' rubbish is now carted 50 km-odd to town. People at Humpty Doo, who used to take it a few kilometres, their landfill is now taken to Shoal Bay as well. So, there was enormous change in the cost. You did lose a landfill site, but you picked up a lot in freight, basically, moving rubbish.

Ms SCRYMGOUR: Are they going to Shoal Bay or Palmerston? Part of it was Palmerston and Shoal Bay, wasn't it?

Ms WALSHE: No, all our rubbish goes to Shoal Bay. Palmerston's roadside collection goes to Shoal Bay. However, people can dump household refuse down there, and they are still using their reclaimed area to dump that sort of thing. I think that is coming to an end too, so the pressure is on them now to, unfortunately, start carting everything to Shoal Bay or they will not be able to provide the service which exists for customers.

As well as our waste, everything is growing as well. Under the reforms, it was identified that Coomalie's current landfill site is actually on their aquifer. Wagait rubbish is just on the side of the road and it is burned occasionally - more regularly than occasionally ...

Mr CHAIRMAN: I saw that the other day and the smoke was rising.

Ms WALSHE: ... and further afield, the waste from Marrakai and also Dundee. I think government currently undertakes the removal of waste from Dundee to Shoal Bay. That is another area that needs to have a regional centre because that is an enormous cost to government and taxpayers.

It is the regional waste we are really looking at now, which needs to be focused on. Also, another site and recycling. We are getting the population now that, surely, with a reasonable size lot - not right in the middle of town - you could store mountains of glass bottle and the things that were unsightly, because they are removed from the general public view. You could recycle it when you had the quantity, then, to move it.

Mr WESTRA van HOLTHE: Robert Macleod said earlier, and I guess in so many words, lamented there was no master plan for Palmerston. You have the same experience for your part of the world?

Ms WALSHE: For Litchfield? Mr Chairman, we have written to the minister for Planning to ask for that, especially as things are starting to develop with Weddell and smaller subdivisions surrounding there, in particular, and because of the push for - what did you call it? – intensification.

Mr CHAIRMAN: Intensification is a planning word.

Ms WALSHE: Intensification ...

Mr CHAIRMAN: Intensification.

Ms WALSHE: Intensification, sorry. We do not really want to go back to the days of ad hoc planning, so as much as you need to be able to move with the times and as things change, but we really definitely need a master plan.

Mr ELFERINK: When did you write to the minister and what has been the reply?

Ms WALSHE: Sorry, we wrote to the minister earlier this year and ...

Ms SCRYMGOUR: Which minister? Is that the minister for Planning?

Ms WALSHE: The minister for Planning.

Mr ELFERINK: And earlier this year being?

Mr ANDERSON: The minister responded, and it is still pending.

Ms SCRYMGOUR: The minister for the minister's office?

Mr ELFERINK: When was that letter sent?

Ms WALSHE: I am not 100% sure. It was in light of the development at Noonamah, the request for rezoning.

Mr ELFERINK: And so we are still talking what, months ago, January or February, or are we talking about July?

Ms WALSHE: It would have been earlier this year – January or February.

Mr ELFERINK: Because I am concerned that the best you have managed to get out of the minister is, 'Yes, we have got your letter'.

Ms WALSHE: And can I say, I would not say 100%, I am not sure of the final response on that one, so could we get back to you on that?

Mr CHAIRMAN: Could I just comment on that. Litchfield, as I mentioned before to the other councils, has its Land Use Objectives ...

Ms WALSHE: Yes.

Mr CHAIRMAN: ... 2002. It is normally a seven year run before they are looked at again. Now, I do not know whether the government is going to do that, or I know it is looking at a Darwin Strategic Plan. I have seen a fairly broad draft. I do not know where I saw it, but I have seen a draft, and I would be interested to know whether the council has been involved in any discussions about a draft Regional Land Use Structure Plan?

Ms WALSHE: Mr Chairman, no.

Mr CHAIRMAN: That would concern me, because I think you do not put them out – because that is at what Robert is saying, that it is not just about saying that they want to control planning, but they want to be in on the ground floor talking about the issues, whether it is hospitals, whether it is schools, whether it is childcare centres, not just the streets and not just the subdivision, and I mentioned that perhaps there needs to be a requirement in the legislation under the *Planning Act* that, where planning objectives are being formulated, that representatives of the local councils which are being affected must be in the initial and ongoing discussions around that, so that you have got some say at the beginning. Because I think what happens is, governments tend to ignore local government until the last minute, and then they wonder why local government kicks up a fuss.

Ms WALSHE: Mr Chairman, I think that comes to light with a lot of the schools in the rural area as well, and particularly for Litchfield, in that they constantly underestimated, I think, just about every school that was built in the rural area, and they were full to capacity pretty well straightaway, if not within a few years, anyway.

Mr CHAIRMAN: And parking.

Ms WALSHE: And unfortunately, with the growth of all that, we do have issues with available land for parking and traffic and things like that. I know, in a couple of instances, where we did get to engage with government planners, our considerations were not taken into their planning and, hence, a few years down the track, you have got problems with traffic management and all of that sort thing, if not years down the track, it is pretty quickly so.

My perception is that they tend to think maybe we expand things out because we sort of see the problems that are going to arise, where they are quite happy to sign the deal off and get out, and in years to come, have the cheek to turn around and say, why is council not doing that when we have clearly asked for that in the first instance, but it is knocked back. I do not think we would cause projects to go too far over budget, but I think a little bit of simple planning and input in the early stages would be worthwhile.

Mr CHAIRMAN: Could I ask a question on the reform? One of the parts of the reform was capping rates.

Ms WALSHE: Yes.

Mr CHAIRMAN: Has that had a major effect on your budget, or have you been able to live within that capped rate system?

Ms WALSH: Mr Chairman, we did not cap our rates.

Mr CHAIRMAN: I thought they took it off when they included you.

Ms WALSH: No, we did not have that problem.

Mr CHAIRMAN: That is all right. Okay.

Mr ANDERSON: The only rates that were capped with Litchfield are the pastoral and the mining tenements, and we actually asked the minister to increase by the CPI this year. We sought that approval and received it.

Mr CHAIRMAN: You only have one pastoral lease, anyway.

Mr ANDERSON: But there are mining tenements, that has been a bone of contention, I might add.

Mr CHAIRMAN: In relation ...

Ms SCRYMGOUR: Are there many in that area?

Mr CHAIRMAN: There are plenty of mining tenements.

Mr ANDERSON: Can I just say that is one part of the act that should be corrected.

Ms SCRYMGOUR: Okay.

Mr ANDERSON: And there is – and I think the wording is ‘in close proximity’ – or is it necessarily adjacent – they actually get one rate notice. They might not be joined, but they are adjacent, so the wording is not right ...

Ms SCRYMGOUR: So you can only rate it once, you cannot ...

Mr ANDERSON: What happens is, if you have one operator and he has a number of mining tenements in the area, he only gets one rating notice - even though they do not join, they only get one rating notice. The arguments we are having with those operators is, ‘I am half shares in an extractive industry over here. I am half shares with him and operator. He can pay half, but mine is adjacent to my other leases, so therefore, I should only pay one rate’. We are in dispute at this moment. We are saying: ‘This title is in joint names and that is a different ownership, whereas you are saying you own one-and-a-half ...

Ms SCRYMGOUR: If you have a number of licences ...

Mr ANDERSON: There are a number of issues there with the mining tenements with regarding the act and how it is described.

Ms SCRYMGOUR: Is it just that wording?

Mr ANDERSON: Just one word that says if you are in the general vicinity, then you only get one rate notice.

Mr CHAIRMAN: Has that been taken up with LGANT?

Mr ANDERSON: Yes.

Mr CHAIRMAN: That is probably the best way to go through it.

Ms WALSH: We have only just started it. I am not sure how the other councils have gone with it, because they have different rating methods. It went down considerably. If I generalise and say there was 100 tenements, we can only rate about 30 ...

Mr ANDERSON: That is right.

Ms WALSH: It really was not worth the effort or the administrative effort of going through, because they do not, unfortunately, go under the assessment notice you have as a land title for the rating system.

You have to establish this other form of rating. Really, for the kickback you getting, it really was not worth the effort to go through with it, unfortunately.

Mr CHAIRMAN: The government decided, in its wisdom or not, to have a series of connector roads in the Litchfield Shire. There is a road in particular, the one meant to run from the Arnhem Highway opposite The Bush Shop, through Metcalfe subdivision, all the way up through Anglesey Road, and continue all the way to Gunn Point Road. The two ends of it, through not having development on it - I am wondering what your thoughts are in relation to whether the government, which set up these plans for these interconnecting roads, really should now be developing those two ends? Unless some development ever occurs there - and one of them, The Bush Shop end, I do not think any development will occur - do you think the government has a responsibility to pick up the tab for making sure their plans - because they drew them up - actually come to fruition? Otherwise, they will end up dead ends and people will ...

Ms WALSHE: They are. Gerry, that is the difficulty I have, being on the Development Consent Authority and, then, being President of the Litchfield Council - all the different views you have to adhere to.

But the planning concepts are something that are well put down. I had to laugh about Mr Vatskalis, bless his soul, when he said their government was the first one to put the concepts out so people would be able to 'see' where future development was going to be, and they will be able to 'strategically' invest in those areas. Well, the poor people who have invested out at Gunn Point, there was the big backflip to go back towards town.

From a council's perspective, we do consider those concept plans when we are looking at them. There are, as well as those arterial roads, also a concept plan they have for the 20-acre blocks that could yield more blocks. They have put concept plans and road networks in there. I always consider those. The trouble you have as well, is if the first person subdivides, is he going to give up his piece of land which will not eventuate in the future? Government needs to either state they will compulsorily acquire all those areas so that land and those easements are available, if that is what they wish to do. Along with the arterial roads, as subdivisions have occurred, I raise those issues and remind people constantly about the concept plans of the arterial roads. Unfortunately, they are missing the boat on the opportunities of excising bits of land, or allowing that to open up, as development occurs. Even if a developer were to pay for it, they are missing that opportunity as it occurs. So, they are not believing their own concept plans is what, I guess, I am trying to say in that regard.

Mr CHAIRMAN: In regard to Weddell, I do not refer to the agreement, but it is something I have been pushing - you would know from way back - that we have a competition. Government has agreed they will have a competition. A friend of mine has just finished reading the book about Walter Burley Griffin and Marion Griffin who designed Canberra, to some extent. There was a lot of politics in that stage. I just get your feelings about the competition, and I will tell you where I am trying to head. It is an opportunity to develop a town that does not fall down where Palmerston fell down. It will have a vision you will know as Weddell, and it will include designs of some public buildings, so you can site them in certain places, and it will look at a sustainable community; whether it be reusable water or bicycle paths or whether it is what community involvement will be in the development.

I am, hopefully, talking to Ross Connelly, architect, and Hans Vos, and maybe Graham Bailey to get some ideas as to what would be input into a competition. I would be interested if the council had some concepts too. Nothing is in concrete at the moment. I do not know whether you think it is worthwhile to start with some vision and work through it from there.

Ms WALSHE: Mr Chairman, I definitely think we do need vision. We have grown in the Northern Territory to the point where we need it. If you look at Palmerston, and go back to the days they had just set the tower up and everything around that. I think there is a lot of non-belief in the growth of the Territory, if you look at the ad-hoc development that has happened. Palmerston took a while to expand, but if you look at the growth patterns and where we are situated now, I really think they need to have a serious look at the development of it, and it has to be sustainable. Everything people are complaining about now with the suburbs they are in, you need to capture that. I think some of the complaints need looking at, and to wrap that up and put it in.

I think we need to maintain our tropical lifestyle, because it is stinking hot. I look at developments which are happening, but you can put up with it when you see the lovely green and the first rains, you can put up with the heat if you have all that. If you have wall to wall buildings and there is no green and you are looking at those dull coloured houses you really wonder why you are living here. I really do. If you see that

burst of green and there is a bit of space in those trees. Where are they going to put trees? Where is the child going to climb a tree? They not are going to have a tree.

Ms SCRYMGOUR: They might fall out of them!

Mr CHAIRMAN: You are not allowed to climb a tree because you are sued.

Ms WALSHE: In all seriousness, you have to look at the lifestyle of the Northern Territory. Either you allow full development which is wall to wall, which is cost effective but everyone lives in an air-conditioned house, or you expand it and allow for openness of trees to be planted in yards, and it is a lifestyle people are living. I think there are two different ends of the spectrum, but you need to make the decision as government, which way we go in the Territory.

Mr CHAIRMAN: The other area which relates to reform, there are documents out, Local Government Options for the Top End Unincorporated Areas. There are a number of options. I must admit I looked at one option and it did not include Dundee in Litchfield, and I was surprised they did not put that as an option. I know Litchfield has not been what you might call a proactive member of this particular study, because it really originated from a grant to Coomalie Council from the minister, but where does Litchfield see itself now?

There has not really been any discussion amongst Litchfield people - and I am not saying there should not be changes. Is Litchfield leaving itself open to be told what to do by the minister, if he decides to pick up one of these options, without the people or the council having a real input into what it thinks? It has been sitting to the side in these discussions.

Ms WALSHE: Mr Chairman, we sought funding from the minister to undertake a study on behalf of Litchfield Council, and the minister suggested, and we agreed, we would sit and have a watching brief on the funding which he had already given to Coomalie. We have had input along the way. The current proposal looks now to engage with surrounding councils, so that is where we would see we would have more input. We have had input all along though.

Mr CHAIRMAN: This is not a document that is just going to all of a sudden be sprung on the unsuspecting Litchfield person saying, all of a sudden half of the council is going to disappear into Coomalie or something?

Ms WALSHE: Not my understanding of the brief we had. As I said, we sought funding from the minister to undertake a briefing of the consultation process from our perspective, but we agreed, or due to the animosity that was received by all the rural area, not just Litchfield, but Marrakai, and all those, I believe they saw this as an independent fact finding mission from all those people, so it was not necessarily driven by the minister in regards to that. My understanding is that the next step to it will be that there is consultation with the surrounding councils as well.

Mr CHAIRMAN: I believe this is the way it probably should have happened in the beginning and they have taken all the flack, as well as the support. There has been support in some areas, but there has been flack in other areas.

Ms WALSHE: I believe many of the people in the unincorporated areas learned a hell of a lot through the whole reform process. I found it extremely difficult, because all the unincorporated areas, that did not want to be incorporated at all, saw anything I said, from Litchfield's perspective, purely as a takeover, rather than the opinions I was giving for good governance.

The heart of me was defending Litchfield, and I would defend that in any argument we had, but when you are trying to talk to them about, when they would say, 'we do not get any bloody thing, what more do you want?' I would say, 'welcome to the real world and if you have local government, you will have to pay for your waste.' Just those simple things they do not see as being costs. They were well educated, I believe, in that process, and I think that is what you are seeing with feedback from there. They are fully aware they are going to have to, but just where they fit then and how much they are going to be rated is more the concerns they are worried about.

Mr CHAIRMAN: The feasibility of councils with a low population. We have already seen the Tiwi Shire is going to lose \$800 000 in four years, partly because of the population or isolation, I have the reasons why they lost money. Coomalie is going to lose half its operational funding or FAGS money. Even if you add the population on to Coomalie, it is still 2600, if you put all the areas they want unincorporated. It is difficult

to envisage that standing up, if the new grants commission formula are basically going to knock you on the head from the population perspective.

Personally, I believe if that is the case, the bigger council, even though it might have problems, because I can see that Litchfield would have to pick up the cost for these areas, which is an issue it would have to look at carefully. It is difficult to see a council of 2600 surviving, the way the money is handed out today.

Ms WALSHE: This is where the politics is in the whole reform thing. Blind Freddy could see from any of the statistics which were given, that none of those options would work. Even when we went through the reform process and trying to tell people. Off the cuff, I said to the minister, in the many discussions we had, if he gave us \$30m, I believe it was at the time, but my figures have gone up now, we could run with the full incorporation of all those areas.

The biggest concern Litchfield had, was the way it was announced we were unfinancial and unsustainable. They were the two issues we fought against. We were not against the good governance and reform. In addressing that, we said that, being in a good fiscal position, we did not want to take on all those areas without any establishment package, for want of another word, to help us roll out local government into those areas. The unfortunate thing was the establishment package became a dirty word to everyone and it was a shocker, when they would not listen to a word we would say in that regard.

I felt very frustrated through that whole process, a lot of flack was going to happen, but, unfortunately, to finish it off it had to happen. If you look at it now, we would be two years into it and we would be running with it pretty well.

I can beat my chest and say I think if Litchfield Council took that reform area on, dealing with local government the way we do in minimal rates for minimal services, you could say to those people out in those areas: 'You do not have the numbers to be able to afford a lot of these things you want'. Really, a lot of them do not; they really do not want it. They will push the barrow if the button is being pushed. They will say: 'We demand this', and 'We demand that'. But, if you really sit down and talk to them and say, 'Well, where is the funding going to come from? Who do you think is going to pay for this?', and talk a bit of reason to them, they will settle down. It is just that – I do not know – Australianism, or whatever it is. Anyway, they do not want to pay money, I guess, for anything.

I think they knew reform had to come. However, it was the enormity, I guess, in going through the process then, Gerry, of - take Wagait, for example. They are an existing local government and they will tell you how well they fund things, etcetera but, as soon as they come into a big shire, they would not be able to dig the barrow pit on the side of the road and just put all their rubbish into it and burn it. The cost, then, of removing that waste to a central location is large. Where they are saying, 'We are independent and we can work all right', once they come into the mainstream of local government, unfortunately, the level of compliance just changes altogether. There is an enormous cost just to those areas in waste, so that is not anything significant you are giving them; it is just taking their rubbish away, unfortunately.

We would seriously look at anything that was good for the good governance in the Northern Territory, Gerry. I guess we have an opinion on being able to look after that, with the support of government and agreement by everybody. We would be happy to take that on.

Mr CHAIRMAN: I would be interested, yes.

Ms WALSHE: It would not be without a lot of work, can I say?

Mr CHAIRMAN: Yes. They complain about local government and the slogan at the time was 'Stop' and, basically, have a think about it and start again. It was never 'Stop period'. It was saying the process was wrong. There are a lot more people now in those areas where there was a lot of resistance, who would at least be saying: 'Well, this is the inevitable; it is going to happen. What can we get out of it if we want to join?'. That certainly is the message I got from Marrakai, and when we had the meeting at Fleming. There are opportunities for government, actually, to be clever - to talk to these people, give them something for the changeover, and get them into local government.

Ms WALSHE: Mr Chairman, the biggest drama we had during that reform process with a lot of those areas that were being dragged in, was there is no available land within those immediate areas for any council-type, essential service-type things - your halls - all those things, if you then centralise or really formalise those areas into denser living instead of just your weekend-type camping things, they then start demanding a lot of those things - and there is no available land around there.

Those sort of things have to be looked at. Do you leave them just as they are, as weekend fishing villages, or do you formalise it, which brings about all the problems of unavailability of land etcetera? So, that is a big button we need to look after.

Mr CHAIRMAN: We will not go into the history of Dundee and Marrakai, but that is a ...

Ms WALSHE: No you do not but, unfortunately, it is progressing and the lack of land is a big problem.

Mr CHAIRMAN: Yes, it is catching up with us now. Are there any other questions? All right. Well, thank you very much for coming.

Ms WALSHE: Thank you. It was a pleasure.

Mr CHAIRMAN: The main issues will be the regional waste facility. Planning overall is an important issue. Some of those more specific ones like battle-axe subdivisions might certainly require a response from us to the government to try to fix it. I do not think it would take a big effort from government to put a budget allocation in there and say: 'That needs fixing. It is not our fault and it is not your fault, it is an historical fault'. Also, the relationship between Litchfield and the government, has to be – I have to see if we can organise something. I believe that is the key to change. The relationship between the NT government and Litchfield has not been good, and that is something we need to fix up and move on.

Ms WALSHE: Definitely.

Mr CHAIRMAN: Well, all right. Thank you very much for coming.

Ms WALSHE: Pleasure.

Mr CHAIRMAN: That is okay. We might have just a two-minute break because we have a long – when is our public forum?

Mr WESTRA van HOLTHE: At 5.30 pm.

Mr CHAIRMAN: At 5.30 pm. We will have a break until 5.30 pm, and then we will continue with the public forum.

The committee suspended.

The committee reconvened.

Mr CHAIRMAN: This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances the committee may decide that evidence, or part thereof can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera but I remind you that this is at the discretion of the committee. You are reminded that evidence given to the committee is protected by parliamentary privilege.

PUBLIC FORUM

Mr CHAIRMAN: For the purpose of the *Hansard* record I ask that you state your full names in the capacity in which you are appearing today, I also ask that you state your name each time you speak. I ask if you could give your name and whether you speaking as a private person or representing anybody.

Mr RING: My name is Graham Ring and I am writing at *National Indigenous Times* - a journalist.

Mr WATTS: I am Graham Watts, a private citizen and former Town Clerk with an interest in housing, local government and outstations.

Ms CARRIGAN: Jane Carrigan, and I am a private citizen.

Mr FOLEY: I am Maurice Foley, private citizen.

Mr ELFERINK: Mr Chairman, I make a point of order. There is a gentleman who has just walked into the back of the room who, I think, also wanted to address the committee. I think it is him; I spoke to him on the phone earlier today. You may want to call him forward.

Mr CHAIRMAN: We have put everybody together at the table who wants to speak, so you are most welcome to grab a larger chair, if you want - there are some little ones. All right? We might get your name if that is ..

Mr HIGGINS: Roger Higgins is my name. My interest is in seeing things develop here in the Territory. I have been here for eight years. My interest is seeing things develop in the Territory. I spoke to John this morning about some things I would like to say.

Mr CHAIRMAN: I will start on my left and ask Graham if he would like to say a few words.

Mr RING: Thank you, Mr Chairman. I simply want to ask about the future of this committee. I saw the member for Katherine yesterday put out a media release saying there was little point in having a committee where ministers were not required to present and give an account of themselves. It was, in fact, like trying to investigate of a public company without being able to speak to the CEO.

Another member of this committee, Alison Anderson, is in Sydney today and was quoted on our website speaking of 'a silly little committee that ought not to be consuming Territory taxpayers' money'. I wondered, Mr Chairman, if you wanted to make any observations about those remarks, and whether they point the way forward for a rocky future for the council?

Mr CHAIRMAN: Well, for those who want it to have a rocky future, I suppose those people will make statements. Some of the issues in regard to whether a minister, for instance, can be included in the debate or the consultation with this council revolve around the normal standing orders for committee. The standing orders for committees, basically, say you cannot force a minister to come to these meetings; you can invite them. Also, you have to realise you can question the minister in parliament, which is the normal process anyway, but that does not stop us inviting a minister to come and address and answer questions at ...

Mr ELFERINK: A point of order, Mr Chairman! Whilst I appreciate the gentleman being here, are you, basically, interviewing the Chairman of the committee at the moment?

Mr RING: I simply came to ...

Mr ELFERINK: No, that is fine. It is that there are other citizens of the Northern Territory here who have concerns about particular issues. I am happy to make avail myself, and I am sure every other member of the committee is happy to avail themselves, for a media interview, but I do not want to see other people's times being chewed up on something that can happen outside the room.

Mr RING: I asked a simple question and, now it has been answered, I will happily pass to the gentleman on my left.

Mr ELFERINK: Thank you.

Mr CHAIRMAN: I believe the future is not rocky. It might have a few bumps, but we will work through those.

Mr RING: Thanks, Gerry.

Mr CHAIRMAN: Graham, would you like to ...

Mr WATTS: Mr Chairman, first of all, I thank you for the foresight in creating this committee with all the machinations that happened over the last couple of months. I also congratulate you for introducing the word 'densify' into the conversation today; I think that was brilliant. It is not even in the Macquarie Dictionary.

Mr CHAIRMAN: That is good; I will ring the planners.

Mr WATTS: I think I first heard it from Hans Vos just last week. Okay.

In the discussions - I came in late yesterday so I, obviously, missed some. I have gone through some quick points. The Deputy Mayor of the Darwin City Council mentioned this morning about the exit routes out of the city. Prior to the middle of this year, I used to travel 100 000 km by road around this city every year. One of the problems, about two years ago, was when we had a big storm, I cannot remember what cyclone it was, but we could not get out of town on Dick Ward Drive, we could not get out past Ludmilla School, we could not cross Kimmorley Bridge, and I believe I was told that you could not get past the RAAF Base. The only exit out of town, which I did not realise at the time because I thought that was lower and probably not as well designed, was Tiger Brennan, which surprised me. But Tiger Brennan is built and designed later than any of those other roads. I live in Millner, and I cannot escape from my house in Millner, even though it is the highest point, because I cannot get out through Kimmorley Bridge, I cannot get back to Ludmilla, and the only way out is through the escape through the airport via the back road, basically through Marrara. So we do have a problem, and I just wanted to reinforce what the Deputy Mayor said. There is a severe problem. If Tiger Brennan went out, we would have no exit.

This next thing was brought up, I do not know who brought it up, was about LGANT and all the effort that LGANT put into the accounting package, and I think it goes back to the time prior to the CEO of LGANT when he was still out at Jabiru doing Gunbalanya and that together.

Ms SCRYMGOUR: Tony Tapsell.

Mr WATTS: Having worked out on the Tiwi Islands and knowing the problems with accounting systems, I have since heard that it was rubbish. What was produced, it did not work, because it was based on a rates-based system and not a services system, and that is why it was never any good. So we spent millions of dollars going up a one way track. That is based only on hearsay from other people who have worked in the system.

The third point I will make, I am just going through these as quickly as possible – is that we were talking about housing and utilising local resources. When I was community development officer at Lajamanu, we imported a brick-making machine from an Aboriginal community in Victoria, and as far as I know, it is still there and it is working. It was adapted to different sizes. When I made a trip to Maningrida several years ago, I believe that Maningrida has probably a fantastic brick enterprise out there. There is no reason why local communities cannot produce their own materials.

The next concern I have, which was sort of the tail end thing yesterday, was all that I saw out of yesterday's discussion was layer upon layer of layer upon layer of bureaucracy, non-Aboriginal employment, and more complications and confusion. That is all I saw, and I did not see very much hope for Aboriginal people being employed locally in their own communities. I just saw more complications. This committee had difficulty understanding what the experts were telling us, so what chance do the people on the ground who have got to receive these services, what chance have they got of understanding what is going on? Sorry, I will go through the list of all the stuff later on.

The next thing is that one of the senior public servants said yesterday that, in 1998, ATSIC put a complete ban on homelands development. Well, I can tell you that, in 2002, we received funding from the IHANT project, which was Commonwealth and Northern Territory government, to build three houses on an outstation, a brand new outstation on the Tiwi Islands called (inaudible), and as far as I know, they have been completed, and they have water, and they have all facilities. So I do not understand where that story came in that it was all stopped in 1998, but in 2002 it was still going on. Maybe I misinterpreted what the public servant said.

The next question I have is to do with SIHIP. Does it still include subdivision costs and headworks, infrastructure upgrades for power and water, training and education, and ongoing repairs and maintenance, or has that been devolved off on to other programs, because when they run out of money they have to find all these things that they promised they were going to do, was that brought up? Is there another bucket of money that all these training programs are going to be coming out of?

Mr ELFERINK: That has actually got several answers to it. One, as we discovered yesterday, that the infrastructure for the power and water stuff that you were talking about has now been shifted on to the Northern Territory, and the Territory has blown its budget by \$20m to accommodate that. In terms of the training components, that is still captured within the SIHIP program. There are weightings given, through the contracts given to the alliances, as to what training is going to be delivered, and there are expectations in performance indicators. What was the other one you had?

Mr WATTS: I had training and education, ongoing repairs and maintenance.

Mr ELFERINK: Ongoing repairs and maintenance is going to come out of future budgets we are told.

Mr WATTS: At the seminars I attended for SIHIP in the early days they promised faithfully the training and education was definitely not going to come out of SIHIP; it was going to come out of the individual budgets of the department of Education, Training, Vocational, all of those things. It was not going to come out of SIHIP.

Mr ELFERINK: The advice we have received this morning is different.

Mr WATTS: Exactly. Another question related to that is, are we still going to get overhead power or are they going to underground these new subdivisions?

Mr ELFERINK: That was not asked and was not offered.

Mr CHAIRMAN: There was another area for funding for infrastructure with the Indigenous ...

Ms SCRYMGOUR: Indigenous Essential Services.

Mr CHAIRMAN: Remote housing, that new 10 year program for funding.

Ms SCRYMGOUR: Their own Indigenous Housing Strategy.

Mr CHAIRMAN: Yes, there was money for that. I know John has mentioned the \$20m, the problem I have is we have not seen a real break up of what that money was for. The treasurer did mention that money was used for a range of things, so the exact amount of money in that \$20m used for infrastructure, I think we have not come to any conclusion about that.

Mr ELFERINK: More to the point, they were not able to describe what component of that was SIHIP and was not, because ...

Ms SCRYMGOUR: I think Treasury was going to provide a spreadsheet with the funding components.

Mr WATTS: That was my main concern, because it is very easy to syphon of millions and millions of dollars into expensive headworks and not have any money left over to build a house. I do not understand why these experts did not pick this up in the early stages.

Mr CHAIRMAN: That is a good point. There was some money set aside for infrastructure; \$7.5m is mentioned in the report.

Ms SCRYMGOUR: \$7.6m was in capital costs; that was power infrastructure in remote communities to support the new housing.

Mr WESTRA van HOLTHE: I think the minister recognised that fairly early.

Mr CHAIRMAN: I think that was a mistake up front, and is what they are trying to fix.

Mr WESTRA van HOLTHE: You mentioned overhead or underground power, nothing has been mentioned in this forum, but I know currently the Power and Waters policy is to go underground.

Mr WATTS: Not in communities.

Mr WESTRA van HOLTHE: I can tell you that is the case in towns.

Mr WATTS: Well, that is the issue.

Mr WESTRA van HOLTHE: How it rolls out across the communities will be quite interesting to see.

Mr WATTS: It is an issue I have had head-on with the department since 2002. I maintain most of the Aboriginal communities around the coastline are the first line of attack from any cyclone. They are going to be hit a long time before Millner and Rapid Creek and Nightcliff get it. We are getting the benefit of all that under-grounding and it is not being put in. I maintain every new subdivision should be built to exactly the same standard as what we expect at Gunn, or Bellamack, or Johnston, or Zuccoli. Whether that is

happening, I do not know. Has the committee seen the specifications and the standards like we were talking about, the size of the rooms, etcetera?

Mr CHAIRMAN: The difficulty in trying to compare A with B is in many cases subdivisions today are built by a developer who has the requirement to put it underground and pass it over to PowerWater. In the case of remote communities, you do not have an owner of that development, therefore PowerWater pick up the direct cost. They will go for the cheapest option naturally, which is aboveground. That applies, to some extent, in the rural area. It is not as dense, so it is not always cost effective. I agree if we can put power underground it means these communities have power longer than if it is above ground.

Mr WATTS: My last question is after listening to all these people talk about the benefits these programs are going to have in the terms of employment, all I can see is unless an Aboriginal person is qualified for the work in the office of leasing, Territory Housing, FaHCSIA, RSDMG or something, GBM, government interface, one-stop-shop, base line mapping, Indigenous engagement office, service delivery, I cannot honestly see him getting a job unless he is going to repair taps and put in new louvers. At the end of the day, as Mr Brustolin says, he does not have the resources to train a person for four years to come up to scratch, probably as a technician, and because he is also dealing with people who, in the majority, do not have the educational standards.

Once again we fall back onto those things which were mainstreamed by the government many years ago, probably education, health, and housing. We have now got a problem. I honestly cannot see where the employment for Aboriginal people is going to come in. There is a fantastic non-Indigenous employment program for Commonwealth and Territory public servants in this, but I honestly cannot see any benefits for the Aboriginal people.

Ms SCRYMGOUR: As I understand it, each of the alliance partners, if they do not meet 20% Indigenous employment, they do not get all of the money that is payable on the job. They get penalised if they do not meet that 20%.

Mr ELFERINK: I take your point, and this is the point I was trying to make with some of the questions in here. Okay, you build the houses, then what?

Mr WATTS: Exactly.

Mr ELFERINK: I specifically asked the builder who gave evidence before, he had someone on Croker Island who turned up for work and was really good, what is he doing now? He did not know. That is a concern I have. Whilst there may be some ongoing work which comes up with maintenance, I would hope some enterprising young people in these remote communities will set up their own maintenance business and work for the local council. I am under-whelmed about the prospects of SIHIP producing ongoing employment.

Mr WATTS: I have to say under the old community government system, where a community government had control of community housing, there was a good element of local employment.

Mr ELFERINK: It depends on the government. Some of those councils were awful, and some of them were really good.

Mr WATTS: Definitely, there were good and bad.

Mr CHAIRMAN: Could I say I gather at the moment Territory Alliance are employing quite a number of Tiwis. I think the question you have got is the same never-ending question. If you train 10 people, what is future of those 10 people when the project is finished? There will be ongoing housing programs; they are not going to stop because the population is increasing. Whether there is enough work for those people, only time will tell but I think Mark Brustolin ...

Ms SCRYMGOUR: Well if the population grows ...

Mr CHAIRMAN: Yes, but Mark Brustolin is right, if the education is not there you only have a person fixing taps. You want someone who can measure, who can work out quantities. That sort of education, unfortunately, is a little less than what it was 30 years ago.

Maurice, what would you like to say?

Mr FOLEY: I did not have anything prepared because I did not realise it was a public forum. I should have spotted it, but it was very badly advertised. I tried to put Council for Territory Cooperation into Google a few times and nothing much comes up. The only thing which comes up is a statement from the Chief Minister from a couple months ago. In this day and age if you are serious, obviously you are very serious, but the website, I am staggered.

Mr CHAIRMAN: The group was only formed in the last sittings of parliament.

Mr FOLEY: It does not take long to set up a website.

Mr CHAIRMAN: I take your point. That would make it easier for people to know what is going on. That is something we could consider. It was simply that we have moved quickly because we know we are coming towards the end of the year. It is going to be difficult having meetings once Christmas comes and people go on holidays. We needed to start the process off. It certainly will have some teething problems, and if there is a way we can set up a website, which would probably be connected to the Legislative Assembly website, then that is perhaps the way to go. We take the point anyway.

Mr FOLEY: Will we get any answers? Questions we do ask, will there be any sort of response? Not a personal response, will there be anything written at the end, a solution or something like that?

Mr CHAIRMAN: This is all recorded on *Hansard*.

Ms SCRYMGOUR: We do our report. We have to report.

Mr CHAIRMAN: *Hansard* will record everything said here. When that is given out

Ms Hancock: Friday.

Mr CHAIRMAN: Friday? And that is available for people to read.

Ms Hancock: That is the last indication from *Hansard*.

Mr CHAIRMAN: Friday next week.

Ms Hancock: No, Friday as in ...

Mr FOLEY: Do they put it on the web?

Mr CHAIRMAN: As a committee, it should be up on the web. Yes. You should be able to get the details. It will be uncorrected, generally speaking, *Hansard*.

Mr FOLEY: Yes.

Mr CHAIRMAN: Normally, it has to come back and people check all the spelling mistakes and pronunciation and all that – although it is a little hard to have pronunciation when it is written language, it is usually spoken.

Mr FOLEY: It would be easier.

Mr CHAIRMAN: That is right.

Mr FOLEY: As some of the others said, it was quite difficult to find out ...

Mr CHAIRMAN: We will need to use that ourselves, because we need to go back and refer to what was being said. There have been a number of promises, and I know John was talking about a requirement to bring some material back today. We are going to have to chase that up and ask: 'What is going on?'

Mr FOLEY: There has to be mechanics set out for that. It cannot just be left in the ether. It is a properly constituted committee.

Mr CHAIRMAN: No, it will not be left in the ether.

Mr FOLEY: Yes.

Mr CHAIRMAN: I can guarantee that.

Mr FOLEY: Once the committee has asked for minutes, I mean presumably ...

Mr CHAIRMAN: There is a requirement by those public servants who said they will bring those matters back to this committee, to do so and ...

Mr FOLEY: There is some secretarial assistance to the council?

Mr CHAIRMAN: Pat, who is not here at the moment is ...

Mr FOLEY: Is she full-time, you know ...

Mr CHAIRMAN: She has another committee she is looking after as well, but ...

Mr FOLEY: But it will have. I think this is very good. I think everyone has made a very good start. I have heard the concerns raised by John and Bill, but I think it has been a very good start. One thing though, people do not seem, to understand the Westminster system very well. Apart from anything else, it is played out differently in different jurisdictions and all the rest of it.

There was a very good discussion paper put out about three years ago, when the government was going to start the EPA. I think it was by NRETA, I think David Ritchie was in NRETA then. They put out a discussion paper about – for the public, as to what the public could expect from an EPA. I will not attempt to say the things that were in it, but it was very interesting and very short. I would like to request that, especially those who are, you know, showing doubt at this, if you could get that discussion paper – they will still have that – I am pretty sure it was David Ritchie who did it – and it was very good. In just a few pages, it addressed commercial-in-confidence, ministerial prerogative, Cabinet – what do you call it – confidential Cabinet stuff, which, in all this, these are going to be major issues all the way along. If you do not get the clear how the Westminster system is supposed to work, there is a danger that people looking to use this as an opportunity to bash the minister, will make the whole thing impossible to run. You have to be clear on the Westminster system and ministerial accountability and ... You guys, you must be aware of that.

No question of concern. The questions that were asked were clear. You have obviously done homework and stuff, but if this is to work, it is really going to require, especially, for obvious reasons, the CLP people, a deep understanding of what a minister can and cannot do, and when a minister must be left to his or her own devices.

And, if I may, I am not going to read a commentary, but just briefly, I thought that Marion seems to have picked up on that really well, the way you were able to – it was really good - where you did not get trapped into trying to defend what you may have done as a minister in x, y or z year. It must be tempting for you to use this to justify yourself or whatever, but while you are here you are not a minister, you were a minister, that is history, and you have got to leave that out. And please – as I say - please read the EPA briefing. I would like to have that read into, as a piece of information for the meeting ...

Mr CHAIRMAN: It will be on – yes.

Mr FOLEY: ... because it really is worth reading.

Mr CHAIRMAN: Okay.

Mr FOLEY: Thanks to all of them.

Mr CHAIRMAN: Okay. Do we have the website for the local government committees? I do not know whether you would like that? I can read it out, but it might be easier ...

Ms SCRYMGOUR: Mr Chairman, can I just respond to that last bit with Maurice. As all members here, we are committed - and it is tempting, I must say, Maurice, to sit here as a former minister and knowing what those processes are. However, I do not sit here as a former minister; I sit here as a ...

Mr FOLEY: Well, you are paid to do that. It is very hard to do that. You guys have to allow her to do that, and you have to allow them ...

Ms SCRYMGOUR: Well, I sit here as a local member, and these issues are very important in terms of my electorate which I serve. They are issues that need resolving, and people in those communities need to get the answers and, particularly, need to see the houses built. That is part of the reason why I am part of this committee: to get those answers so I can respond effectively to my communities when they have answers.

Mr FOLEY: Yes, but this committee is not viewed as a vehicle for any particular member to justify his or her past. It has to be formed for general ...

Ms SCRYMGOUR: That is true, in the interest of the broader ...

Mr FOLEY: What you are trying to do is almost impossible.

Mr CHAIRMAN: We like these nearly-impossible jobs. In the end, it is about trying to do something positive ...

Ms SCRYMGOUR: Yes, and get the outcomes.

Mr CHAIRMAN: I know I will get knocked, and I will live with that. I know there will be criticisms, and I will live with that. I am not perfect. This is my first time. This is only its second day. People come down like a ton of bricks on the second day. I thought: 'Give us a go'. Let us see what happens because, really in the end, there are a lot of people out in remote areas who are not doing it well. There are a series of programs out there - I do not necessarily agree with them all, but the government has put them out as policies and programs, and we are trying to ensure those programs actually work and deliver what the government is saying.

That might require a lot of effort from us, and a lot of effort from the government. Sometimes, I think you have to be optimistic. I am not going to sit here and start feeling down in the dumps about all the problems because we will hear all the problems. However, if we can achieve something, I say we have achieved something that is good. I am going to keep optimistic regardless of what people say.

I did not get your name, sir.

Mr HIGGINS: Roger Higgins is my name.

Mr CHAIRMAN: Oh, Roger. I think I did, actually. Roger, what would you like to say?

Mr HIGGINS: For those who do not know me, I am a dentist. I have been in practice now for a total of almost 39 years. Approximately 12 of those were spent in government service, either here in Australia or overseas. I have now worked 27 years in private practice. I am in private practice because I make more money in private practice than working for the government. However, because of the fact I have had quite a significant background in government dental programs, I am very sympathetic to government dental programs - but I want to extrapolate this to health in general.

I rang John's office yesterday because I saw a notice in the paper, and there was a public forum. I speak with no notes because I have not prepared anything other than what I have had in my head for quite a long time. I spoke between patients briefly with John this morning, and I am not quite sure whether he got the gist of everything I was saying. I will ...

Mr ELFERINK: Go ahead, now is your chance.

Mr HIGGINS: I have been in the Territory now for about eight years. I ran a string of private practices simultaneously in South Australia, so you can really describe me as an entrepreneurial business-type person who happens to be a dentist. Despite all that, I am very concerned about public health issues here in the Territory.

I believe the catalyst for me to make the phone call was last week when I had an Aboriginal lady and her friend - also Aboriginal who was about 24 - come to see me. She sat in the chair, she filled out her form, and I read her name and I introduced myself. What bothered me was the prejudice I had towards the person sitting in the chair before she even spoke - that bothered me. Let me just come back to that.

As soon as she spoke to me, she was an educated person. She is someone who is doing a teaching degree at Charles Darwin University. My concern was I had judged her by colour. What had caused me to

do that? I have been up here for about eight years. In my early days, I used to work in the school dental program in South Australia and, for your interest, Marion, I actually worked in Port Augusta for a long time. In those days, there was a mission there called Umeewarra. They used to bring the kids in to the school to meet, etcetera. So, I am familiar with treating people of Aboriginal descent from my very early days in practice.

Ms SCRYMGOUR: I am sure I went to see you as well, Roger.

Mr HIGGINS: You remember that? Oh, you remember!

Mr CHAIRMAN: I thought you came from the Tiwi Islands and you came from Port Augusta, well.

Ms SCRYMGOUR: I just thought I would mention that.

Mr HIGGINS: I should also say that my wife, Jennifer, is a retired school principal, and she started her education career at Point Pearce Aboriginal Reserve in South Australia. So, as a family, we have quite a lot of historical connection going back a long time to Aboriginal people.

Anyhow, this lady, she came in last week, and I solved her problem, but what really got me was, I sat down and examined how I had prejudged her before I spoke with her. Now, that did not in any way dictate the treatment I gave her. It occurred to me that what I had done was, since I have been in Darwin, I have had a feeling about, you know, when you see people of Aboriginal descent, if you do not know them, or you have not spoken with them, you do not know where they are at in society, and that was a concern to me.

But the guts of it is, here was a lady that had education, she could afford health care at a private practice level. There are many people in our community, both white and black, who have neither of those things, and it is the black people in particular, please forgive me for using that term, Marion, but it is that group of people in our society that are the most disadvantaged, and it troubles me greatly as a citizen here in Darwin, and I have no intention of leaving, going back to South Australia where I came from, because I would like to make some sort of positive contribution here in Darwin, and I feel I need to do a little bit more at my age than just sit out there and work get paid for what I am doing, that is why I am here.

I tackled this, so I rang John. We all know that the fundamental cause of the problems in our society here at the moment with regard to the disadvantage that the Aboriginal people have, it comes down to one thing, and that is education. I have read the various reports of the government intending to set up some centres where they can have education, and setting up schools where they can have boarding facilities and this sort of thing, but I would like to make a suggestion to this committee, which I have thought out from my position as a health provider. It is probably timely that we have this problem of RDH with the surgeons saying, 'we are not getting paid enough for what we do'.

This is what I put to John this morning. I would like to propose that, here in the Northern Territory, we have two or three designated centres at which we provide the very best of education and health care, and tied with that probably would be policing as well. To do that, we pay seriously good money to attract seriously good people. I will talk specifically about dentistry in a minute. Now, by that, I mean salaries that are probably in some cases, double of what is being paid now, maybe triple, because people down south, I have just turned 52, and in December it will be 10 years since I made the decision to sell up my practices in South Australia and come up here. I initially went to Karratha, and then I came eventually to Darwin. But I made a conscious decision to do it, because I felt that I wanted to, well I wanted some more opportunities in life, and I felt that I was very under-utilised as a dentist doing what I was doing in South Australia.

I do not regret that decision for a moment. I am a very productive, hard working type of person. What I was just proposing, if you set up some seriously good positions for dentists or doctors, and in education, and pay them really good money, you will attract, from across Australia, a wide range of applicants. My colleagues in South Australia could not believe that, at my age, at the age of 52, I was prepared to give up all those things I had accumulated in South Australia and come up here to Darwin, or the north-west. They thought I was crazy, but believe me, there are plenty of people out there with adventurous spirits like me who will take on challenges and go and live in localities, if they are paid well enough, and they will provide you with a very good service.

Let me tell you about my experience here with public dentistry. I work at Absolute Dentistry, which is in the Health Precinct in Palmerston, in the same building as the government Dental Clinic. Now, it was about two, maybe three years ago, they had serious trouble attracting dentists here, and the reason was because they were paying them peanuts.

Someone like me would never consider going to work in the government dental service because the money is so poor, and what does the government get for the money it spends. I speak specifically about dentists, but I am sure it could be applied across the board. They get people who work to a clock. They get people who are not concerned with what they are doing in terms of productivity. We had a situation which caused me to make an approach to the Health Department about the issue of emergency dental treatment for people who are eligible.

I had a 63-year-old come to see me one morning in pain, he had split a tooth right up the middle, and I found out he was eligible for treatment at the government clinic just through the next set of doors. I sent him around there. He went there and I happened to be in that part of the building later in the day and I just popped and said: 'How did you go with Mr So and So? They said: 'We put him on the emergency waiting list'. I went back to my receptionist and said: 'Please ring this gentleman and see what happened?' He told exactly the same story: 'They put me on the emergency waiting list'. They said: 'We can help you if you like but this is what it is going to cost'. He said: 'Please' and he came around and I fixed him up straight away.

That incident caused me to approach the Health Commission and that led to, for a very brief period of time, us and our private practice treating emergencies they could not or would not see in the Palmerston Clinic. We had our normal day and we added these guys on the side and we fitted them into our schedule. This is the difference between being in private practice and being in the public service. I say that respectfully, because there are good people there, but I say it respectfully, it is the difference between it.

My proposal in relation to health care is that if you were paying – the salary for a dentist in the public sector here is somewhere in the vicinity of about \$85 000 to maybe \$120 000 maximum. If you wanted to get a really good calibre operator into a locality and make things really happen quickly, you would have to consider paying \$300 000 a year to attract them. But the point is, if you have the foresight to set up two or three places like this in key strategic areas - and I am applying the same principle to education as well, where it might mean to get really good quality teachers you double their salary, but you give them specific goals as to what you are wanting to achieve, and you will get very good quality applicants, and you will be able to keep them in those positions because you are paying them the right amount of money.

Instead of having constant staff turnover, be it dental or education, I think you would find if you sat down and really looked at it you would make it work. You provide them with a decent house, you provide them with all the other benefits they wanted and you would keep them there.

To illustrate the point with regard to dentistry, the head of the Dental Department, when they could not get dentists, decided they would take themselves off to the British Dental Association Congress in the UK, and a group of two or three of them went off for two or three weeks in order to recruit dentists to come to Darwin. Well, they might have got one or two, but I tell you what, they did not stay long. Why? Because the money they are paying is not enough to keep them.

The point I make is I would be prepared to go back into the public sector and I know I can make a big difference because in my history in government dental services in the past, I know I can make things happen very, very quickly, because I am a dynamic type of individual. They are the sort of people you need in the provision of these things.

I think I have made my point. My point basically is, I would like to see a new approach in the area of education and health care be developed by not targeting too many places, but do it in two and three and look at providing serious salaries for the people you want to attract. I think you will turn things around very quickly.

As a matter of fact in the time we were seeing public patients, we dealt with all the ones who came through our door with out any problem at all. Time was not an issue. I am here because I do not like seeing public money being wasted. I do not like seeing people in need not getting what they want, and what they need, and I would hope this committee can do something about that.

Mr CHAIRMAN: What is the waiting list for public dentists at the moment?

Mr HIGGINS: Let me answer that in a roundabout manner. It depends on whether they are on the pain waiting list, or whether they are on the treatment waiting list. If they are the denture waiting list, you are probably talking about five years, and this problem is not systematic of Australia. I used to work on a contract for the Hong Kong government, and when I went there they had waiting lists that were out of whack too. I just determined I was not going to work under that system, I was going to smash it, and I did. To

answer your question, the pain waiting list I do not know, but I think for routine treatment it would not be long.

Let me give you an example of how a government dentist works versus someone in private practice. Someone goes to the government clinic and they might get lucky and get seen and have their treatment on the day to solve the problem. The dentist says: by the way you have six other fillings, we will put you on the waiting list, and two or three years can go by before people get called in. It is a long time.

The problem is by the time you get to see them; the damage is so severe it is out of control. The government system here is if you come to see me in my practice, and you have got - I will give you an example we saw a lady today, she needed something up here, up here, and up here, and she wants it done in one visit. So we numbed her up in three spots, there was only one bit that was any good when she left, and we did it all in one go. The reason we did it is it is much more efficient in terms of time.

In the government sector, I can tell you for a fact, those guys do not think like that. At the most they might numb you down here and do one or two in that area, and then you are put back on the end of the list. What you have is a cycle of activity where the destruction - decay is like rust. If you see rust in your car, you do something about it. So by the time these people come to get their work done, it is out of control. What you need are dentists in there who are directed. The problem is probably at the top in that they are probably not being directed to book that patient in for two hours and do everything. Get them off the list rather than have them come back half a dozen times and clog up the system. That is what you really need. So the waiting list is out of control.

Mr CHAIRMAN: Would it be cheaper to scrap the government dental service and say we will hire you?

Mr HIGGINS: When Jill Davies came here and spoke at a NT Dental Association meeting, we were in the process of talking to the government at that time about taking on what they were doing out at the Palmerston Clinic. I asked Jill for the computer print out of all the work done in Palmerston last year, because that way I could work out how long we would need to do the work and we can cost it. If we are going to do it we have to tender for it.

She said: we do not have computer record to give that information, or we are in the process of getting one. This is going back a couple of years, so I was in no position to know. My gut feeling, and my gut feeling is pretty good in a lot of areas, is we in private practice could completely take over what the government does and do it in a much better manner. My idea in talking about two or three centres, was if you had a really good quality dental and medical program in somewhere like Katherine, Darwin and Alice Springs to pick three, and you had people like me in there running it - I have been around a long time and I know what I am capable of doing, so I am not over confident in what I am saying - I know that I could totally smash that program and get it under control very quickly. I was given that job twice in my time with the school dental service in South Australia. Basically, they used to use me as a trouble shooter to go in and solve their problems.

But if we were out in - I am in private practice, I am not going to, we can do it for less than the government service, I guarantee you that.

Mr CHAIRMAN: Are there any disadvantages to average person now? How much is, say I need a filling at the public dentist, compared to the filling at yours, is there a vast difference? Because obviously people ...

Mr HIGGINS: In the quality?

Mr CHAIRMAN: No, in the price. I hope the quality is still all right. In many cases, people cannot afford dental treatment, because it is expensive.

Mr HIGGINS: Definitely. Fillings, or restorations as we call them, start at around \$177 (inaudible).

Mr CHAIRMAN: That would be difficult. Some people could not afford that.

Mr HIGGINS: Exactly, so they go to the public sector. But if the government sector was saying, we can get more per public dollar spent by contracting out, I believe, if you looked at that you would find that it would probably work.

Mr CHAIRMAN: How would you cover those people, at the lower end of the scale, when it comes to paying for a filling? Would you charge ...

Mr HIGGINS: How would we do it, I mean ...

Mr CHAIRMAN: It would be subsidised by the government.

Mr HIGGINS: When we were doing emergency cases out in Palmerston, maybe three years ago, it was definitely two years ago, we said to the government, 'we will see these people at our normal fee', and the government did not like that. We said, 'we do not mind, you can keep trying to treat them your way. The government had no choice, because it could not meet the demand. It said, 'these are the things you can do and we agree to your fee', and we were paid for the limited period of time the service operated and the government paid our fee rate. But, the point is, the system, because it is left and these people are just left untreated, it gets worse and worse, and it is soul destroying to see the end result, speaking as a dentist.

Mr WATTS: Mr Chairman, if I can say something. Two months ago I was sitting in my family dentist and he was complaining because he had accepted many public patients from the Health department, with paper dockets as referrals. He said the paperwork was a nightmare, dealing with this paperwork. They were referrals. Obviously, two months ago, the public dental service could not handle it and that is a local doctor in Moil, a local dentist in Moil.

Mr CHAIRMAN: Thank you for that. We will take that into consideration, it is a little out of left field, although it does relate to, I believe, whether some of this can apply to growth towns, where people get services out in the bush, which is an issue we have to deal with. It is something we will need to look at a little, or ask the government to look at seriously and perhaps get back to you and invite you to talk to it about this issue. Obviously, you are passionate about it and many people do not want to find they have three years to get their fillings fixed, their teeth fall out and then they wait five more years for the dentures, by that time they might have passed on. We need a system that is a little more efficient than that. Thank you very much for coming today.

Ms CARRIGAN: Big shoes to fill there. Mr Chair, I congratulate all the people sitting on the council. Notwithstanding the bagging, I believe it is an important forum. The fact that you might not have had the flashiest turn out tonight, is indicative of some of those tweaking issues that need to occur, but I am convinced going forward it will prove its worth.

My concern tonight, all three issues are important issues, but my concern tonight is the local government issues. I will start off where I had intended to end, but I had to chuckle at Mary Walshes' degree of optimism that the councils, mainly Belyuen, Coomalie and Wagait Beach were all fully aware of where they are going with the boundary expansion consultancy group.

I have foregone the local meeting tonight at Wagait Beach to discuss this particular issue, in order to be here tonight. I have forgone because, quite frankly, like most of your other meetings, I know it will go nowhere. I was hoping - perhaps I am being over optimistic being here - but I felt it was probably better spending my time here.

It pretty much sums up where Wagait Beach is coming from. Certainly, it does not suggest they are fully aware of where they are going. The meeting is advertised as, for a number of months, there has been a consultant working on what turns out to be a potential future amalgamation of Wagait Shire. That pretty much sums it up. Wagait Council was part of a group which developed the terms of reference and, yet, this document written by the CEO appears to suggest they are far from fully aware of where they are going.

To give some context to my concerns here today, I have been a resident at Wagait Beach for seven years. I am a passionate defender of maintaining small local government. I think local government - true local government - is probably the closest forum to the people. I think there is nothing better than good, sound local government, as long as you get the governance issues knocked on the head. So, it would be fair to say I am a passionate defender. I drove around this flash building once or twice tooting my horn and got really annoyed at one stage ...

Ms SCRYMGOUR: That was you!

Ms CARRIGAN: Yes, yes, it was, sorry. I have been known to even toot at you sitting on the side of the roadway.

Mr ELFERINK: I have been a victim of a drive-by toot.

Ms CARRIGAN: No doubt. As long as it is left at that.

The upshot is I stood, and Wagait Shire was eventually successful in maintaining its stand-alone presence. I stood for local government. I was nominated, selected and, so, when council sat last November, I sat as a council member.

I quit as a council member in February. I was on it for four months. As someone said to me: 'Jane, a diamond is a lump of coal that has stuck at it'. However, on this particular occasion, I decided I would rather stay a lump of coal. The fact of the matter is - it would be fair to say I was fairly gobsmacked at how we proceeded. We had a governance training day, I suppose, which LGANT gave us. We were all provided with the act and various other documents we have to rely on. However, the council meeting proceeded – I am tempted to use the word 'descended' - into a level of petulance and pettiness I would have not thought possible. After four months, I knew I could stay for four years and I develop a serious blood pressure problem, and ulcers, and other medical conditions, or I could leave.

Mr CHAIRMAN: Or a sore tooth.

Ms CARRIGAN: A sore tooth thrown in there as well, yes, Mr Chairman. The fact of the matter is, I had no degree of optimism that we, as a local community council, could pick up our game. We were a council that had – well, our shire plan, while a heavy document, was a fabulously light on detail. It is indicative - and my concerns have been borne out last month. It was reported in our local *Wagait Hear* - which is a far better reporter of what actually happens in the council meetings than the minutes are – of the councillors, not one person including the president who sat on council at Wagait Shire for 10 years, had read the act.

Therein lies the problem. We had no meeting protocols. The act itself, having gone through it, we probably ascribe to one or two sections - no more. There is no transparency. The minutes are written up prior to the meeting. The degree of forensic approach from councillors themselves, I would describe as very disappointing, notwithstanding people who have been nominated to council, or stood for council, have been genuine in their reasons for doing it. I suggest some themselves are cowed by the process and others just do not want to get involved. So we have a council that is very weak.

We have a leadership on council that itself is very weak, and I suppose the pressing part I have arrived at is that I would rather see us have good governance now from 150 km away than bad governance five minutes away. I think it is disappointing, but I think, as a small community, for me, it has been a valuable insight into capacity issues. I do not think capacity issues, or lack of capacity, is something that is the sole domain of remote communities. I think we are a good example of arguably sophisticated, intelligent people who just, for whatever reasons, cannot get our heads around it.

One of the things that concerns me most is, where is the agency in all of this, and the agency being the Local Government department. Going through the act, their role is arguably regulatory. My concerns are, for instance, a local shire plan is supposed to marry into the regional management plan, so before, when Mary was talking about a master plan, I would have thought somewhere that would marry into the regional management plan. The local shire plan was supposed to marry into the regional management plan. The agency is supposed to have a role in the local shire plans before they are signed off.

Mr CHAIRMAN: Can I just say that, Litchfield, Palmerston and Darwin, it is not a requirement for them unless they volunteer to do a regional management plan.

Ms CARRIGAN: Okay, but, no, it is not the regional management plan of local council, it is the department's regional management plan of which local government's shire plans merge into, and you might be quite right about Darwin and Palmerston, Gerry, but certainly we have an obligation ...

Mr CHAIRMAN: Yes, you do.

Ms CARRIGAN: ... at Wagait. My concern is that, given that the agency is supposed to have a substantive role in the roll out about, you know, making sure our shire plan goes out, etcetera, it is nothing short of scary that they would allow the document that was put out this year, and which was supposed to be signed off by 31 July, but continues to be stood down at council meetings, while we get an opinion on this or an opinion on that, unfortunately, even though the council would not make decisions. The agency's role in local government has to be absolutely scrutinised, and it is all very well having well meaning people stand,

and it is all very well having a legislative framework in the form of the *Local Government Act*, but unless you have sound governance frameworks, and sound governance frameworks that people understand, well, look at it, and this is a good example, intelligent people, not one of them has read the copy of the act, yet the act sets out very clearly the responsibilities and obligations of what council should be doing for a community. How can it be doing it if people have not read the act?

I guess what I would be saying, as a concerned member of the community, and I know my concerns, I am certainly not Robinson Crusoe in terms of my concerns over at Wagait Shire, but my concern is not just about Wagait Shire, it is about the bigger picture and where is the department in all of this. I know that there have been a number of resignations from the councils that were nominated last year, including a number of departures of fairly high profile recruits. I would have thought the department – at the time, I said to the minister that if he sent somebody around from the department to talk to me, I would happily sit down and talk through my concerns with them.

What are we learning? I mean, it seems to me that, notwithstanding all the reforms and the benefits etcetera, the disconnect, and it perhaps goes back to, I think Max made the observation about the tiers of bureaucracy, what actually is happening, because it sure as hell it ain't been seen at the coalface. It is not about trying to point the finger at anybody, but it is about saying, 'Well, we have had all of this wonderful reform process, but ultimately, at the end of the day, who is keeping an eye on what or who in terms of our governance that ...

Mr CHAIRMAN: I think that is an important issue, because that is one of the areas we have missed in relation to condemning councils which were not operating properly. Minister Ah Kit made a comment a large number of councils were dysfunctional. My feeling was he might be correct, but I wonder whether the department was also dysfunctional, because it had a role to play in checking how these councils were going.

That is not to say that would have made much difference to some of them. I do agree the government has set up a new act, set up all these new structures; it is its idea of reform. If it really believes in it, then it has got to ensure it operates properly.

Ms CARRIGAN: Given its role in the act, you know you cannot step back. I guess the latest offence for me, from our local government, was when they doubled the rates. In fact rates went up 120% for pensioners on the basis we were not going to get operational funding. We got it, but at the next meeting no reference made to going back and rewriting that resolution. It was like we have all this money, what should we do, what do we spend it on; I know, let us build a fitness trail.

Mr CHAIRMAN: I am sure they will reduce the rates at the next meeting.

Ms CARRIGAN: There is another shining example of misplaced confidence, I am sorry.

Mr CHAIRMAN: In relation to the future of Wagait, and Belyuen is incorporated is in that as well. The discussions you were referring to have ended up in a document called Local Government Options for the Top End Unincorporated areas.

Ms CARRIGAN: Yes, I have read it; a highly amusing document.

Mr CHAIRMAN: Yours look thinner than mine, I do not know why.

Ms CARRIGAN: Mine is a draft report, stage one.

Mr CHAIRMAN: I am not saying this is the way it should go, but it does mention, under option 5, Wagait and Belyuen should be in the Darwin City Area. Do you know what happened there? There was much hullabaloo at one stage, it was going to happen, and then all of a sudden it just dropped off.

Ms CARRIGAN: Mr Chair, from what I could see that seemed to be the agenda of one or two individuals, you know squeaky wheel and all that sort of stuff. It just did drop off at the end of the day. I would not discharge it as a ridiculous idea at the moment. I notice, of the options put up by the committee who are developing our future amalgamation, one of them is with Litchfield. I certainly think the fact that Wagait shire and Belyuen, shire the disconnect there is profound, and I would say at this point I do not blame Belyuen in the slightest, but an example of where we could really be working together is our waste management. Mary is not wrong; it is a hole in the ground on the side of the road followed by a heap of shit. It is a shining example of how core functions are not being undertaken by our local government.

We build things like fitness trails, but bugger waste management or drainage or all those other key issues that impact on how people live.

Mr ELFERINK: How many people are living over there nowadays?

Ms CARRIGAN: I would say close to 300.

Mr ELFERINK: It was discussed earlier today with Deputy Mayor Helen Galton from the Darwin City Council, are you aware of a long standing agreement on both sides of the harbour that Darwin should absorb Wagait into its administrative sphere? It was canned by government. What is your opinion on that?

Ms CARRIGAN: I am not sure how longstanding - I regret I have not been able to spend a couple of days here listening to people talk.

Mr ELFERINK: It is a few years old now.

Ms CARRIGAN: I think it is something worth discussing. I am not entirely sure how it would work, but then the argument would be how would it work with Litchfield? It is a long way away and all those sorts of things, so the same arguments apply. These days, the position I have arrived at I would rather have good governance from a distance, because with good governance comes good management. Issues like Darwin City Council providing themselves with free tickets to the circus are the sorts of things which make you think big is not necessarily best, but having said that I think the governance frameworks, are there and notwithstanding the odd blip I certainly ...

Mr ELFERINK: It is my understanding it is actually a resolution on both council's books that this occur, and it was actually vetoed by the Northern Territory government. As a resident out there, I just wanted to get your sense of it.

Ms CARRIGAN: John, I did not realise it was a longstanding. I certainly know as of early 2008 it became a topical issue, but I ...

Mr ELFERINK: I think it was determined during the period of discussion as to what was happening with these new shires and that ...

Ms CARRIGAN: Yes and that I can accept, and yes it was very mysterious where that came from. Again some of those things which have had resolutions passed on them, I think if council had a full understanding of what they were putting their up hand for might not necessarily have gone through.

Mr CHAIRMAN: Can I say, from that point of view, I have no doubt if you joined Darwin City Council you will pay unimproved capital value, and people who think they are going to pay a cheap rate, will not. At least in Litchfield you just pay a flat rate, that is the present system.

Mr ELFERINK: What is this an ambit claim for Litchfield?

Mr CHAIRMAN: No, I just tell people sometimes when they think they are going to get cheaper rates out of Darwin, I do not think that is the case.

Ms CARRIGAN: Well, that was exactly what was held out to us. If we went with Darwin our rates were going to go from \$220 to \$330. Instead, we stayed on our own and our rates went from \$220 to \$420.

Mr CHAIRMAN: The other thing is, as Mary said today, there is going to another round of discussions regarding local government, which will then involve Litchfield. The local government options paper, Litchfield was on the outside. It was money given to Coomalie Council by the minister to set up some discussions about the unincorporated areas. I think they did not want Litchfield in there because they felt it was going to drown the system, you know Big Brother. I think the next phase is Litchfield will start to talk about where it needs to go. The population is an important base of funding, and with all those bits and pieces of land outside of Litchfield, the whole population goes to 2800. That is as big as Maningrida. It is not a large number of people, and its future, in the short term, is there is not going to be a big increase in that population.

So there are some major issues. All I can say is if you are a resident over there and Litchfield starts to do some talking about this, I think keep your ear to the ground and say I would like to come over and discuss it.

Ms CARRIGAN: I certainly will not be tooting my horn to keep ...

Mr CHAIRMAN: No we do not need to do that any more.

Ms CARRIGAN: ... stand alone council any more, that is for sure.

Mr CHAIRMAN: Yes, but it is a good time to be talking about it, and at least people have a chance to have a say. Before it was lump it or like it. Here at least you can have a say.

Ms CARRIGAN: It does concern me this options group or whatever they call themselves - all along it has been sold to us as the boundary expansion consulting group. They had one meeting at Wagait Shire.

Mr CHAIRMAN: Six people turned up.

Ms CARRIGAN: Six people turned up on Tuesday morning at 11 o'clock. It was designed not to promote, and then for the CEO to put it in writing it turns out there might be a potential future amalgamation when this party is supposedly party to the terms of reference.

Mr CHAIRMAN: Just to clear that up, the consultancy was to investigate the concept of boundary expansion that covers the areas in the Top End not represented by any local government or organisation. That is what the goal was, that is what they should have said at the beginning.

Do you have anything else to say?

Ms CARRIGAN: No, thank you.

Mr CHAIRMAN: We take note of that, and let you know there obviously will be more discussions from what Mary said today.

I would like to thank you all for coming. It has been a good day I believe. There are certainly some issues there worthy of promoting within the government and seeing whether they will act on those things. Obviously you are a local person, so there is no reason why they cannot come and talk to you. I would once again like to thank you all very much for coming and we will see you at another time.

If you want to come to Tennant Creek, our next meeting is down there on 19th.

The committee concluded.