



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

COUNCIL OF TERRITORY CO-OPERATION

FIRST REPORT

February 2010

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CHAIR'S FOREWARD

The Council of Territory Cooperation (CTC) is a new Parliamentary Committee that was developed as part of an agreement between the Chief Minister and me in August 2009. A more detailed overview of the role of the CTC is found in the introduction to this report.

Of course like any new idea the CTC has had teething problems and it has taken some time for the role of the council to be understood and to be developed. The CTC has broken new ground in a number of ways. It is a committee where the Government does not have the majority and the chair does not have to be a member of Government.

It has the power to self-refer issues without approval from the Parliament. It operates under the general principle that meetings are open to the public and the media, unless there is a legitimate reason for that to be otherwise. It is able to question not only public servants from within Government Departments but also semi-government and non government organisations about their roles in the development of Government policies. Ministers can be invited to attend but are not compelled to.

The Committee is conscious of the fact that it needs to get out on the ground to see what is happening and to talk to people in not only the major centres but also those places in more remote parts of the Territory where Government policies are directed. This gives an opportunity for Members of parliament to learn first hand and to hear first hand what some of the issues are and what the realities are on the ground that may not be evident from a distant electorate. I am sure this will help us all be better educated members of Parliament leading to more informed debate and hopefully more effective solutions to some of the major issues that we presently face in the Territory.

Besides holding hearings in Darwin, the Council also met in Tennant Creek, Alice Springs and Katherine with local governments, housing alliances, various groups and members of the public. It has since travelled to other centres but reports on these visits could not be included in this report as it was agreed by the Council that this report would be confined to the end of last year. It would have been good to have included the other visits in this report, but Hansard corrections and ratification from participants would not have been available in time.

Another positive is that this committee has the opportunity for all sides of politics to work together to bring about positive change through the recommendations it brings to Parliament, as it has in this report. Of course the proof of whether this Council is being taken seriously will be evident if the Government supports the CTC's recommendations and whether there is improvement on the ground.

This report contains 21 recommendations eleven of which relate to SIHIP, six recommendations deal with local government reform, one is both a local government and *Working Future* recommendation and three deal with the operations of the Council.

There has been some criticism of the operations of the CTC internally and externally. These have been noted and have lead to some positive changes.

As chair I am determined to do my best to make sure the CTC continues to overview Government policies such as SIHIP, Local Government Reform and *Working Future*. These are big issues which affect many people especially in the remote areas of the

NT and if these policies are to be affective then the CTC must continue to question and monitor these programmes continually.

I would like to thank all members of the CTC and the secretariat for their support.



Gerry Wood
Chairman

COUNCIL MEMBERS

	<p>Mr Gerry WOOD, MLA Member for Nelson Party: Independent Committee Membership: Standing: Public Accounts, Standing Orders Sessional: Council of Territory Co-operation Environment & Sustainable Development Chair of: Council of Territory Co-operation</p>
	<p>Mr. Michael GUNNER, MLA Member for Fannie Bay Party: Australian Labor Party Parliamentary Position: Government Whip, Deputy Chairman of Committees Committee Membership: Standing: Legal and Constitutional Affairs, Public Accounts, Standing Orders, Subordinate Legislation and Publications, Members Interests Sessional: Environment and Sustainable Development Chair: Council of Territory Co-operation Public Accounts, Subordinate Legislation and Publications</p>
	<p>Ms. Marion SCRYMGOUR, MLA Member for Arafura Party: Australian Labor Party Parliamentary Position: Deputy Chairman of Committees Committee Membership: Standing: Legal and Constitutional Affairs House Subordinate Legislation and Publications Sessional: Environment and Sustainable Development Chair: Council of Territory Co-operation Environment and Sustainable Development</p>
	<p>Mr. Willem Westra Van Holthe, MLA Member for Katherine Party: Country Liberal Party Shadow Ministerial Portfolio Shadow Portfolios: Primary Industry, Fisheries and Resources Local Government Committee Membership: Standing: House Sessional: Council of Territory Co-operation</p>
	<p>Mr John ELFERINK, MLA Member for Port Darwin Party: Country Liberal Party Shadow Ministerial Portfolio Shadow Portfolios: Manager of Opposition Business, Treasurer, Public Employment, Essential Services Committee Membership: Standing : Privileges, Public Accounts Sessional : Council of Territory Co-operation</p>
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ABBREVIATIONS

CDEP	Community Development Employment Projects
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CLC	Central Land Council
CTC	Council of Territory Co-operation
DCA	Development Consent Authority
DCM	Northern Territory Department of the Chief Minister
DHLGRS	Northern Territory Department of Housing, Local Government and Regional Services, formerly DLGH
DIPE	The former Department of Infrastructure, Planning and Environment, now the Department of Lands and Planning
DLGH	The former Northern Territory Department of Local Government and Housing, now DHLGRS
DLGHS	Northern Territory Department of Local Government, Housing and Sport, became DLGH
DPI	The former Department of Planning and Infrastructure, now the Department of Lands and Planning
EDTL	Executive Director Township Leasing, sometimes referred to as the OTL
FaHCSIA	Australian Government Department of Families, Housing, Community Services and Indigenous Affairs
FAGS	Financial Assistance Grants
GBM	Government Business Manager
LANT	Legislative Assembly of the Northern Territory
LGA	Local Government Act
LGANT	Local Government Association of the Northern Territory
MLA	Member of the Legislative Assembly
MOU	Memorandum of Understanding
NPA	National Partnership Agreement
NTG	Northern Territory Government
OTL	Office of Township Leasing, or EDTL
SIHIP	Strategic Indigenous Housing and Infrastructure Program

LIST OF RECOMMENDATIONS

Recommendation 1

The Council recommends that Governments note that it is the Council's opinion that the Northern Territory Government is still the best positioned government to manage SIHIP. Its members and the members of the Territory Parliament are far better positioned to know the Northern Territory's remote areas than Federal Parliamentarians and Ministers.

Recommendation 2

The Council recommends that SIHIP should be allowed to roll out its refurbishments and rebuilds to the standards originally promised.

Recommendation 3

The Council recommends that the Northern Territory Government work with the Australian Government to ensure that stock from SIHIP meets minimum Territory Housing standards.

Recommendation 4

The Council recommends that the transition period from a new, rebuilt or refurbished house being completed, checked for successful completion and handed over to new tenants be streamlined to minimise any delay of occupancy.

Recommendation 5

The Council recommends that the \$13.5 million set aside in Tennant Creek for infrastructure be used for the construction of new houses and the infrastructure money is sourced from the NPA.

Recommendation 6

The Council recommends that a scope of infrastructure works for SIHIP be published, providing detail of who will do what when.

Recommendation 7

The Council recommends that all new, rebuilt or refurbished houses when handed over to Territory Housing have a publicly available final cost that includes an administrative component.

Recommendation 8

The Council recommends that the Northern Territory and Australian Governments provide the CTC with a detailed financial report of the SIHIP project every quarter.

Recommendation 9

The Council recommends that an audit should be done by an independent auditor at the completion of the process to determine the usefulness of the alliance model, including an assessment of the profits returned by the Alliances through the process.

Recommendation 10

The Council recommends that Indigenous Business Australia (IBA) schemes supporting the private ownership of houses on Aboriginal communities be actively encouraged by the Northern Territory Government and private financial institutions, especially in communities where the SIHIP program is presently operating.

Recommendation 11

That every 6 months training and employment data for SIHIP is made publicly available. This data is to include a breakdown of employee and sub-contractor numbers, labour hours, training hours on-site and in the class room, and the types of trades and certificates that people are being trained in.

Recommendation 12

The Council recommends that the Northern Territory Government amend legislation to enable shires to increase their own revenue base, such as through service fees in remote Aboriginal communities where they provide services.

Recommendation 13

The Council recommends that the Minister for Local Government establish a working relationship with shires and municipal councils based on the model of the Capital Cities Committee to improve on the delivery of services and community development.

Recommendation 14

The Council recommends the Northern Territory Government immediately increases the establishment funding that was provided for new shires, taking into consideration the unexpected costs from ShireBiz.

Recommendation 15

The Council recommends the Northern Territory Government improves the available elected members training program to increase the knowledge and understanding elected members of shires and municipals have of the reformed *Local Government Act* and their legal and financial responsibility under the Act. Further, that the Government investigates the possibility for this training to be delivered independently.

Recommendation 16

The Council recommends that the Northern Territory Government resolves the status of road corridors to growth towns through Aboriginal Trust Land with appropriate land councils.

Recommendation 17

The Council recommends that the Northern Territory Government finalise the handover of roads to shires, by:

- (a) Consulting with shires on the proposed roads for hand over;
- (b) Auditing the state of roads and identifying all works required before handing the roads over;
- (c) Upgrading roads to a satisfactory standard prior to handover; and
- (d) Identifying on going funding for these roads.

Recommendation 18

The Council recommends the Northern Territory Government seek an explanation from the Australian Government for why there has been no increase in road funding in the newly incorporated shires, as there was for the Pitjantjatjara Council.

Recommendation 19

The Council recommends that public servants are instructed that when briefing the Council they should be fulsome and forthcoming with information on all occasions when advising the CTC.

Recommendation 20

The Council recommends the Government provide a secretariat that is staffed with sufficient expert and other resources, if the Council is to achieve its aims.

Recommendation 21

The Council recommends that its reports must be timely and handed directly to government for immediate advice as to what action will be taken in relation to the report.

1. INTRODUCTION

On 14 August 2009 the Independent Member for Nelson, Mr Gerry Wood MLA and the Chief Minister, the Hon Paul Henderson MLA entered into a Parliamentary Agreement. Included in the Agreement was provision for the establishment of a Council of Territory Co-operation to examine government decision making, in consultation with opposition and other members of the Legislative Assembly.

On the 14 October 2009 the Legislative Assembly established a Sessional Committee to be known as 'The Council of Territory Co-operation' (CTC or the Council). See Appendix A for a copy of the Council's full terms of reference.

The CTC is comprised of up to six members including two government members, two opposition members and at least one independent member, with Mr Wood appointed as Chairman. The CTC's purpose is to facilitate:

- (a) greater levels of collaboration in the governance of the Northern Territory;
- (b) enhance parliamentary democracy by providing a stronger role for members of the Legislative Assembly who are not members of the Executive – particularly on matters of common concern;
- (c) expand involvement in important Northern Territory initiatives and projects;
- (d) provide new avenues for Territorians to have input through the Legislative Assembly into the governance of the Northern Territory; and
- (e) provide a roadmap for tackling some specific issues currently facing the Northern Territory.

Functions of the CTC

The duties of the CTC are to inquire into, consider, make recommendations and report to the Assembly from time to time on the following matters of public importance:

- (a) the Strategic Indigenous Housing and Infrastructure Program (SIHIP);
- (b) local government reform;
- (c) the planning scheme and the establishment of Weddell;
- (d) *A Working Future* (including homelands policy);
- (e) any other matter of public importance referred to it by the Legislative Assembly; and
- (f) any matter of public importance concerned with the administration of matters of which ministers of the Territory have executive authority pursuant to the provisions of the *Northern Territory (Self-Government) Act* and Regulations (Commonwealth).

After meeting to discuss priorities and an immediate work plan, the Council announced that its immediate priorities are to investigate SIHIP, local government and *Working Future*. All of these matters have common elements which allow them to be investigated together.¹

¹ Legislative Assembly of the Northern Territory (LANT), Council of Territory Co-operation (CTC), *Media Release*, 22 October 2009, <http://www.nt.gov.au/lant/parliament/committees/CTC/Media%20Releases.shtml>.

Public Hearings

Following the establishment of the Council as a Sessional Committee, newspaper advertisements were placed advising of a program of public hearings into SIHIP, local government reform and *Working Future* (including the Homelands policy) and seeking registration of interest to address the Council on related issues.

Hearings were conducted in Darwin, Tennant Creek, Alice Springs and Katherine from November to December 2009. Details of the initial public hearings of the Council are listed at Appendix B.

Australian and Northern Territory Government officials appeared at the public hearings during November and December and elected members and administrative staff of local governments have attended relevant meetings. A number of private citizens attended hearings and participated in public forums held as part of the hearings. To date, no Northern Territory Government Ministers have accepted requests to appear at public hearings.

In addition to the public hearings, the Council accepted an invitation from one of SIHIP's construction alliances, Territory Alliance, in December 2009 to meet at its Darwin office when the Council was shown housing designs and discussed the Alliance's program for the next twelve months.

A public hearing was held in Darwin in late January 2010 and site visits and public hearings were held in Nguuiu and Wadeye in early February 2010.

Providing feedback/information

The Council is looking at new ways to assist Territorians to contribute, through the Legislative Assembly, in the government of the Northern Territory. To help the flow of information to and from the public, the Council will regularly provide information on its activities and findings through the Legislative Assembly and as broadly as possible through the media. Unless otherwise advised all proceedings of the CTC are open to the public.

The CTC will report on an ongoing basis to the Legislative Assembly on the matters of public importance detailed in the terms of reference, including SIHIP, local government reform and *Working Future*. This report is the first progress report of the Council's first two months' activities. Discussion of issues raised at the more recent hearings will be provided in a later report.

A statement on the expenditure to establish the Council and undertake the hearings included in this report is at Appendix C.

Details of the Parliamentary Agreement, the Council's terms of reference and the program of public hearings are available on the Legislative Assembly's Committees website. Transcripts of the proceedings of public hearings are placed on the website as they become available. A list of tabled papers and questions on notice from the initial hearings are at Appendix D.

Structure of the Report

This first report will reflect the wide ranging issues raised during public hearings conducted in November and December in relation to SIHIP, local government reform and *Working Future*.

Chapter 2 of the report establishes the context for the Council's immediate priority to investigate SIHIP, local government and *Working Future*. The chapter provides a brief overview and history of each program, discusses their common elements and describes other relevant government activities, including National Partnership Agreements between the Australian and Northern Territory Governments.

Each subsequent chapter separately considers each of the Council's immediate priorities. Each of the three chapters (3 to 5) discuss the major issues raised at the hearings associated with SIHIP, local government and *Working Future* as well as relevant issues noted by the Council during the initial period of the Council's inquiry.

The Council has an important role in bringing issues to the attention of not only the Legislative Assembly but also to the public more generally. The final chapter summarises the issues and areas of concern arising during the initial period of the Council's activities and which the Council believes requires attention.

2. CONTEXT AND HISTORIES OF THE THREE PROGRAMS

In December 2007 the Council of Australian Governments (COAG) agreed to a partnership between governments to work with Indigenous communities to achieve the target of 'Closing the Gap in Indigenous Disadvantage'. Since then numerous detailed agreements that each seek to address specific components of Indigenous disadvantage have been negotiated.

The COAG Reform Council was established by COAG in 2008 as part of new arrangements for federal financial relations and for COAG to drive a national reform agenda. Within this agenda a number of National Agreements and National Partnership Agreements (NPAs) have been signed. Table 1 shows the NPAs relevant to SIHIP and/or *Working Future*, in particular. Other related NPAs may also be relevant.²

Table 1. Relevant National Partnership Agreements

National Affordable Housing Agreement	Social Housing NPA
	Homelessness NPA
National Indigenous Reform Agreement	Closing the Gap in Indigenous Health Outcomes NPA
	Remote Indigenous Housing NPA
	Indigenous Economic Participation NPA
	Remote Service Delivery NPA
	Indigenous Early Childhood Development NPA

SIHIP is part of arrangements between governments under the Remote Indigenous Housing NPA. *Working Future's* goals fall within the arrangements for the National Indigenous Reform Agreement and its associated NPAs. Each of the Agreements includes detailed reporting requirements, negotiated through Bilateral Implementation Plans, between the Australian and Northern Territory Governments.

While unrelated to SIHIP or the other programs being investigated, the role of the Australian Government's Northern Territory Emergency Response (often referred to as the Intervention) needs to be noted. As part of the Intervention, the Australian Government currently holds five-year leases over 64 Northern Territory communities.³ Additional lease arrangements will not be needed for those communities prior to receiving SIHIP housing refurbishment.⁴

² Council of Australian Governments (COAG), 'Intergovernmental agreements referred to the council by COAG', *COAG Reform Agenda*, http://www.coag.gov.au/crc/docs/IGAs_referred_to_the_Council.rtf, accessed 31 December 2009.

³ Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), 'Five year leases on Aboriginal townships', *NT Emergency Response*, http://www.fahcsia.gov.au/sa/indigenous/progserv/ntresponse/about_response/housing_land_reform/Pages/five_year_leases_aboriginal_townships.aspx, accessed 31 December 2009. Some (26) leases commenced in August 2007, while most (38) commenced in February 2008.

⁴ Australian Government and Northern Territory Government, *A New Remote Housing System*, http://www.territoryhousing.nt.gov.au/_data/assets/pdf_file/0008/56294/Land_leasing_and_the_link_to_better_remote_housing_20080828.pdf, accessed 31 December 2009.

SIHIP

In April 2008 the Australian Government announced SIHIP, a joint \$672 million housing program⁵ undertaken with the Northern Territory Government in 73 remote Indigenous communities and some community living areas (town camps) in the Northern Territory.⁶ The program is projected to deliver by 2013:

- 750 new houses including new subdivisions;
- over 230 new houses to replace houses to be demolished;
- over 2,500 housing upgrades (or refurbishments);
- essential infrastructure to support new houses; and
- improvements to living conditions in town camps.⁷

Key elements of SIHIP emphasise:

- providing employment and training opportunities for local Indigenous people;
- Government, business and community working in partnership;
- delivery of the program by the Northern Territory Government, supported by the Australian Government during the program's establishment; and
- long term leases as the basis for the delivery of major capital works.

Under the initial announcement, 57 communities were listed to receive housing upgrades and 16 communities to receive major capital works (Table 2).⁸

Table 2. Communities to receive SIHIP major capital works

Hermannsburg	Numbulwar	Milingimbi	Galiwinku
Yirrkala	Angurugu	Gunbalanya	Maningrida
Yuendumu	Umbakumba	Nguiu	Wadeye
Gapuwiyak	Milyakburra	Ngukurr	Lajamanu

Three construction company consortia known as alliances were contracted to deliver the program. A target of 20 per cent was set for Indigenous employment across the program and the alliances are encouraged to sub-contract and use local companies wherever possible, placing a priority on the use of local Indigenous companies.

SIHIP was included in the arrangements under the Remote Indigenous Housing NPA agreed at the COAG meeting in November 2008. Under the Remote Indigenous Housing NPA the Australian Government became the major funder of remote Indigenous housing, with States and the Northern Territory responsible for delivery.

⁵ The program is comprised of \$572 million in Australian Government funding and \$100 million from the Northern Territory Government.

⁶ In September 2007 the Australian and Northern Territory Governments signed a Memorandum of Understanding (MOU) on Indigenous Housing, Accommodation and Related Services. The MOU replaced previous funding arrangements for Indigenous housing and related infrastructure and set the principles under which SIHIP was established. FaHCSIA and the Northern Territory Government (NTG), *Strategic Indigenous Housing and Infrastructure Program – Review of Program Performance*, 28 August 2009, p.13, <http://www.fahcsia.gov.au/sa/indigenous/pubs/housing/sihip/Pages/default.aspx>, accessed 29 December 2009.

⁷ The Hon Jenny Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs, 'Landmark housing project for NT Indigenous communities', *Media Release*, 12 April 2008, http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/landmark_housing_12apr08.htm, accessed 29 December 2009.

⁸ See Appendix E for the list of 57 communities to receive housing upgrades: FaHCSIA, *Media Release*, 12 April 2008.

In August 2009, responding to sustained media attention on the reported lack of houses being built with SIHIP funds, the Australian and Northern Territory Governments announced a review of SIHIP. The review was conducted to assess the delivery of housing construction, rebuilds and refurbishments to meet the Governments' housing priorities in the Northern Territory as part of COAG's Remote Indigenous Housing NPA.

The review was undertaken by one senior officer from each government and examined the performance of the program, particularly in response to concerns that:

- the program was slow to deliver housing;
- the governance of the program was overly bureaucratic; and
- the program was too costly, including that the unit cost of housing and program administration costs were too high.⁹

In a joint statement, the Australian Government Minister for Families, Housing, Community Services and Indigenous Affairs and the Northern Territory Chief Minister publicly released the review findings and accepted all recommendations. The key findings and recommendations of the review included:

- a stronger leadership role for the Australian Government by embedding an Australian Government officer in the Northern Territory's program management team;
- reducing the complexity of the program's governance by reducing administration costs from 11.4 per cent to 8 per cent;
- revising the unit cost estimate for houses to \$450,000 and learning from experience in delivering the program during the first phase; and
- the revised program budget will focus on housing. Costs associated with housing-related infrastructure will be determined as part of the audit being undertaken as part of the NPA and sourced from the NPA and Northern Territory Government programs.¹⁰

Local Government Reform

In October 2006, the then Minister for Local Government announced the structural reform of local government in the Northern Territory to be based on a framework of four municipal and nine shire councils.

The Government's intention in seeking this fundamental reform of local government is to create certainty and stability through strong regional local governments that will have a similar capacity to that of the municipal councils. These regional shires will need to have robust business and management systems to deliver efficient and effective services and a governance framework which ensure that everybody is

⁹ FaHCSIA & NTG, *SIHIP Review*, 28 August 2009, p.5.

¹⁰ The Hon Jenny Macklin, Minister for Department of Families, Housing, Community Services and Indigenous Affairs and the Hon Paul Henderson MLA, Chief Minister of the Northern Territory, 'Improving Indigenous housing in the NT', *Media Release*, 31 August 2009, http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/sihip_31aug09.htm, accessed 29 December 2009.

represented through effective community planning processes, strong leadership and community engagement.¹¹

The new local government structure and indicative shire boundaries were announced in January 2007. The structure proposed at that time was to retain the four existing municipal councils of Darwin, Palmerston, Katherine and Alice Springs and for the rest of the Territory to be covered by nine shires for the areas encompassing the Tiwi Islands, West Arnhem, East Arnhem, Top End-Litchfield, East Katherine, Victoria River-Daly, Barkly, Central Desert and McDonnell.

The key principles that underpinned the reform process were:

1. A focus on delivering a fair standard of local government services to all communities.
2. Integrated planning between the three levels of government.
3. Consultation across all communities throughout the transition and implementation process.
4. Existing municipal councils and new shires working together and sharing resources through regional agreements.
5. An ongoing, cooperative partnership between the Northern Territory Government, the Australian Government and the local government sector.¹²

Advice to government on how a restructured local government could work was provided through a Local Government Advisory Board, headed by Mr Patrick Dodson, with representatives from a range of groups with an interest in local government in the Northern Territory.

Nine shire transition committees were established to develop shire plans, consider a range of administration and representation issues and to assist the transition to the new local government system. The transition process was supported by Development Coordinators who assisted elected members in governance processes and ensured that services continued to be provided.¹³

The new local government structure commenced on 1 July 2008 with the creation of eight new large shire councils and three smaller shire councils and the retention of existing municipal councils. The originally planned ninth shire of the Top End (to include Litchfield, Belyuen, Coomalie and Cox Peninsula councils) was abandoned in February 2008 following considerable public pressure about the final local government structure. The four affected councils' boundaries remained unchanged. The Litchfield municipal council retained municipality status but changed its name to the Litchfield Council.¹⁴

¹¹ The Hon Elliott McAdam (MLA), *Speech to the Local Government Association of the Northern Territory (LGANT) Conference*, Alice Springs Conference, 11 October 2006, http://www.localgovernment.nt.gov.au/history/miniter/minters_speech, accessed 30 December 2009.

¹² Department of Local Government, Housing and Sport (DLGHS), *New Local Government Questions and Answers*, p.3.

¹³ DLGHS, 'Implementing New Local Government', *Fact Sheet*.

¹⁴ The Hon Rob Knight, Minister for Local Government, 'Second Reading Speech Local Government Act 2007', http://www.localgovernment.nt.gov.au/legislation/proposed_new_local_government_act, accessed 30 December 2009; Local Government Association of the Northern Territory (LGANT), 'Characteristics of the Local Government in the NT', http://www.lgant.nt.gov.au/home/nt_local_government/characteristics_of_the_local_government_in_the_nt/index.html, accessed 30 December 2009; and Litchfield Council, 'History of Litchfield Council', <http://www.litchfield.nt.gov.au/index.php?page=history-of-litchfield-council>, accessed 30 December 2009.

Table 3 shows the new local government structure and their previous associated local governments.¹⁵

Table 3. New local government structure

SHIRE	Pre-reform councils	Main communities
Municipality of Darwin	Darwin City Council	Darwin
Tiwi Islands	Tiwi Islands Local Government	Nguiu
Municipality of Palmerston	Palmerston City Council	Palmerston
Litchfield Municipality	Litchfield Shire Council	Darwin's rural area
Belyuen	Belyuen Community Government Council	Belyuen
Coomalie	Coomalie Community Government Council	Batchelor
Wagait	Cox Peninsula Community Government Council	Wagait Beach
West Arnhem	Maningrida Council Inc. Jabiru Town Council Kunbarllanjja Community Government Council Minjilang Community Inc. Warruwi Community Inc.	Maningrida Jabiru Gunbalanya Minjilang Warruwi
East Arnhem	Galiwinku Community Inc. Gapuwiyak Community Inc. Marrgarr Community Government Council Milingimbi Community Inc. Ramingining Community Council Inc. Yirrkala Dhanbul Community Association Inc. Umbakumba Community Council Inc. Milyakburra Community Council Inc. Angurugu Community Government Council	Galiwinku Gapuwiyak Gunyangara Milingimbi Ramingining Yirrkala Umbakumba Milyakburra Angurugu
Victoria River - Daly	Nauiyi Nambiyu Community Government Council Nganmariyanga Community Inc. Peppimenarti Community Council Inc. Thamarrur Community Government Council Mataranka Community Government Council Daguragu Community Government Council Timber Creek Community Government Council Walangeri Ngumpinku Community Government Council Pine Creek Community Government Council	Nauiyu Nganmariyanga Peppimenarti Wadeye Mataranka Daguragu Timber Creek Yarralin Pine Creek
Municipality of Katherine	Katherine Town Council	Katherine
Roper Gulf	Borrooloola Community Government Council Jilkminggan Community Government Council Numbulwar Numburindi Community Government Council Nyirranggulung Mardulk Ngadberre Regional Council Yugul Mangi Community Government Council	Borrooloola Jilkminggan Numbulwar Barunga Ngukurr

¹⁵ Information for the table derived from DLGHS, 'Community Statistics', *New Local Government Message from the Minister*, undated, and Department of Housing, Local Government and Regional Services (DHLGRS), *History-Local Government Reform*, <http://www.localgovernment.nt.gov.au/history>, accessed 30 December 2009.

SHIRE	Pre-reform councils	Main communities
Barkly	Tennant Creek Town Council Elliott District Community Government Council Aherrenge Association Inc. Ali Curung Council Inc. Alpurrurulam Community Government Council Urapuntja Council Aboriginal Corp.	Tennant Creek Elliott Ampilatwatja Ali Curung Alpurrurulam Arparra
Municipality of Alice Springs	Alice Springs Towns Council	Alice Springs
Central Desert	Nyirripi Community Inc. Lajamanu Community Government Council Yuendumu Community Government Council Anmatjere Community Government Council Arltarlpilta Community Government Council Yuelamu Community Inc.	Nyirripi Lajamanu Yuendumu Ti-Tree Atitjere Yuelamu
MacDonnell	Areyonga Community Inc. Ikuntji Community Council Inc. Imanpa Community Inc. Kaltukatjara Community Council Aboriginal Corp. Ntaria Council Inc. Papunya Community Council Inc. Walungurru Council Aboriginal Corp. Wallace Rockhole Community Government Council Amoonguna Community Inc. Aputula Housing Association Inc. Ltyentye Apurte Community Government Council Tapatjatjaka Community Government Council Watiyawanu Community Government Council	Areyonga Haasts Bluff Imanpa Kaltukatjara Hermannsburg Papunya Kintore Wallace Rockhole Amoonguna Finke Santa Teresa Titjikala Mount Liebig

The *Local Government Act* provides for the establishment of local boards to improve integration and involvement of local communities in the council matters for the local area and to allow local communities to participate in the development of council policies. The role of a local board includes involvement in the development of a community plan and the establishment of local service delivery priorities.¹⁶

The Act contains provisions to ensure that local government councils follow contemporary principles and practices of transparency and accountability. Councils are required to have a municipal or shire plan that must contain a strategic plan, a service delivery plan with performance indicators and a long term financial plan. These must be reported against annually and be publicly available.¹⁷

For the purposes of preparation of regional management plans, three regions of north, central and south, were created and councils within the regions can decide if they will be part of the plans. The regional management plans have two purposes. The first is to assist inter-council Co-operation on matters like cemeteries, waste management facilities and other agreed regional facilities. The second and main purpose of the plans is to identify core local government services needed to be delivered in each regional area.¹⁸

¹⁶ Northern Territory of Australia (NT), *Local Government Act* (LGA), 1 July 2009, Part 5.1.

¹⁷ NT, LGA, Part 3.2.

¹⁸ NT, LGA, Part 3.1.

Inaugural elections for the new shire councils were held in October 2008. The Act stipulates that general shire elections are to be held at intervals of four years, commencing in March 2012.¹⁹

Working Future (including Homelands policy)

In May 2009 the Northern Territory's Chief Minister and the then Minister for Indigenous Policy announced a strategy to improve services and employment for people living in the Territory's remote areas. The strategy, *A Working Future: Real Towns, Real Jobs, Real Opportunities (Working Future)*, has six parts that aim to develop 20 large service towns (known as growth towns), establish a new policy for homelands and outstations and better coordinate the delivery of infrastructure and services to remote areas.²⁰

Working Future is closely aligned with COAG's National Indigenous Reform Agreement which has a multi-faceted approach that includes action in seven areas: early childhood, schooling, health, economic participation, healthy homes, safe communities and governance and leadership.²¹

In his first report, the Northern Territory's Coordinator-General for Remote Services notes that the large increase in Australian Government funds managed under the NPAs will flow to the growth towns for most priorities (early childhood, health, education, community safety, housing). However, detailed planning to build communities into proper towns that needs to occur will assist in accessing planning specific funding through the Remote Service Delivery NPA.²²

The key features of the six parts of *Working Future* are discussed under their headings, as announced by government.

Territory Growth Towns

20 Indigenous communities will be developed into towns with appropriate:

- Planning – town planning that involves the community and traditional owners in decision making;
- Infrastructure – including water, sewerage, electricity, roads and internet access; and
- Services, buildings and community facilities – including schools, police stations, courts, health services, aged care and disability facilities and transport options.²³

The 20 identified communities to become growth towns are shown in Table 4.

¹⁹ NT, LGA, s85.

²⁰ The Hon Paul Henderson, Chief Minister, and the Hon Alison Anderson, Minister for Indigenous Policy, 'A Working Future: Real Towns, Real Jobs, Real Opportunities', *Media Release*, 20 May 2009, <http://newsroom.nt.gov.au/index.cfm?fuseaction=viewRelease&id=5584&d=5>, accessed 31 December 2009.

²¹ NTG, 'Implementing a Working Future', *Working Future*, <http://www.workingfuture.nt.gov.au/implementing.html>, accessed 31 December 2009.

²² Northern Territory Coordinator-General for Remote Services, *Report #1 May to November 2009*, Department of the Chief Minister, Darwin, p. 8, http://www.workingfuture.nt.gov.au/ntcg_report1.html, accessed 18 December 2009.

²³ NTG, *Working Future*, <http://www.workingfuture.nt.gov.au/overview.html>, accessed 31 December 2009.

Table 4. Territory Growth Towns

Maningrida	Gunbalanya	Gapuwiyak	Ramingining
Wadeye	Milingimbi	Yuendumu	Hermannsburg
Borrooloola	Ngukurr	Yirrkala	Papunya
Galiwin'ku	Numbulwar	Lajamanu	Elliott
Nguiu	Angurugu/Umbakumba	Daguragu/Kalkarindji	Ali Curung

Outstations and Homelands

In July 2008 funding responsibility for outstations and homelands transferred from the Australian Government to the Northern Territory Government. Under *A Working Future* the Northern Territory Government will not build any new outstations.

Northern Territory Government policy documents state that existing outstations and homelands will have:

- Better service delivery through Territory growth towns and where outstations and homelands cannot access a growth town, the Government will continue to provide services;
- Funding for outstations and homelands that are occupied for at least eight months of the year. This will be determined through a statement of expectation of service delivery that will tell people what they can expect the Government to provide;
- More responsibility handed to residents for repairs and maintenance of housing and infrastructure. The government will not build new houses on outstations of homelands but will assist people to maintain housing and infrastructure.²⁴

The new outstations/homelands policy statement, contained in *Working Future*, outlined the following principles:

- Recognition of the contribution of outstations and homelands;
- Criteria for support to existing outstations and homelands;
- Negotiated agreement on support and service delivery to new outstations developed with private funds;
- Government service delivery will be provided through the most accessible growth town;
- All children must have education;
- Government will coordinate negotiations over the organisations to deliver essential services;
- Outstation and homeland residents must pay a reasonable amount towards the installation and maintenance of water, electricity and sanitation services;
- Outstation and homeland housing on Aboriginal land is privately owned and not suited to a public housing model and the Australian Government will not fund any new housing on outstations or homelands in the Northern Territory;
- The future of outstations and homelands is in successful development and use of economic opportunities and not on government support.²⁵

Remote Service Delivery

A Territory Coordinator-General has been appointed and is responsible for remote service delivery in the Territory and more improved coordination of services. New remote service delivery 'one-stop stops' will be established for both Northern

²⁴ NTG, *Working Future*.

²⁵ NTG, 'Outstations/homelands policy - Headline Policy Statement', *Working Future*, http://www.workingfuture.nt.gov.au/download/Headline_Policy_Statement.pdf, accessed 31 December 2009.

Territory and Australian Governments, along with a new way to allocating funding to communities.²⁶

Employment and Economic Development

While an Indigenous Economic Development Strategy will guide implementation, *Working Future* identifies that future employment and economic development will be based on:

- secure land tenure being negotiated with land owners to attract private investment;
- economic development plans being prepared for each town; and
- providing training and development to overcome skill gaps.

Remote Transport

Under *Working Future* it is planned to develop:

- a new integrated transport system to link people to towns;
- reliable transport services and road access; and
- better links between remote towns and urban centres.

Targets and Evaluation

The nationally negotiated COAG targets for 'Closing the Gap' have been adopted as the measurement framework for *Working Future*. The six core targets that will be reported against annually are:

1. closing the life expectancy gap within a generation;
2. halving the gap in mortality rates for Indigenous children under five within a decade;
3. ensuring all Indigenous four year olds in remote communities have access to early childhood education within five years;
4. halving the gap for Indigenous students in reading, writing and numeracy within a decade;
5. halving the gap for Indigenous students in Year 12 attainment, or equivalent attainment rates, by 2020; and
6. halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

Progress in implementing *Working Future* during its first six months has recently been noted by the Coordinator-General for Remote Services. The key progress areas noted are:

- improved service delivery coordination by government;
- extensive consultations undertaken in the review of outstations and homelands;
- an Integrated Regional Transport Strategy is near completion; and
- progress in collecting baseline data for the growth towns and identification of service delivery gaps.²⁷

The Coordinator-General also noted that securing growth towns leases 'is the most fundamental issue to securing outcomes envisaged under both the Remote Service Delivery and *Working Future*...'²⁸

²⁶ NTG, *Working Future*.

²⁷ NT Coordinator-General, *Report #1*, pp.13-19.

²⁸ NT Coordinator-General, *Report #1*, p.29.

3. SIHIP

One of the Council's immediate priorities is to inquire into the policy rationale, programming and implementation of SIHIP.²⁹ The Council asked expert witnesses to the hearings to aid understanding and scrutinising of policies.³⁰ Witnesses at the Council's public hearings held during November and December 2009 spoke about a range of matters in relation to SIHIP.³¹

Some of the broader, related issues were also at times discussed. Two examples of this are tenancy management of housing constructed or refurbished through SIHIP and increasing home ownership in Indigenous communities. While the broader matters related to SIHIP are included as discussed with the Council, fuller consideration of the broader issues will be included in later reports.

Issues raised

Perhaps reflective of the considerable media attention given to SIHIP, the constant and dominant concern raised in all centres was the number of houses to be built under SIHIP in comparison to the known need for significantly more housing in the Territory's Indigenous communities. Other issues repeatedly discussed included the average cost and size and design of houses and the program and administration costs under SIHIP.

Numbers of houses, rebuilds and refurbishments

Mr Ken Davies, the then Deputy Chief Executive of the Department of the Chief Minister (DCM), confirmed that SIHIP will deliver 750 new houses, 230 rebuilds and 2500 refurbishments. This, in effect, is anticipated to add '3480, or so, houses to the Northern Territory government housing stock...'³²

The difference between rebuilds and refurbishments is explained in cost terms. An average, post-SIHIP review rebuild will be \$200,000 while an average refurbishment will be \$75,000, and in scale of work undertaken.³³ The SIHIP Review noted that:

Rebuilds will occur where more than \$100,000 on capital works is spent on an existing house. It is expected that the majority of rebuild works will be kitchens, bathrooms and toilets, returning houses to full functionality for less than half the cost of a new house on average...Refurbishments will range in cost from \$20,000 to \$100,000 per house...and will target critical health hardware and housing functionality.³⁴

For most purposes however, refurbishments and rebuilds are not separately differentiated, e.g. the SIHIP program report shows them as one project item.³⁵ Witnesses who were contractors from the alliances delivering the program agreed that refurbishments and rebuilds are now essentially the same thing. They said that

²⁹ LANT, CTC, *Media Release*, 6 November 2009, <http://www.nt.gov.au/lant/parliament/committees/CTC/MediaRelease6Nov2009.pdf>, accessed 15 December 2009.

³⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.1.

³¹ See Appendix B for a list of hearing dates, locations and witnesses.

³² LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.13.

³³ Answer to question on notice: LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.57. In answer to the basis for determining the number of houses for refurbishment it was stated that it was based on a mixture of 'experience in the first three packages of work and discussions between Government and Alliances about what could be delivered in subsequent works.'

³⁴ FaHCSIA and NTG, *SIHIP Review*, p.33.

³⁵ Department of Local Government and Housing (DLGH), 'Strategic Indigenous Housing and Infrastructure Program', (Program Spreadsheet), CTC Tabled Paper No.2, 9 November 2009.

prior to the review, houses were fully refurbished and now refurbishments are focussed on 'just fixing the functionality of the house...' The effect of this may be that more houses will be able to be refurbished in some communities.³⁶

The Council was interested to know how refurbishments/ rebuilds will reduce the significant overcrowding in communities and how overcrowded housing's functionality can be restored when up to 20 or more people are living in many houses. Responding to these concerns in relation to Maningrida, Mr Robert Ryan, Acting Executive Director SIHIP (FaHCSIA) stated:

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...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 in 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 of maintenance of houses plays in addressing maintaining houses and keeping houses to a good standard.³⁷

Questions were also asked about how the scope of works for refurbishments and rebuilds were determined. In Tennant Creek, Mr Brian Hughey, Project Director, New Future Alliance, described using the Territory Housing system of scoping a house's functionality. Prior to handover of completed work, Territory Housing assess the house in relation to its standards.³⁸ As part of the Council's questioning in the case of Tennant Creek, there appeared to be a two to three week delay in the handover process.³⁹

At each public hearing there was concern expressed about how many houses were under construction and when houses can be expected to be completed. Figures quoted by FaHCSIA's Secretary, Dr Jeff Harmer, in a Senate Estimates hearing, that about 50 houses would be commenced by the end of 2009 and about 200 would be completed by the end of 2010⁴⁰ were confirmed by FaHCSIA and Northern Territory Government officials during public hearings.⁴¹

The SIHIP program report shows that at the time of tabling, 15 houses and 42 refurbishments/ rebuilds were underway and 19 refurbishments/ rebuilds were

³⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.55.

³⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, pp.58-9.

³⁸ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.8.

³⁹ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.9.

⁴⁰ Commonwealth of Australia Senate, Community Affairs Legislation Committee, *Estimates* (Supplementary Budget Estimates), Friday 23 October 2009, Canberra, p. CA7. Dr. Harmer states that '...almost 50 new houses under construction and more than 180 rebuilds and refurbishments underway or completed by December 2009.'

⁴¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, pp. 6, 44 and Tuesday 10 November 2009, p.69.

complete. The report at that time shows that 78 refurbishments/ rebuilds were projected to be completed by December 2010.⁴²

Responding to Council members' questions about the gap between reported work commenced and the previously stated projected commencements, Mr Andrew Kirkman, Executive Director SIHIP (DLGH) said:

There is a significant amount of work that does need to be done in the next couple of months. ..there are works commencing in the 20 southern refurbishment communities at Ali Curung this week. There is, obviously, work also under way in Tennant Creek. All those communities have work either underway or targeting that figure for the end of the year commencement of works.⁴³

Recommendation 1

The Council recommends that governments note that it is the Council's opinion that the Northern Territory Government is still the best positioned government to manage SIHIP. Its members and the members of the Territory Parliament are far better positioned to know the Northern Territory's remote areas than Federal Parliamentarians and Ministers.

Recommendation 2

The Council recommends that the program should be allowed to roll out its refurbishments and rebuilds to the standards originally promised.

Recommendation 3

The Council recommends the Northern Territory Government work with the Australian Government to ensure that stock from SIHIP meets minimum Territory Housing standards.

Recommendation 4

The Council recommends that the transition period from a new, rebuilt or refurbished house being completed, checked for successful completion and handed over to new tenants be streamlined to minimise any delay of occupancy.

Average size and cost/ housing design

One of the findings of the SIHIP review was that construction of new houses would have an average target cost of \$450,000.⁴⁴ The Council queried how the difference was determined in average costs of houses prior to and after the review and what effect the determined price would have on size and quality of new houses.

Mr Ken Davies (DCM) assured the Council that some houses may be smaller but that the quality of materials and durability of the houses will not be compromised and will comply with building standards. Mr Davies anticipated that cost savings will be made in standard housing design and production that will help ensure that SIHIP meets its targets.⁴⁵

Dr David Ritchie, the then Chief Executive of the Department of Local Government and Housing (DLGH) explained that the original average cost of \$350,000 was based on existing tender prices during the period 2005-06 and the standards set out by the

⁴² DLGH, Program Spreadsheet, CTC Tabled Paper No.2, 9 November 2009.

⁴³ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.44.

⁴⁴ FaHCSIA and NTG, *SIHIP Review*, pp.33, 40.

⁴⁵ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, pp.8-9, 15.

National Indigenous Housing Guide.⁴⁶ The process for determining a change in the average cost of housing construction from the originally scoped \$350,000 was explained by Dr Ritchie as follows.

When most of the scoping was done on Groote Eylandt, it became very clear we were not going to build houses on Groote Eylandt for \$350,000. We had also been watching some of the tendered bids come back in on government employee housing in the same area, and the prices were getting back much higher than \$350,000. The question then is, the \$350,000, like the \$450,000 now, was always meant to be an average, a way of conceiving the entire program; so it was always expected some would be more than \$350,000 and some, we hoped, were less.⁴⁷

However, Mr Mark Brustolin, Director Brustolin Builders, with building experience in the Territory's remote areas since the 1980s questioned the possibility of constructing housing in remote locations for \$450,000. He stated that in February 2009 he completed construction of a three-bedroom, a six-bedroom and single men's accommodation on land a few kilometres from bitumen road and the construction prices varied from \$480,000 to \$690,000.⁴⁸ He also said that the average costs of \$200,000 for a rebuild and \$75,000 for refurbishment were unrealistic, citing as an example, the added costs of asbestos removal that many older houses will need, may not have been factored in.⁴⁹

In replying to questions about the difference in costs between different locations, Mr Hughey (New Future Alliance) said that there were differences due to different building materials, sizes of houses and cyclone-rating of areas. Mr Hughey noted that costs for a three-bedroom house in Tennant Creek in April 2009, prior to the review, was \$450,000.⁵⁰

The Council remains concerned that the projected average costs for construction, refurbishments and rebuilds are unachievable within the current budget and that this may lead to smaller and less durable housing being delivered.

Responding to these concerns, Ms Amanda Cattermole, Group Manager, Office of Remote Indigenous Housing (FaHCSIA) said:

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...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.

The Council queried how the components of the SIHIP program (750 houses, 230 rebuilds and 2500 refurbishments for \$652 million) were determined and if guidelines

⁴⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.36. More information on the National Indigenous Housing Guide is available at:

http://www.fahcsia.gov.au/sa/indigenous/pubs/housing/Pages/national_indigenous_housing_guide.aspx

⁴⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.35.

⁴⁸ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, pp.28-9.

⁴⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.32.

⁵⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.67.

were established by the Australian Government in relation to the houses to be built. FaHCSIA and DLGH officials advised that:

Targets set at the establishment of the program were based on a desktop audit undertaken by the Northern Territory Government, looking at the number of existing houses in the 73 communities and the occupancy rates. This was undertaken to inform an equitable split of capital works across the communities based on the expected cost of works at that time.⁵¹

Some alliance members noted that while their contracts do not require them to build, or refurbish more houses if the budget enables that, it may be possible to build more than targeted. Mr Alan McGill, Manager Territory Alliance, delivering SIHIP packages in the Tiwi Islands, Maningrida, Minjilang, Waruwi, Galiwinku and Alice Springs town camps, said:

The average mix of housing is another factor in this. They are not all three-bedrooms, half of them are going to be, but there is a mixture of single person's accommodation, which is what people are asking for, so the number of dwellings overall might well exceed 85, but we would keep in the budget of what houses will cost, whatever the figure is, and some will be a lot less because they are smaller.⁵²

In relation to construction costs running over the average targeted costs, Mr Kirkman (DLGH) said that each partner of the alliances will share in cost over and under-spends, which includes Australian and Northern Territory Governments as both are alliance partners.⁵³

Funding for associated infrastructure costs

The SIHIP review outlined that the program's revised budget would focus on housing and that costs associated with housing related essential services infrastructure will be determined in the audit of municipal and essential services being undertaken as part of the NPA.⁵⁴ Funding for housing related essential services will come initially from the NPA and the Northern Territory Government, however, the review noted:

Over the 10 year life of the National Partnership and following the outcomes of the Audit, governments will need to work together to establish long-term financial arrangements.⁵⁵

The Council is concerned that there is no evidence that NPA arrangements will deliver necessary housing related infrastructure to new or refurbished housing in remote areas when there is already pressure on essential services delivery in the Territory's non-remote areas.

Mr Davies (DCM) said that there are comprehensive infrastructure plans being developed, using Australian and Northern Territory Government funds, in each of the SIHIP communities to ensure that there is adequate infrastructure in place. In relation to power supply, Mr Davies said that in most communities supply is already at an appropriate standard, but that new underground infrastructure is being developed concurrently with the scoping for SIHIP building programs. He added that:

⁵¹ Answer to question on notice: LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.42.

⁵² LANT, CTC, 'Transcript of Proceedings', Alice Springs, 23 November 2009, p.14.

⁵³ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.68.

⁵⁴ FaHCSIA and NTG, *SIHIP Review*, p.31.

⁵⁵ FaHCSIA and NTG, *SIHIP Review*, p.8.

Much of the initial housing is going to be built on current sites which are already serviced and, as the second stage is flowing into the new subdivisions, that is where the additional infrastructure will have to be provided.⁵⁶

However, in Tennant Creek, Mr Brian Hughey (New Future Alliance), said about \$16.5 million of SIHIP funding is going into construction and reconstruction and the remainder of the total \$30 million will go into civil construction for things like roads, power, water and sewerage.⁵⁷

The Council asked about the funding stream for providing housing related essential services and infrastructure. In response, the Northern Territory's Under Treasurer, Ms Jennifer Prince, said:

The Territory already provides substantial infrastructure funding for its own IES program provided to Power and Water, and that has a number of elements; but a substantial amount, and increasing amount, is allocated to fund new works, expanded capital works for generators, water systems. So, the infrastructure services associated with SIHIP would be funded either partly from the Remote Indigenous Housing Program, or the Territory's IES funding, and that funding has been increasing quite substantially over the last five years.⁵⁸

The Council asked if additional infrastructure spending was required because of the SIHIP program. Ms Prince replied:

The people managing the SIHIP program are, with the assistance of the department of planning and infrastructure, looking at the total infrastructure requirements in each of those communities, and making a decision on a community by community basis to what extent there should be additional infrastructure. This might exceed the SIHIP requirements, depending on what the other plans for that community are, and if it is sensible to do essential services construction which exceeds the SIHIP requirements now rather than later, in those instances the Treasury's contribution to that infrastructure will increase because we will be funding infrastructure which is not related to SIHIP.⁵⁹

Given the SIHIP review findings in relation to infrastructure funding, the Council asked if the Northern Territory's level of responsibility for infrastructure funding had now increased. In reply Ms Prince said:

Initially, it was thought there would be some funding source separate to the essential services infrastructure, it would not be the only funding source, the Territory would make additional contributions, as it has done for the last six or seven years through the IES program...I believe what we all recognise is there will be a substantial increase in Territory and Commonwealth spending in remote areas of the Territory associated with all of this expenditure.⁶⁰

Ms Prince identified that an additional \$20 million was provided for Indigenous essential services through a Treasurer's Advance towards the end of the last financial year. She agreed that regardless of SIHIP requirements, the Northern

⁵⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, pp.10-11.

⁵⁷ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.4.

⁵⁸ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.18.

⁵⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.19.

⁶⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, pp.19-20.

Territory Government will be spending more on infrastructure in the coming years as part of Territory growth towns' development.⁶¹

Dr Ritchie (DLGH) said that there is about \$100 million available from NPA funding and that the Australian Government is responsible for new infrastructure, while the Territory's responsibility is to maintain existing infrastructure. He pointed out that in practice, as the SIHIP program is delivered, each community may need a different approach to infrastructure. Some may need new systems, others may need upgraded systems. Assessments about the best value for money and funding responsibility will need to be negotiated between the Northern Territory and the Australian Governments.⁶²

The Council notes Dr Ritchie's comments that different approaches and negotiation are needed with the Australian Government to resolve infrastructure requirements. It believes the Tennant Creek SIHIP construction project provides an example of when a different approach should occur.

Recommendation 5

The Council recommends that the \$13.5 million set aside in Tennant Creek for infrastructure be used for the construction of new houses and the infrastructure money is sourced from the NPA.

Recommendation 6

The Council recommends that a scope of infrastructure works for SIHIP be published, providing detail of who will do what when.

Program management/ administration costs

Leading into the SIHIP review, media attention was focussed on reported program management and administration costs and that no new housing had been built. Review findings about program administration costs agreed they were too high.⁶³ One outcome of the review was that it determined that program management costs could be cut from 11.4 to 8 per cent of the total budget. Both governments have agreed to reduce administrative costs to 8 per cent.⁶⁴

The Council thinks consideration must be given to the process of announcing programs of this nature by Governments at both levels. What should have been a good news story for both Governments has become a disaster because of the desire to massage the message rather than actually focus on the results achievable. Both Governments need to acknowledge that the experience has left a sour taste in many mouths, not least of which are the many Aboriginal people who have been promised one thing and delivered another.

In practice, government officers explained that for the life of the SIHIP program, 8 per cent of the total program expenditure will be spent on managing the program. As described by Mr Davies (DCM):

...\$11.50 will be spent on houses and \$1 will be spent on program administration...it goes to project management costs...to facilitating the coordination, the design parameters and that sort of thing.⁶⁵

⁶¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.21.

⁶² LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.43-4.

⁶³ FaHCSIA and NTG, *SIHIP Review*, pp.5, 7, 24-25.

⁶⁴ FaHCSIA and NTG, *SIHIP Review*, p.24.

⁶⁵ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.11.

Using total SIHIP expenditure of \$45.54 million at the time of the review,⁶⁶ Mr Davies explained the break-up of expenditure at the time of the review as follows:

\$7.6 million of that \$45m has been spent on capital costs. These costs have been primarily for upgrading power infrastructure in remote communities to support new housing. \$20m has been the establishment costs for the Alliance partners and costs for scoping the first nine SIHIP packages; and \$17m has been appropriated for program management - \$6.2m in direct costs to the NT government, \$0.3m engagement costs, \$11.4m to external contractor costs...⁶⁷

Mr Davies agreed that if \$7.6 million, spent on capital infrastructure costs, was deducted from \$45.4 million spent to date, the remainder, about \$38 million, was spent in administration costs. Following the review, budget program management costs will be reduced to 8 per cent, or \$53.7 million of the total SIHIP budget. This then means that about \$15 million remains that can be spent on administration costs for the life of the program.⁶⁸

Recommendation 7

The Council recommends that all new, rebuilt or refurbished houses when handed over to Territory Housing have a publicly available final cost that includes an administrative component.

Recommendation 8

The Council recommends that the Northern Territory and Australian Governments provide the CTC with a detailed financial report of the SIHIP project every quarter.

Recommendation 9

The Council recommends that an audit should be done by an independent auditor at the completion of the process to determine the usefulness of the alliance model, including an assessment of the profits returned by the Alliances through the process.

Land tenure/ lease arrangements

For most of the Northern Territory, to enable SIHIP to be delivered, leases needed to be negotiated with traditional land owners as most of the major communities where housing was needed was held in communal freehold title by Aboriginal traditional owners. An integral part of SIHIP, therefore, is to resolve land tenure issues. Dr Ritchie (DLGH) explained the reasons for negotiating leases:

One, the owner of the house would be the public, the Crown, and the Crown would have an ongoing responsibility to maintain those houses for the future. The second thing is, to establish any capability for the residents of remote communities to actually ever aspire to purchasing property, there would need to be a form of negotiable title, and that is readily achieved by creating the leasehold system we are now rolling out.⁶⁹

Ms Cattermole (FaHCSIA) described the underlying principle to the Australian Government's expenditure in SIHIP as being sufficient security of tenure to ensure initial housing construction work to be undertaken, but also to ensure that housing

⁶⁶ FaHCSIA and NTG, *SIHIP Review*, p.25.

⁶⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.14.

⁶⁸ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.14.

⁶⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.32.

management, repairs and maintenance can occur. Progress in negotiating leases was explained as:

There are 73 communities which are involved in SIHIP, as well as some targeted town camps...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.⁷⁰

The Council inquired into the details of lease arrangements and who are the lease holders and the lessors. Recognising that different locations will demand different processes and timeframes, Ms Cattermole said the intent is that houses will be located in housing precinct leases. Most of the leases will be held by the Northern Territory Government but some leases will be held by the Australian Government's lease-holding body, Executive Director of Township Leasing (EDTL).⁷¹ Where there is a township lease held by EDTL, the intention is that the Northern Territory Government would then have a sublease over the housing.⁷²

Some of the leases to government are for 99 years (Groote Eylandt and the Tiwi Islands) and some are 20,20,20-year leases like that negotiated in Tennant Creek. In the case of Tennant Creek, the leases are held by the Julalikari Council Aboriginal Corporation and the sublease is to the Department of Local Government and Housing. In other places, leases are negotiated through the Northern and Central Land Councils where they are held as leases.⁷³

In response to the Council's questions about the financial component to leasing, Ms Cattermole advised that there is no payment for housing precinct leases – that land councils and traditional owners have granted the leases in return for the additional and improved housing.⁷⁴

Mr David Ross, Director Central Land Council (CLC), said that people who live in the communities subject to lease negotiations have 'huge problems with the idea of a 40 year lease'. However, the CLC's process was explained as: after the traditional owners and community agree, it deals directly with the Australian Government, which then negotiates with the Northern Territory Government.⁷⁵

Mr Darryl Pearce, Lhere Artepe Aboriginal Corporation, told the Council that the Corporation has proposed the *Unit Titles Act* (NT) was an appropriate way to structure town camps. The Australian Government Minister has responded by reinforcing the current process with town camps for a 40-year lease. Two town

⁷⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.65.

⁷¹ It is also referred to as the Office of Township Leasing or OTL. The position of the Executive Director of Township Leasing was established by the *Aboriginal Land Rights (Northern Territory) Amendment (Town Leasing) Act 2007* and came into effect on 1 July 2007. Australian Government, *Executive Director of Township Leasing Annual Report 2008-2009*, http://www.otl.gov.au/annual_report09.htm, accessed 8 February 2010.

⁷² LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.65-6.

⁷³ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.65.

⁷⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.66.

⁷⁵ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.7.

camps (Trucking Yards and Ilpeye Ilpeye) have written to the Northern Territory Minister for Lands stating a desire to change tenure.⁷⁶

Members of the Intervention Rollback Action Group also expressed dissatisfaction with long term leasing of communities and the impact of lease arrangements on tenancy agreements and management.

People want to be able to have a say in the ongoing issues surrounding housing management...people have expressly stated that they do not want compulsory acquisition of the town camps...we are talking about the future of those town camps and the development and this sort of investments that has been made in those camps. People also expressly do not want the government to take over their land in the form of a long-term lease, in order to fix homes or to provide basic services and those kind of things for people in the camps.⁷⁷

However, when asked by the Council about the impact of lease arrangements on assisting home ownership to occur, Ms Barbara Shaw, a town camp resident and member of the Intervention Rollback Action Group, said:

Some day I would like to own my own home where I live right now, or somewhere on my camp, but then I will not be able to have that until I have a proper job, where I have a proper income coming through, where I can get a loan and own my home...Until then, I am going to rent my home and I basically do not want compulsory acquisition like the other town camps do. I would like to move forward on 40 year leases, but I would also like to have a key decision making role...⁷⁸

The underlying concern about 40-year leases is the link to the Northern Territory Government providing the property and tenancy management functions and in particular, Territory Housing's record of tenancy management practices in Alice Springs.⁷⁹

Table 5 shows the current situation in relation to land tenure arrangements for SIHIP in late 2009.⁸⁰

Table 5. SIHIP land tenure at November 2009

Township leases in place	Existing housing precinct leases in place	In-principle agreement to housing lease	Hopeful of in-principle agreement to housing lease	Negotiations in progress
Nguiu	Wadeye	Ngukurr	Millingimbi	Yirrkala
Angurugu	Maningrida	Gapuwiyak	Numbulwar	Hermannsburg
Umbakumba	Gunbalunya	Lajamanu		Yuendumu
Milyakburra	Galiwinku			
	Tennant Creek			

⁷⁶ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.19.

⁷⁷ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.62.

⁷⁸ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, pp.64-5.

⁷⁹ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, pp.64-6.

⁸⁰ The information in the table is compiled from evidence given in October 2009 to Senate Community Affairs Legislation Committee, Supplementary Budget Estimates, CA16, and DLGH, Program Spreadsheet, CTC Tabled Paper No.2, 9 November 2009. Note: The Senate Estimates information discussed nine locations with leases in place, but named eight. The SIHIP spreadsheet shows Tennant Creek as having a signed lease, along with Wadeye, Maningrida, Gunbalunya and Galiwinku.

Recommendation 10

The Council recommends that Indigenous Business Australia (IBA) schemes supporting the private ownership of houses on Aboriginal communities be actively encouraged by the Northern Territory Government and private financial institutions, especially in communities where the SIHIP program is presently operating.

Use, cost and number of consultants and public servants

Use and cost of external consultants and the numbers of public servants working on SIHIP related programs prior to and after the review were explored by the Council. Mr Kirkman (DLGH) answered that prior to the review there were about 50 Territory and Australian Government public servants implementing SIHIP, of whom about half were consultants.⁸¹

Since the review, there are about 40 Northern Territory public servants and about 10 consultants, who are included within the 8 per cent program management costs. There are about 15 Australian Government public servants in the joint management team, who are not included in the 8 per cent program management costs. Mr Kirkman confirmed that there are less than 10 consultants employed at this stage but that some more will be needed to provide technical services at a later stage.⁸²

Mr Robert Ryan, Acting Executive Director SIHIP (FaHCSIA), described SIHIP consultants, employed by the Northern Territory Government, as having specific skills like accountants, civil engineers and architects. He added that while it may be possible to replace some consultants with public servants, civil engineers with particular experience will need to be sought at different times.⁸³

When questioned about the necessity for and the cost of consultants, Mr Kirkman stated that the consultants currently employed are 'absolutely necessary'. He noted that as SIHIP implementation has worked through a transitional management framework the number of consultants has halved and is anticipated to reduce again to a number that will ensure program management objectives and costs are met.⁸⁴

Table 6 shows the number of consultants and their roles prior to and after the SIHIP review.⁸⁵

Table 6. SIHIP Consultant Numbers

	Consultant numbers prior to review	Planned consultant numbers post review
Parsons Brinckerhoff (from Jan 08)	20	5
Program Manager & support staff	2	
Community Engagement	3	
Program controls	4	
Technical Support	7	1

⁸¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, pp.40-1.

⁸² LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, pp.40-1.

⁸³ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.14.

⁸⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.41.

⁸⁵ Answer to question on notice, LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.42, and Alice Springs, 23 November 2009, pp.12-3.

Package development & management	4	4
Ongoing Consultancies	4	4
Cost Management (from Apr 08)	2	2
Design Coordination (from Apr 08)	2	2
	24	9

Aboriginal employment

One of the major non-construction improvements SIHIP is targeted at improving is Aboriginal employment rates. In budgeting terms, Mr Robert Ryan (FaHCSIA) spoke of Aboriginal workforce development being a major component of the non-cost outcomes of SIHIP.⁸⁶

Ms Gattermole (FaHCSIA) stressed to the Council that employment supported by training of Indigenous people to achieve a sustainable workforce is one of SIHIP's core objectives and restated that SIHIP intends to deliver on its 20 per cent Aboriginal employment development target.⁸⁷

Tangentyere Council Managing Director, Mr William Tilmouth, stressed the importance of SIHIP meeting all of its objectives stating that:

...the construction phase must fully integrate regional expertise in design construction and maximise employment for local unemployed Aboriginal people living in town camp communities during this project and into the future.⁸⁸

Speaking from his experience as a builder, Mr Mark Brustolin noted however that poor education levels in Indigenous communities meant that it was only ever possible to employ Aboriginal people in menial tasks for short periods that did not lead to longer-term employment. Mr Brustolin suggested a realistic model was one like that being used at Port Keats:

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.⁸⁹

Responding to the Council's questions about the employment aspect of SIHIP, Mr Alan McGill (Territory Alliance Group) reported that 60 per cent of the people working on SIHIP on the Tiwi Islands are Tiwi people. All had some training of some kind and a number of apprentices, who hadn't completed their training, are working to complete their apprenticeships.⁹⁰

Mr Brian Hughey (New Future Alliance) said about 14 to 17 local Aboriginal people were employed on SIHIP projects in Tennant Creek.⁹¹ Ms Pat Brahim, General Manager, Julalikari Council Aboriginal Corporation, emphasised that one of

⁸⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, p.41.

⁸⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, pp.41-2.

⁸⁸ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.24.

⁸⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday 10 November 2009, pp.26-7.

⁹⁰ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.15.

⁹¹ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.14.

Julalikari's objectives in agreeing to leases for SIHIP work was employment and training for local Indigenous people.⁹²

Ms Brahim said that Julalikari's approach was centred on building the capacity of local Aboriginal community and therefore, more broadly, building Tennant Creek, by trying to ensure work for tradespeople and businesses in Tennant Creek. Julalikari was also keen to develop employment and training into the future, post-SIHIP. Ms Brahim told the Council that SIHIP package employment and training in Tennant Creek is 30 per cent, compared to the SIHIP target of 20 per cent. She added that Julalikari has supplemented expenditure on employment and training through an agreement with Group Training NT, using the STEP project which has come from the Community Development Employment Program or CDEP.⁹³

Recommendation 11

The Council recommends that every six months training and employment data for SIHIP is made publicly available. The data is to include a breakdown of employee and sub-contractor numbers, labour hours, training hours on-site and in the class room, and the types of trades and certificates that people are being trained in.

Future directions for Council inquiry into SIHIP

The Council's initial public hearings were in the Territory's large urban centres. Future hearings will include a number being held in smaller, non-urban centres. For example, in early February 2010 public hearings have been conducted at Nguui and Wadeye.

The Council anticipates that as SIHIP is a longer-term program the Council will continue to inquire into its progress in meeting goals and to identify and recommend any appropriate program delivery changes. The following are examples of areas that the Council is interested in following up.

- Timelines for starting and completing houses
- Infrastructure costs
- Tenancy management
- Aboriginal employment and the link to *Working Future*
- Home ownership.

⁹² LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.16.

⁹³ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, pp.17-8.

4. LOCAL GOVERNMENT

The Council is looking at the purposes behind local government reform, its implementation and any ongoing related issues that are affecting, in particular, shire and municipal councils. Examination of local government reform has also meant more broadly looking at how the new shires are functioning.

Issues raised

During the November and December hearings representatives of all municipal councils and five of the eight shire councils participated in CTC public hearings.⁹⁴ Concerns were raised by most councils about local government funding-related matters and the ability to provide expected services, the new accounting and IT system, the funding and transfer of roads to local governments and local governments' lack of involvement in planning.

Local government funding and services

Local governments in the Northern Territory have quite different financial situations because while municipal council's budgets are derived mostly from rates, shire councils have a much smaller rates base and are more reliant on government grants, principally, federal financial assistance grants (FAGS).⁹⁵ Apart from some one-off funding as part of local government reform, the Northern Territory Government's only funding provided to local governments is through local government financial assistance grants.⁹⁶

Many shire councils said they were dependent on grants (both FAGS and other government grants) to deliver core local government services like roads, rubbish removal and management and provide recreational facilities. Ms Sandra Cannon, Chief Executive Officer (CEO) Victoria Daly Shire, said that 78 per cent of the shire's income was grant funding, while about three per cent was raised through rates.⁹⁷ In the Central Desert Shire, less than two per cent of shire income is derived from rates.⁹⁸ Ms Catherine Proctor, Director Corporate and Community Services, Roper Gulf Shire, stated that if grant funding decreased, services would have to decrease accordingly.⁹⁹

Mr Gary Cleary, Director Corporate and Community Services, Barkly Shire Council, argued that if a similar level of services is to be provided as is expected in a town or city, the Shire Council will need twice as much agency funding and three times discretionary funding to provide core services.¹⁰⁰ A number of shires made the point that with a large Indigenous population living in communities it is not possible to

⁹⁴ See Appendix B for list of CTC hearing dates, locations and witnesses.

⁹⁵ Federal Financial Assistance Grants are made up of a general purpose component and an identified local road component and are paid to local government as untied grants, thereby allowing local government councils to spend them according to local priorities. For more information on the grants including amounts paid to Territory local government, see: Department of Infrastructure, Transport, Regional Development and Local Government, Financial Assistance Grants to Local Government, *Local Government*, <http://www.infrastructure.gov.au/local/assistance/index.aspx>, accessed 25 January 2010.

⁹⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday 9 November 2009, p.25.

⁹⁷ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, pp.1-5.

⁹⁸ Mr Roydon Robertson, Acting Chief Executive Officer, Central Desert Shire Council, stated that 1.6 per cent of total income is raised from rates. LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.34.

⁹⁹ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, pp.17-8.

¹⁰⁰ LANT, 'Transcript of Proceedings', Tennant Creek, 19 November 2009, p.35.

charge realistic, cost-recovery rates, as the rate payers cannot afford to pay. The shortfall has to come from discretionary funding.¹⁰¹

The Council asked if it was the shires' understanding that part of the incentive for the reform of local government was that it would make it easier to access sufficient road funding through the Australian Government.¹⁰² Ms O'Brien, Deputy Mayor, Roper Gulf Shire, said that it was her understanding that, for particularly cattle properties and previously unincorporated areas, better roads was a large inducement.¹⁰³

Ms O'Brien further noted that with a shire population of 7000, the Shire does not have the capacity to generate income through rates, but that:

...I do believe council should be responsible for settings its own rates. If it is a directive from the government that rates must be set and we are self-funding, that is not fair by any means because of the size and the areas we have to operate in but not have control over.¹⁰⁴

The Council inquired about the financial impact of amalgamating the community government councils into the shires, of the condition of assets, financial records and if some had outstanding debts now inherited by shires. For some shires, a number of transferred assets, like older trucks and graders, need to be replaced, which in turn affects how much roads maintenance and other related work can be undertaken.¹⁰⁵

Ms Proctor (Roper Gulf Shire) said that no community government councils came to the Roper Gulf Shire with debts, rather, most brought over cash reserves, some of which were quite substantial.¹⁰⁶ Mr Roydon Robertson, Acting CEO, Central Desert Shire, said there was no indication of the level of debt that the shire was expected to take on and the shire's full financial position remains unclear because of the inherited debts.

We have inherited debts, we have inherited very poor financial positions, most of the books have qualified reports, with hundreds of thousands of dollars that cannot be accounted for...so we are only just now putting together were our opening balance is, so apart from any problem we have with...agencies, we have very little to start with.¹⁰⁷

Mr Damien Ryan, Mayor of Alice Springs, noted that during the reform process, the Town Council was told by government that the reform would not disadvantage Alice Springs Town Council in its receipt of funding. However, since the reform the Town Council has received reduced grants funding.¹⁰⁸

The Council asked the Roper Gulf Shire about its financial capability to deliver commercial services expected of local governments.¹⁰⁹ In response, Ms Proctor said:

¹⁰¹ LANT, 'Transcript of Proceedings', Tennant Creek, 19 November 2009, p.35.

¹⁰² Most shires agreed that was their understanding. This question is also discussed in a later section in this chapter on roads.

¹⁰³ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, p.22.

¹⁰⁴ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, pp.22-3.

¹⁰⁵ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, pp.5-6. The impact of transferred assets and their condition was also noted by Mr Graham Taylor, Chief Executive Officer, MacDonnell Shire, LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.58; Mr Phil West, Director of Works and Services, Barkly Shire Council, LANT, 'Transcript of Proceedings', Tennant Creek, 19 November 2009, p.34.

¹⁰⁶ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, p.24.

¹⁰⁷ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, pp.37-8.

¹⁰⁸ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.44.

¹⁰⁹ The question specified the services as airstrips, boat ramps and barge landing maintenance, forestry operations, coastal river, maritime, navigation markers, community housing and building new construction, community stores, horticulture, housing repairs and maintenance, management of

Yes, we do all that. We operate it on a fee-for-service basis. We have a manager who oversees all of our commercial operations. We have a lot of local employment in those operations...I could not tell you whether we are actually in the black with all of these operations right now, but I know it is managed very carefully.¹¹⁰

The financial realities described by most shire councils during the CTC's initial hearings is perhaps best demonstrated in the following description about decisions on what services to provide with available funding.

We have a choice right now...of closing at least one of our child care centres, because there is simply not enough funding provided by the agency to justify us performing the service. But we cannot do that. We cannot simply close a childcare centre, which has just opened up, on financial grounds. Again, the constituents in the major communities, through their rates, through what discretionary funding we have left, we are supporting agency activities. Until this situation is remedied, across the Territory ... shires will continue to subsidise essential services to people in communities.¹¹¹

The Northern Territory Cattleman's Association's President, Mr Rohan Sullivan, noted that the main problem with the shires' financial situations is that the rate base is too small to significantly contribute to shire revenue. One of the Association's main concerns with local government reform was that because the shires' rates bases are so low, rating (and rate capping) on pastoral stations could increase to an unsustainable level.

Mr Sullivan added that he was advised by the previous Minister that the local government reform process was needed, not to increase rates, but to assist in getting additional roads funding through the Australian Government. When he raised this with Australian Government Ministers, he was advised that there would be no extra money.¹¹² Mr Sullivan said he is concerned that there has been no increase in roads funding.¹¹³

Recommendation 12

The Council recommends that the Northern Territory Government amend legislation to enable shires to increase their own revenue base, such as through Service Fees in remote Aboriginal communities where they provide services.

Recommendation 13

The Council recommends that the Minister for Local Government establish a working relationship with shires and municipal councils based on the model of the Capital Cities Committee to improve on the delivery of services and community development.

CouncilBiz and IT System

The Council raised a number of concerns about the CouncilBiz and IT (known as ShiresBiz) systems, developed as part of local government reform and being used by most shires. Mr David Ritchie (DLGH) explained that a part of the design of local

construction, housing tenancy management, mainstream services such as postal services and Centrelink, non-council roads, power, water and sewerage, visitor accommodation and tourist information. LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, p.24.

¹¹⁰ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, pp.24-5.

¹¹¹ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday 23 November 2009, p.37.

¹¹² LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday 2 December 2009, p.31.

¹¹³ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday 19 November 2009, p.33.

government reform was to have a consistent IT platform across the shires. This was to ensure that the shires used systems which were compatible with each other and with government. It was needed for two reasons:

First, we would be able to see whether they were doing proper forward planning, because one of the requirements of the *Local Government Act* is they work to a 12 month plan which sits under a regional plan. Second, when governments provide money to shires for a service, that service is provided and the acquittals are made. The idea was to obtain a good software system, and put in place a good hardware platform on which to run it, which was universal and rolled out across the Territory.¹¹⁴

Dr Ritchie stated that in practice, the IT system hasn't worked as well as hoped and that this was in part because of trying to develop and implement the new system at the same time as the shires were being established. He said that with hindsight, it would have been better to have done it 12 months earlier. He added that work was now underway to tailor the system specifically for the eight shires and that this was estimated to cost over \$1 million.¹¹⁵

In response to Council questions about the shires contribution of \$1.3 million each to CouncilBiz, Dr Ritchie said:

...CouncilBiz, is owned by the shires. The company is run by a board which is comprised of the Chief Executives of the local government councils. It provides services back to them – that is the whole point. What services it provides are the services they want it to provide. We are not dictating what those services might be. We undertook to provide them with a system which would allow them to do forward planning and acquit government expenditure against the funding for core services and what have you. My understanding what happened is CouncilBiz did a lot of services, including procuring all the shire insurances for instance. In some cases, the insurance was quite massive for a particular shire. There were \$0.5 million worth of insurance bills, which are all run through ShiresBiz because it was the essential place of procuring it. Some of the services provided by that business owned by the shires went well beyond just, if you like, the IT services.¹¹⁶

The Council raised the concerns of some shires that they were in breach of their financial conditions because of the problems with the IT system and asked Dr Ritchie about the Department's role in relation to that. Dr Ritchie said that the Department wanted to ensure the system delivers what was promised. He said that all the grants acquittal modules now work and they are now ensuring that those modules fit with the business work flows in each shire.¹¹⁷ He added that he could not say that all shires could produce accurate financial reports, but work is continuing on finding out what the problem is and fixing it.¹¹⁸

When asked why CouncilBiz is comprised of shire CEOs rather than elected members, Dr Ritchie said that it is an operational business system or tool for CEOs and that elected members have control through their CEOs.¹¹⁹

¹¹⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.48.

¹¹⁵ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.48.

¹¹⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, pp.49-50.

¹¹⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.50.

¹¹⁸ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.51.

¹¹⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, pp.50-1.

The Barkly Shire is the only shire to leave the CouncilBiz financial system, TechOne, and has contracted another company, Civica, for the supply and installation of a new business system.¹²⁰ Mr Phil West (Barkly Shire) noted that the shire's new system will cost substantially less than the shire's ongoing obligations to TechOne and the infrastructure and support services created by the Department of Local Government and Housing, which the shire is now not using. Mr Cleary added:

To put it in to perspective, the Barkly Shire is committed to almost \$700,000 in residual costs for software, hardware and support we cannot and do not use. That is the residual cost to the shire from the contracts for TechOne, ShireBiz and CouncilBiz. This is almost twice as much as what we are paying Civica. It is a ludicrous situation and the council has asked the minister to be allowed to resign from CouncilBiz without financial penalty and your support would be greatly accepted in this.¹²¹

The Central Desert Shire's Acting CEO, Mr Roydon Robertson, said that the shire was struggling with CouncilBiz and ShireBiz, however it has decided to stay with the ShireBiz remediation project that the Department has put in place. However, the Shire Council has passed a motion that alternate systems can be looked at if the remediation project does not address concerns. Mr Robertson explained the reasoning for staying with the TechOne system:

The Technology One System has worked everywhere else. It was configured wrongly for the Northern Territory and the remediation team is now fixing that...We are reasonably pleased with the way it is going.¹²²

Ms Sandra Cannon (Victoria Daly Shire) similarly said that while the IT system is not satisfactory and the financial reporting is not fully functioning, the remediation project is underway and she has been told that on 1 February the system will function perfectly.¹²³

Ms Catherine Proctor (Roper Gulf Shire) said that because the TechOne business system is so unreliable it has been difficult for the shire's finance department to compile an audit for the year. She said that manual financial reports have been produced for the shire council so they have access to a monthly balance sheet. The Shire Council has written to the Minister to say the entire situation in relation to the business systems is unacceptable and is seeking a written apology.¹²⁴

Mr Des Kennedy, Project Director, ShiresBiz Remediation Consultant, explained the difference between the various systems established as part of local government reform.

...CouncilBiz is an organisation set up under the local government reform...to provide certain services and IT services, and to leverage better pricing and so forth for the shire councils, and, as such, it is a good idea...ShireBiz is a name given to the technology, one suite of business solution software that was implemented for the shire councils; and ShiresNet is the extension of the network to provide communication facilities to the communities.¹²⁵

¹²⁰ TechOne was the chosen financial system by the Northern Territory Government to implement new business system set ups for the eight shire councils. CouncilBiz, ShiresBiz and ShiresNet were established to manage the hardware, implement the system and support the shires to use the system. LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday, 19 November 2009, p.32.

¹²¹ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday, 19 November 2009, p.32.

¹²² LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, p.36.

¹²³ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.9.

¹²⁴ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, pp.20-1.

¹²⁵ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.45.

In response to the Council's questioning about what went wrong with the IT system, Mr Kennedy said while the TechOne system is a good system there was no overall business management of the process. He added:

There was no one, in my view, who was looking at how the shires would operate in a holistic way; looking at what funding they needed, what funding they had access to, what training was available, etcetera.¹²⁶

The Council asked Ms Helen Galton (Darwin City Council) and Mr Robert Macleod (Palmerston Mayor), about the remaining local government reform issues for shires, from their knowledge of discussions at the Local Government Association of the Northern Territory (LGANT). Ms Galton and Mr Macleod said that the inability of shires to produce accurate financial reports remains a major concern. Mr Macleod added that one of the biggest things about the reform was the way it was done, that it was done too fast and no elected members picked their senior management staff. This has led to a lot of turn-over of shire chief executives.¹²⁷

Recommendation 14

The Council recommends the Northern Territory Government immediately increases the establishment funding that was provided for new shires, taking into consideration the unexpected costs from ShireBiz.

Recommendation 15

The Council recommends the Northern Territory Government improves the available elected members training program to increase the knowledge and understanding elected members of shires and municipals have of the reformed *Local Government Act* and their legal and financial responsibility under the Act. Further, that the Government investigates the possibility for this training to be delivered independently.

Local roads

Most shire councils indicated that it was unclear what roads in particular, they will be responsible for maintaining. The problem for shire councils is that it affects longer-term budget planning in two ways. The first is in the amount of funding available to undertake roads maintenance and the other is that most shires have inherited inadequate number and standard of road maintenance plant.

Ms Catherine Proctor (Roper Gulf Shire) said that she saw an early map of roads from DPI about two years ago that showed the roads, colour coded according to whether local government, Northern Territory Government or Australian Government were responsible for them.¹²⁸ Her understanding from that time was that the roads would be transferred over a timeframe of five years. She added that she had recently attended a meeting with DPI where there was a commitment made about working on a plan to transfer roads to shires. However, there was no commitment at the meeting about the condition or standard the roads would need to be prior to transfer, or about the level of roads funding.¹²⁹

¹²⁶ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.46.

¹²⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.20.

¹²⁸ Believed to be referring to the Department of Planning and Infrastructure; since 4 December 2009, the Department of Lands and Planning.

¹²⁹ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.16.

Ms Anne Shepherd, Mayor of Katherine, said that initially the Northern Territory Government said the roads transfer would occur in five to 10 years, but more recently the government is talking about the transfer occurring in five years.¹³⁰ Mr Geoff Brooks, CEO, Katherine Town Council, said of the issues coming from local government reform, roads will probably have the biggest impact. This is because if roads are looked at across the whole of the Territory, the government does not have sufficient funding to adequately maintain roads. He said that the Katherine Town Council has stated it will not take any additional responsibilities for roads unless they are brought up to a reasonable standard and funded.¹³¹

The other issue in relation to roads is the link between them and SIHIP-funded construction. Ms Pat Brahim, General Manager, Julalikari Aboriginal Corporation, told the Council that the agreement which is part of the lease over Tennant Creek community living areas (or townships), says that once civil construction has been brought up to standard, the shire takes over responsibility for the road in the community living areas.¹³²

Mr Rohan Sullivan (NT Cattlemen's Association and elected member of Roper Gulf Shire) said that he understood that roads leading to and from community living areas will be multi-user roads and will be retained by the Northern Territory Government and perhaps handed over to shires later. Single-user roads, to and from pastoral stations will be handed over to the pastoral stations to manage.¹³³ The Council notes that for shires with significant civil construction occurring as part of SIHIP or *Working Future*, there will be increased responsibilities in relation to roads.

The Council asked for clarification of when a road is a private or public road, e.g. roads to cattle stations and roads to Indigenous communities. Mr Sullivan said that roads that are gazetted are public roads. In the case of some public roads permits are required to travel some parts of the road, e.g. on the Maningrida to Jabiru road, which is a gazetted public road, a permit is required for the Cahills Crossing to Gunbalunya section. It is noted by the Council that road corridors need to be negotiated with land councils to open unincorporated roads that currently need a permit.¹³⁴

The Council asked the Barkly Shire representatives if it has been determined which roads belong to the Northern Territory Government and which to the shire. Mr Phil Cleary said that LGANT was undertaking that research at the moment and that more would be known when that was completed, in three or four months.¹³⁵ Mr Cleary spoke about the difficulty of not knowing what roads it needs to plan to maintain:

If we do get the roads allocated to us, one, we will not have the equipment to handle it; two, we will not have the trained people to operate the non-existent plant; and three, we would have to go to working with using contractors which is going to cost much more. On top of that, it will not give us a chance, as Pat [Brahim] said earlier, to raise the standard of people in the community.¹³⁶

Mr Damien Ryan, Mayor of Alice Springs, asked how the government was intending to continue to fund local roads. The Council asked Mr Ryan if he believed that one of

¹³⁰ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.35.

¹³¹ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, pp.36-7.

¹³² LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday, 19 November 2009, p.22.

¹³³ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.32.

¹³⁴ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, pp.32-3.

¹³⁵ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday, 19 November 2009, p.39.

¹³⁶ LANT, CTC, 'Transcript of Proceedings', Tennant Creek, Thursday, 19 November 2009, p.39.

the reasons that the Northern Territory Government wanted local government reform is that it had an agreement with the Australian Government that there would be an increase in road funding. Mr Ryan agreed that was his understanding and added that a big part of discussions with shires during the reform was that there would be increased road funding. Mr Ryan said that he thinks the Territory is currently under-funded for local roads because the recognised road distance is short by about 8000 kilometres.¹³⁷

Ms Cannon (Victoria Daly Shire) said that the shire was currently responsible for maintaining 200 or 300 kilometres of local roads, but that this was expected to increase to 2000 or 3000 kilometres in the future. The Council asked what the shire's anticipated increase in funding was for the additional roads. Ms Cannon said she was part of the LGANT position on the transfer of roads. This was explained as that before any council accepts additional roads, they should all be an acceptable standard and there should be a road hierarchy that clarifies responsibility and funding for regional and adjoining roads.¹³⁸

Also linked to shires' responsibilities for roads is local employment. Some shires employ local people in road construction and maintenance. Most shires said that as part of financially assessing the most economical way to provide future road services, the need for additional or upgraded plant and the effect on local employment were being examined. Ms Cannon (Victoria Daly Shire) said:

There is a general feeling even if we were going to be doing it ourselves, leasing [plant] per job would be the best and cheapest way to do it. Whether we subcontract or not and how that works, all I can say is our road construction crew, which gets the period contracts under DPI, makes quite a sum of money which comes back to the shire. Whether you are talking local employment or not, that is 15 local Indigenous guys doing all the roads along that area. So there are positives and negatives.¹³⁹

Recommendation 16

The Council recommends the Northern Territory Government resolves the status of road corridors to growth towns through Aboriginal Trust Land with appropriate land councils.

Recommendation 17

The Council recommends the Northern Territory Government finalise the handover of roads to shires, by:

- (e) Consulting with shires on the proposed roads for hand over;**
- (f) Auditing the state of roads and identifying all works required before handing the roads over;**
- (g) Upgrading roads to a satisfactory standard prior to handover; and**
- (h) Identifying on going funding for these roads.**

Recommendation 18

The Councils recommends the Northern Territory Government seek an explanation from the Australian Government for why there has been no increase in road funding in the newly incorporated shires, as there was for the Pitjantjatjara Council.

¹³⁷ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, p.45.

¹³⁸ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.5.

¹³⁹ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.8.

Local government inclusion in planning processes

Ms Mary Walshe, President of the Litchfield Council, raised that council's problems with the historical battle-axes blocks where all adjoining properties to a road own part of that road. It was noted that at the time it was done, this was a cheaper way to undertake sub-divisions because the developers did not have to build a road. Some of the roads are maintained by the owners, and the roads that have more use are maintained by the Litchfield Council.¹⁴⁰ Using the example of Strangways Road, which it is proposed to seal, Ms Walshe said:

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.¹⁴¹

Ms Walshe would like to see the government work in conjunction with shires and landowners to make all the administrative changes to titles without subdivision costs being charged to change each boundary.¹⁴²

Ms Walshe said that the lack of available land is having a big impact on people in Litchfield and is one of the main issues that the Litchfield Council needs to address. She agreed with other municipalities that local government needs to be involved early in the planning process.¹⁴³ In response to the Council asking if Litchfield Council has been involved in discussions about a draft regional land use structure plan, Ms Walshe said that it hasn't. She said that the Litchfield Council is concerned about a range of matters related to planning for future development and noted that when it has discussed these matters with town planners, its considerations were not taken into account. The effect of inadequate planning is borne by local government which has to solve problems with things like traffic management. She said:

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 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.¹⁴⁴

Mr Robert Macleod, Mayor of Palmerston said that he did not believe that there is a masterplan for Palmerston and surrounding areas that guides planning for future social infrastructure. He said that despite having quarterly meetings with the Chief Minister and the Minister for Planning, he has been unable to get planning information from DIPE.¹⁴⁵ However, he agreed that the process of quarterly meetings will help in starting to get things sorted out.¹⁴⁶

Mr Macleod said that the Town Council would like to talk to developers about building community halls, but it is unable to do that because local governments do not control planning and therefore, cannot access the appropriate developer. He noted that:

¹⁴⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, pp.72-3.

¹⁴¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, pp.72-3.

¹⁴² LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.73.

¹⁴³ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.71.

¹⁴⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.79.

¹⁴⁵ Believed to be the Department of Infrastructure, Planning and Environment, an earlier name for the now Department of Lands and Planning.

¹⁴⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, pp.10-1.

Planning itself...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.¹⁴⁷

The Council asked Mr Macleod what has been the process to date between the Town Council and the Development Consent Authority (DCA).¹⁴⁸ Mr Macleod said that the town council has two elected members on the DCA, as does the Darwin City Council, however, until recently they have not been allowed to represent town council positions at the DCA.¹⁴⁹ Mr Macleod stated he has real concerns with the DCA and questioned its ability to make independent decisions.¹⁵⁰

Mr Macleod said that he believed the town council should be involved in the planning for what is required within a new suburb. When asked by the Council about the need for legislative change, Mr Macleod said that he thought the legislation should be changed to require government, under the *Planning Act*, to involve local government.¹⁵¹

Ms Helen Galton said that the Darwin City Council is concerned about building heights in the Darwin central business district, amendments needed to the *Planning Act* in regard to the effects of climate change and the need to include an emergency management plan in the *Planning Act*.¹⁵² Ms Galton agreed with Mr Macleod and said the Darwin City Council would like to be involved right from the beginning with planning discussions for new subdivisions.¹⁵³

Ms Anne Shepherd (Katherine Mayor) told the Council that the Katherine Town Council has spoken to Lands and Planning to try to get a land use plan for Katherine, similar to an earlier one, that will guide future development.¹⁵⁴ The last land use plan for Katherine, produced in 2000, did not include consideration of the changes needed to be made due to possible flooding levels. There are also issues around available land that is appropriately zoned for the various uses that are arising. The Katherine Town Council believes that an extension to Chambers Drive is critical to Katherine's development, as proposed in the early land use plan, however, the government has not committed the funds necessary for it to occur.¹⁵⁵

Mr Damien Ryan (Alice Springs Mayor) raised concerns about the parking provisions under the Northern Territory Planning Scheme that do not appear to have been applied to some developments in Alice Springs. He said that few developers have been required to make the parking contribution which the town council introduced in lieu of parking being provided by development works. He added that it is not the current practice of the DCA to require development applications to include parking surveys or comparisons and that parking waivers are given without substantial written justification.¹⁵⁶

¹⁴⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.12.

¹⁴⁸ The Development Consent Authority is an independent body established under s82 of the Planning Act. More information is available from the Department of Lands and Planning, <http://www.nt.gov.au/lands/planning/dca/index.shtml>, accessed 1 February 2009.

¹⁴⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.13.

¹⁵⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.15.

¹⁵¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.14.

¹⁵² LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.16.

¹⁵³ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.17.

¹⁵⁴ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, pp.40-1.

¹⁵⁵ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, pp.41-2.

¹⁵⁶ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, pp.45-6.

In response to the Council's questions about representation on the DCA, Mr Ryan said the Town Council has two elected members on the DCA, however they are there in their own right, not as representing the Alice Springs Town Council.¹⁵⁷ Mr Ryan said that the Town Council's biggest problem is the lack of housing and was concerned that while there are announcements of new land in the Top End, there is not the similar land development being done in Central Australia.¹⁵⁸

Mr Macleod, Palmerston Mayor, raised his concerns about the lack of a regional waste facility. He said that the only available one in the area is in Darwin, but it will cost an extra \$400,000 a year for the Palmerston City Council to use, which the City Council is unprepared to pay without supplementation from the government.¹⁵⁹

He added that the issue was not with residential rubbish as that is transported to Shoal Bay. The Council noted that shires in the area also needed access to a regional waste facility as currently shire councils are paying to transfer rubbish to Shoal Bay. The possible development of Wedell will only increase demand for a regional waste facility.¹⁶⁰

Ms Mary Walshe also raised the need for a regional waste facility as a top priority for the Litchfield Council.¹⁶¹ She said that it has been identified that Coomalie's current landfill site is on their aquifer, that Wagait's rubbish is on the side of the road and is burned occasionally and that waste from Dundee is trucked to Shoal Bay at a cost to government and taxpayers. She said a regional waste facility is needed now and another site for recycling.¹⁶²

The Victoria Daly Shire Council representatives noted that it has been advised that there will be changes to licensing regulations for waste disposal in the future and it has sought a special purpose grant, with the Roper Gulf Shire and the Katherine Town Council, to prepare a 10-year waste management strategy for the whole region.¹⁶³

Future directions for Council inquiry into local government

In identifying the issues discussed during hearings, the Council is looking at recommending ways that will make reformed local government work better. Some of the issues discussed about the local government reform implementation during the initial hearings will need further discussion and follow-up. The following are examples of where the Council may seek further information and discussion:

- CouncilBiz
- the IT remediation project
- the transfer of local roads functions
- funding of local roads
- delivery and funding of core functions and services and
- core functions and services and the links to *Working Future*.

¹⁵⁷ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, pp.46-7.

¹⁵⁸ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, p.47.

¹⁵⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.18.

¹⁶⁰ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.18.

¹⁶¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.71.

¹⁶² LANT, CTC, 'Transcript of Proceedings', Darwin, Tuesday, 10 November 2009, p.78.

¹⁶³ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.9.

5. **WORKING FUTURE**

Of the Council's three immediate priorities, *Working Future* has been operating for the least amount of time, having been announced in May 2009. When it was initially announced, public concerns were raised about the approach taken to outstations and homelands and the selection of growth towns. Issues raised with the Council during the hearings reflect some of those concerns and it was also an opportunity for the Council to receive updates on progress in relation to growth towns' development and the implementation of regional services delivery.

Issues raised

The Council has included *Working Future* in its immediate priorities, however most people and organisations attending the initial hearings spoke about SIHIP and local government. Some people included comments about *Working Future* as they were relevant to SIHIP and local government. The most often raised aspects of *Working Future* were related to the centrepiece policies of Territory growth towns, outstations/ homelands and regional service delivery.

Territory growth towns

The Council asked Mr Mike Burgess, Chief Executive DCM, where the idea of growth towns came from and what relation they have to SIHIP. Mr Burgess detailed discussions that occurred within government on how to get the right approach to service delivery for as many people and purposes as possible. He said:

So we started looking at this issue and framing the idea that we needed to invest really heavily in places we could use as hubs to provide services to a whole range of people...through the discussions around SIHIP, the Australian Government focused on putting their principal investment into the major communities in the Northern Territory. That has weighed heavily in their thinking around where their National Partnership Agreement and remote service delivery is aimed. They have 15 communities...we have 20.¹⁶⁴

The Council asked why the policy only looks at Aboriginal communities and why towns that already provide some services to surrounding Aboriginal communities, like Gove, Tennant Creek, Kununurra in Western Australia and Mt Isa in Queensland weren't considered. Mr Burgess said that there has already been concentrated effort in towns like Tennant Creek and the idea was to develop a policy that would deliver services to 80 to 90 per cent of people in remote areas. He said he thought it was a worthwhile idea to follow up by looking at the arrangements in place under the Remote Service Delivery NPA for towns like Mt Isa, Kununurra and Alice Springs which all provide services across borders.¹⁶⁵

Mr Burgess advised the Council that under the Remote Service Delivery NPA, the Territory has 15 of the 29 sites being targeted and it will receive about \$160 million over five years of \$209 million in joint funding. About a third of that \$160 million will be from Northern Territory Government resources, or about \$10 million per year.¹⁶⁶ In addition, the Northern Territory Government has agreed to an initial \$1million this year and \$2million next year in recurrent funding to support the establishment of the mechanisms around *Working Future*.¹⁶⁷

¹⁶⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.54.

¹⁶⁵ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.54.

¹⁶⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.55.

¹⁶⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.57.

Mr David Ross, Director CLC, stated that the CLC's main concern with *Working Future* is the growth towns policy has been designed for the Top End and not the districts of Central Australia. The CLC is concerned about the future of remote communities and outstations as a result of COAG and Territory Growth Towns policies.¹⁶⁸

In saying there is too much emphasis on the Top End, Mr Ross referred to independent research that argues that Territory growth towns cover about 18 per cent of the population in central Australia.¹⁶⁹ Mr Ross provided the examples of Utopia and Lake Nash as both having large populations and poor living conditions that could be considered as growth towns. He suggested the main issue was that more discussion about the proposal was needed with people on the ground, before decisions and announcements are made.¹⁷⁰

Mr Rohan Sullivan (NT Cattlemen's Association and also elected member of the Roper Gulf Shire) commented on a 'disconnect' between the current shires and the proposed model of growth towns.

I think there are three growth towns in the Roper Gulf Shire – that is Ngukurr, Numbulwar and Borroloola. My understanding of how these growth towns would work is that they would be a sort of centre, and then there would be a mob of outstations around them which that town would service, those outstations, and it seems to me that would suit a local government model where there was a local council in that town, maybe with some members from the outstations, and that would basically run the affairs of the town. In this case, we have a shire based in Katherine, and which basically has no relationship to the growth town model, I do not believe anyway.¹⁷¹

Mr Ken Davies (DCM) advised the Council that as part of *Working Future*, the Department of Planning and Infrastructure is developing a town planning regime for each community that will then be worked through with land councils.¹⁷² The Council asked about the role of the land councils in the development of growth towns. Mr Davies advised that the Tiwi Land Council and Anindilyakwa Land Council are pushing township leases, education services delivery and home ownership. Those land councils are also considering contributing part of their royalty payments to add to government funds.¹⁷³

Mr Burgess (DCM) advised the Council that there are three whole of township leases in place in Nguuiu, Umbakumba and Angurugu and negotiations are underway for township leases of Milikapiti and Pirlamgimpi. While the Northern and Central Land Councils have agreed to leases for SIHIP housing, negotiations haven't commenced on township leases. Talks have commenced however, on draft town plans. Mr Burgess added that not having a township lease in place would not prevent a town

¹⁶⁸ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, p.2. In a letter to Office of Indigenous Policy, Mr Ross described the CLC's concerns as 'the lack of 'hub' coverage in the central Australian region.' CLC, Letter to the Office of Indigenous Policy, 2 November 2009, CTC Tabled Paper No.2, 23 November 2009.

¹⁶⁹ Dr Will Sanders, 'Working Future: A Critique of Policy by Numbers or The weakness of Collaborative Federalism in an Emergency', Tabled Paper No.11, 23 November 2009.

¹⁷⁰ LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, pp.3-4.

¹⁷¹ LANT, CTC, 'Transcript of Proceedings', Katherine, Wednesday, 2 December 2009, p.31.

¹⁷² LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.16. Note that the functions of the Department of Planning and Infrastructure are now part of the Department of Lands and Planning.

¹⁷³ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.6.

being declared. Discussions have also commenced about leasing land for commercial development in a number of towns.¹⁷⁴

Mr Davies (DCM) said that any Australian or Northern Territory Government funded infrastructure has to be on leased land and the government is working with land councils to resolve arrangements for existing government infrastructure.¹⁷⁵

The Council asked what is happening about the compulsory five-year leases over towns, as part of the Intervention and if discussions were underway to arrange the transfer of the leases to the Northern Territory Government. Mr Davies (DCM) replied that the Northern Territory Government was discussing arrangements for the existing township leases to the EDTL, with the Australian Government and the land councils. As part of *Working Future*, work is underway to align all subleases and examine the Northern Territory Government's role in township leasing, once the Intervention has ended. The aim is for the Australian Government leasing body to eventually transfer to the Territory.

Mr Davies noted that the Remote Service Delivery NPA and local implementation plan requires government to work through tenure and township lease arrangements. He anticipates that discussions about those issues will occur as part of the development of local implementations plans with traditional owners and land councils and by the time of the end of the Intervention all township leases will shift to an agreed entity.¹⁷⁶

The Council inquired about arrangements under *Working Future* to work with shires in relation to leases in communities and noted that this a big problem to shires. Mr Davies said that shires are working directly with land councils, except on the Tiwi Islands and on Groote Eylandt, where they approach the EDTL directly as it holds the existing township leases.¹⁷⁷

The NT Coordinator-General for Remote Services has commented on unforeseen costs being levied on shires by the OTL to lease what were community government assets transferred to shires. From information provided under the terms of the Nguui lease, the annual leasing fees could be \$200,000.¹⁷⁸

Outstations/ homelands

Ms Jennifer Prince, Under Treasurer, advised the Council about funding for outstations and how it has changed:

The Territory does fund some services on some outstations directly. Some of the work which Power and Water does through its IES program does go to some outstations. The Territory has received responsibility from the Commonwealth along with the \$20m a year to continue to provide some services to outstations. We are currently doing an audit of what is received from those funds and what needs to be done, in part, to go back to the Commonwealth with a better estimate of what it really costs to provide services in these locations.¹⁷⁹

¹⁷⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, pp.60-1.

¹⁷⁵ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, pp.61-2.

¹⁷⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, pp.62-3.

¹⁷⁷ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.63.

¹⁷⁸ NT Coordinator-General, *Report #1*, p.32.

¹⁷⁹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.26.

Consultation with outstations is progressing and the three most important messages coming from consultations to date are concern about overcrowded housing, economic development on outstations and delivery of government services.¹⁸⁰ Mr Davies said that the intention in the outstations' policy to fund those that are lived in for more than eight months a year was not to force people from outstations. One of the aims of *Working Futures* is to improve service delivery through regional centres that all surrounding communities and outstations can access.¹⁸¹

Mr David Ross (CLC) made the point that the policy positions in *Working Future* of providing services through larger settlements or growth towns, and the outstations policy, coupled with the Intervention and community government changes, are all reducing Aboriginal people's opportunities at the community level.¹⁸² The CLC also argues that research shows that outstations provide a better quality of life for Aboriginal people.¹⁸³

Remote Service Delivery Coordination

In response to the Council asking how the government was going about establishing the 'one-stop shops' in the identified service centres, Mr Burgess said it was being undertaken jointly with the Australian Government, with regional operations established in Darwin and Alice Springs and both governments have appointed Coordinator-Generals. A service delivery coordination unit has been established in the Department of the Chief Minister and a special subcommittee of the Chief Executives' Coordination Committee has been established.¹⁸⁴

Both governments are trying to use existing resources that are already in place, like the Australian Government's Government Business Managers (GBMs), to undertake the coordination and consultation in the towns. Indigenous engagement officers have been employed by the Australian Government and support the GBMs to work with the Regional Operations Centre Manager. Mr Burgess stated that:

...the process is about making sure that the community owns and has worked with and built those local implementation plans to run us through the six-year cycle.¹⁸⁵

Mr Ken Davies (DCM) described the 'hubs' as a one-stop shop, or a Northern Territory Government office in the towns. At the moment, the Government's presence is the GBM and Indigenous engagement officer, but in time will grow to look something like a government centre or business centre which could also include commercial enterprises. Shire Councils have a role in service delivery and the development of the growth towns and it is also anticipated that shire council offices would be in the growth towns.¹⁸⁶

¹⁸⁰ The NT Coordinator General's *Report #1* provides further details of outstations consultations, pp.66-85.

¹⁸¹ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.64.

¹⁸² LANT, CTC, 'Transcript of Proceedings', Alice Springs, Monday, 23 November 2009, p.2.

¹⁸³ CLC, Submission to NT Government Outstation Policy Discussion Paper, December 2008, CTC, Tabled Paper No.10, 23 November 2009. Recently published research has examined the evidence of the health benefits and costs of homeland living and concluded that there is solid evidence on the health benefits: G. Mooney, 'Health and Homelands: Good Value for Money?' available at: http://www.gavinmooney.com/images/pdf_uploads/health%20and%20homelands.pdf, accessed 21 January 2009.

¹⁸⁴ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.55.

¹⁸⁵ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, p.55.

¹⁸⁶ LANT, CTC, 'Transcript of Proceedings', Darwin, Monday, 9 November 2009, pp.57-9.

Future directions for Council inquiry into *Working Future*

As with SIHIP and local government, *Working Future* is a long-term program which the Council will look into in future hearings. The Council is particularly interested in hearing remote and regional Territory views about the policy and how it is being implemented.

6. DISCUSSION OF ISSUES

Within a month of being established, the Council was undertaking its first hearings and considering the issues surrounding SIHIP, local government reform and *Working Future*. In November and December 2009 the Council conducted five public hearings, a site visit of SIHIP construction in Tennant Creek and spoke to more than 50 witnesses.

Most witnesses pro-actively provided information, through detailed briefings, answering questions and or responding to questions on notice. The Council's ability to fully investigate issues however, has been frustrated by slow provision of some information.

The most significant issues arising from the previous three chapters are discussed in this chapter. The Council recognises that its three immediate priorities are long-term programs and it will continue to monitor and make recommendations on where the need for improvements are identified. The Council makes the following recommendations aimed to help the two-way flow of information.

Recommendation 19

The Council recommends public servants are instructed that when briefing the Council they should be fulsome and forthcoming with information on all occasions when advising the CTC.

Recommendation 20

The Council recommends the Government provide a secretariat that is staffed with sufficient expert and other resources, if the Council is to achieve its aims.

Recommendation 21

The Council recommends that its reports must be timely and handed directly to government for immediate advice as to what action will be taken in relation to the report.

SIHIP

The Council remains concerned about how SIHIP funding is being spent, progress in meeting projected construction commencements and completions and the size, cost and design of houses following the SIHIP review.

Government and alliance witnesses consistently repeated housing numbers and financial details provided in the original SIHIP documentation and in the review; i.e. SIHIP is a jointly funded \$673 million program to deliver 750 new houses, 230 rebuilds and 2500 refurbishments. One Northern Territory Government official noted that this will have the effect of adding about 3500 houses to government housing stock.

The Council notes the ongoing, recurrent funding implications of the additional housing responsibility to the Northern Territory Government. The appropriateness of design and size of new housing and the nature of the work undertaken in rebuilds and refurbishments is therefore pivotal to ensuring the best quality housing is delivered.

In its forthcoming regional hearings and site visits the Council will look at the size and design of new houses and at what work is undertaken in rebuilds and refurbishments.

In particular, the Council wants to assess the impact of limiting spending on refurbishments to achieve an average of \$75,000, on the delivery of a functional, robust house that allows for healthy living.

The Council is concerned that emphasis on meeting dollar and number targets will be at the cost of making houses too small and inappropriate designs for Aboriginal living and expensive to maintain. There was also evidence from experienced Territory builders that indicates it is highly unlikely that housing can be built in remote areas for the post-review average cost of \$450,000.

The Council wants to determine if the emphasis on functionality of refurbishments, and the lower spending limit, allows for the alliances to undertake additional refurbishments or rebuilds. The Council is uneasy about the possible false-economy of spending less now on refurbishing houses, resulting in additional spending on upgrading and maintenance, longer-term for the Northern Territory.

A commitment was made that about 50 houses would be commenced by the end of December 2009, however evidence provided to the Council to date, does not substantiate this has occurred. The Council will monitor progress in meeting construction targets and will seek updated information to assist in this.

The Council notes the Under Treasurer's comments about increased and increasing housing-related essential services and infrastructure funding over the last five years and that this will continue with the implementation of *Working Future*, and the related Remote Services Delivery NPA implementation.

From evidence to date however, most of the SIHIP building work has occurred on sites with existing essential services and land servicing. It is clear significant additional infrastructure costs are associated with SIHIP and *Working Future* and that the Northern Territory's level of responsibility for infrastructure has increased. It is unclear how this will be met.

While it makes sense that at the establishment of a large construction program like SIHIP significant spending would be needed on set-up costs, the Council notes that more than half of the administration funding has already been spent. The Council notes that the employment of consultants is lessening and undertakings have been given that only consultants with particular skills will be employed as needed. The Council will closely monitor the program's achievement of projected financial targets.

The Council acknowledges the importance of Aboriginal employment in SIHIP's delivery and applauds Julalikari's approach in seeking a higher proportion of Aboriginal employment. The Council is interested to see if similar approaches can be applied elsewhere. The Council will also look into the links between Aboriginal employment in SIHIP and to *Working Future* and if the anticipated changes to CDEP will affect achievement of SIHIP Aboriginal employment goals.

Local government

The Council is concerned that most shires stated that they have inadequate funding to undertake core services and in most cases, inadequate administrative cost recovery for commercial services. In addition, it notes anticipated cost of leasing assets previously owned by community government councils, as reported on by the NT Coordinator-General. Many shire councils are reliant on government grants, with most in remote regions currently having an almost non-existent rates base.

In addition to inadequate funding, the continuing issues as a result of local government reform were said by witnesses to include:

- inherited debts of previous community government councils;
- poor condition of transferred assets;
- the cost of CouncilBiz and the IT system;
- inability to produce financial reports and technically being in breach of the accounting regulations;
- lack of clarity about which roads shires have responsibility for; and
- what additional funding is available for roads.

The Council welcomes government's concession that the IT system hasn't worked well and that the timing of its implementation was not good. There was some comment from witnesses that they are hopeful about the results from the remediation process currently underway. The Council will follow up the progress of the remediation process and the shires ability to fulfil the requirements of the accounting regulations.

The Council finds a level of confirmation that one of the reasons the government wanted to pursue local government reform was it would help to access additional roads funding. Although the Council has been told an audit is underway of roads, the process for recognition of the true road lengths and additional roads funding is unclear. It will seek briefings on the audit and also how government is following up on additional roads funding in hearings in 2010.

The municipal councils raised concerns about their role in planning in their towns, their roles on the DCA and the difficulty in getting information from the Department responsible for planning matters. Most municipal councils want to be involved in planning discussions for new subdivisions within their towns, but also with broader social infrastructure and land use planning.

Working Future

The Council shares the concerns of some witnesses about the choice of Territory growth towns and the apparent lack of growth towns/service hubs in central Australia. It maintains that the role of existing regional service towns like Alice Springs, Kununurra and Mt Isa needs to be examined within the context of *Working Future* and the Territory's implementation of the Remote Service Delivery NPA. The appropriateness of some growth towns to act as service centres for surrounding communities also needs to be re-examined in light of the known preferences and practices of communities.

The Council is concerned about the disconnect of the growth towns with the shires and notes the NT Coordinator-General's comments about charges being levied on shires by the EDTL for assets previously owned by community government councils. The Council will examine arrangements under *Working Future* to work more closely with shires, particularly in relation to township leasing.

The Council notes that as part of developing local implementation plans, the government will work through tenure and township lease arrangements with communities and land councils. The Council will be seeking regular updates on progress in developing the plans and in the negotiation of township leases.

Government's intentions towards the funding and provision of essential services to outstations and homelands remains unclear to the Council. It notes research

indicating that outstations provide a better quality of life. The Council will seek further briefings from government on the policy and its implementation, and the views of outstation and homeland residents and representative organisations.



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

COUNCIL OF TERRITORY CO-OPERATION

COUNTRY LIBERALS
DISSENTING REPORT

TO

FIRST REPORT

February 2010

Issues with the operation of the Council of Territory Co-operation

Resources of the Committee

Thus far the committee has been provided with the following resources:

Staff:	4 ¹⁸⁷
Research:	1
Travel:	\$87,000 ¹⁸⁸

With a committee of the value of importance that was placed in by the Member for Nelson, the expectation is not unreasonable that the Committee would have been provided with the exceptional resources, including sufficient and properly qualified staff to undertake the activities that it needs to perform. For example, at the moment the preparation of summary material and prior briefing by the Committee Secretariat to the Committee Members simply does not occur. The result of this is that Committee Members are required to become experts in all the areas that they are investigating and do so without staffing support.

It is not unreasonable to expect that the Committee Secretariat undertake provision of briefing material that sets out who the people are that are coming forward, the positions they hold, the activities they have undertaken and the potential areas for questioning. This has not been undertaken by the Committee Secretariat, and as such, much is lost in being able to get through material and gain the most out of the testimony of the witnesses that the committee deals with.

It is the view of the Country Liberals that if the Committee was to, and is to in the future meet the expectation bar of being able to fully and forensically look at the issues that are brought to its attention, then such preparatory material is required. Again when looking at the preparation of reports by the Committee that Members are well briefed on the evidence that has been provided to the Committee as well as a distillation of this evidence so as to assist the Committee Members in their thoughts and further requirements to seek additional information.

Issues Surrounding the Expectations and Delivery by the CTC

Initially the Country Liberal members of the Council of Territory Co-operation (CTC) expressed their reservations about the structure of the CTC.

Little has been done to change the critical observations maintained by the Country Liberals. Firstly, the CTC is not what was envisaged by its primary driver the Member for Nelson. During the period of near collapse of the NT Government the Member for Nelson described a model for the future governance of the Northern Territory based on a municipal council model. This model has several flaws at a state level, not least of which was the challenge that it represents to Westminster structures of responsible government, and would offend the *Northern Territory Self Government Act (Cwth) 1978* in numerous ways.

The CTC should accept the promise made to Territorians that as to what the CTC offers the Territory public in its current state is at best naive. It is granted that the Member for Nelson has accepted publicly that the CTC isn't his stated model. The

¹⁸⁷ Includes one research officer and 3 staff who have responsibilities other than with the CTC.

¹⁸⁸ Includes staff accommodation, aircraft charter, witness travel, fuel, motor vehicles, official duty fares, travelling allowance and venue hire budget for 2009-2010 financial year from November 2009.

very title of CTC for what is little more than a glorified Public Accounts Committee does little to satisfy the criticism.

Other issues arising out of the operation of the CTC is that under its current structure and operation it cannot hope to meet the expectations of the Member for Nelson and the expectations of many Territorians. Returning again to what was described by the Member for Nelson, it is in terms of the CTC's capacity to advise government the CTC will fall short of its ambitions. Two issues need to be addressed at this point. Firstly, the fact that the decisions of the CTC are not binding on government and secondly, that Ministers cannot be compelled to attend the meetings of the CTC. The CTC accepts that it fails on both points. If the recommendations of the CTC are not binding they do not meet the expectations of the Member for Nelson as described by him to the people of the NT.

The CTC is not a municipal version of state government. It has been reduced to a humoured parliamentary committee, humoured by a government that has been able to achieve the support of the Member for Nelson by offering him a committee that essentially has no real teeth.

Country Liberals have made it clear to the Committee and strongly believe that if this Committee is to affect the task that has been required of it, by both expectation and by the people of the Territory, much more work needs to be done by the CTC. For instance, this committee has met 11 times¹⁸⁹ and undertaken 45 hours¹⁹⁰ of evidence capture.

This is not enough. In respect to the areas that have been covered, and as you will see below, there are areas where we have gained some information, and found some areas and some serious areas of short coming by this the NT Government, however this we believe is merely a small amount of what is actually occurring.

As set out above, more efficient use of the Committee and its Members' time can be achieved if Members of the Committee are well prepared prior to undertaking the receiving of evidence. What should be considered here is that many referrals that were proposed for other committees have been pushed to this Committee. This has been done at the behest of the Committee Chair. If we are to be successful in being able to effectively and in a timely manner deal with these matters, more time needs to be provided for the Committee to both deliberate and to undertake the necessary investigations.

The Committee Chair needs to take this matter on seriously if he is to be true to his statement of intent for this Committee. At the very least, it is the view of the Country Liberals that this Committee should be meeting every second day, and for as many days as needed to get through the work needed.

It should be remembered that the matters that are being dealt with are centred on failures by the current government and many of them remain contemporary and still under way. We would hate to see that the CTC is actually being used as an excuse by this government for slowing things down further, as government is doing the slowing down of decision making well enough on its own.

The incapacity of the CTC to demand the presence of Ministers demonstrates a further emasculation of what should be a force to be reckoned with. The system of

¹⁸⁹ Includes deliberative meetings and public hearings up to and including 12 February 2010.

¹⁹⁰ Includes all hearing hours undertaken up to and including 4 February 2010, inclusive of breaks.

Responsible Government by which Westminster Parliaments operate should make Ministers answerable to the Parliament and its committees. Whilst current advice is that the CTC isn't able to summon Ministers, the agreement between the Member for Nelson and the Chief Minister should make Ministers compellable. By trading away this important priority the Member for Nelson has overlooked the very core of the system of government he is now a part of.

It needs to be remembered that both of these concessions were agreed to by the Member for Nelson in the absence of any reference to the Country Liberals. It would be expected that if the Country Liberals were to continue their membership of the CTC its founder and driver would extend communication to the Country Liberals in the spirit of co-operation professed.

It is of further concern that the decision by all Ministers to not choose to give evidence before the Committee demonstrates a fundamental disregard and abandonment by those Ministers to their duties to the Executive, but also to the Parliament, and by inference, the people of the Territory.

The Country Liberals find it astonishing in the extreme that Ministers have chosen to abandon their record and their duties to assert the correctness of their actions to functionaries and public servants. Numerous articles have appeared in various media as a result of the CTC's sessions revealing shortcomings in the Governance of the Territory and no Minister has attended to defend their record before the CTC.

Whilst the information that has been gleaned is interesting and informative it does not substitute for the real essence of our system of governance and that is ministerial responsibility. The continued absence of Ministers at the CTC will diminish the integrity of the CTC and render it lower in the public's imagination.

Meeting Frequency

The infrequent meeting of the CTC is also another chronic flaw in the system. For the CTC to operate in a fashion envisaged by the Member for Nelson it needs to be far more responsive than it has been. In spite of several attempts by the Country Liberals on the CTC to increase the activity of the CTC by taking on extra work and meeting more often, the CTC has determined that it will work more slowly. The rationale for this was the need for the Chairman to have a decent break over Christmas and the New Year.

By way of example, the Country Liberals tried to have child protection issues looked at by the CTC on the 10th of November 2009. The CTC's majority deemed that the Christmas break and the need for holidays were more pressing. In light of what has occurred since that time it is demonstrably an example of too little too late by the CTC.

If this is to be a realistic organ of Government then the CTC needs to meet at least weekly and address current issues in a timely fashion, handing its reports directly to Government in the inter-parliamentary periods, as well as then subsequently tabling those reports in Parliament.

It is unacceptable that a responsive organ of governance such as the CTC has still only produced a single report (this one) on issues that do not even cover its entire reference after the passage of three months. The CTC is far too sluggish and under developed to meet the roles of governance that are ascribed to it.

Role of the Members of the Committee

Committee members need to take their roles seriously in respect to what has been asked of us. Country Liberals are concerned that the Chair of the Committee is prepared to be far too lenient in respect of chasing material and the treatment of government departments.

To put this into perspective, we are dealing with issues so very serious that they impact on the very running of the Territory and the lives of Territorians everywhere. With such responsibility comes the need to ensure that the execution of these duties is undertaken with a view to leaving no stone unturned. This is not what we are seeing as the outcomes of the CTC thus far. Again the Country Liberals state that while we have found some material and uncovered some very disturbing things, this we believe is merely the tip of what is out there.

If the Committee Chair does not start to take up the challenge to government in a manner that applies pressure to those who are presenting to the CTC, then again we will simply become a committee that is seen as something to keep the Member for Nelson satisfied and not something that will effect any real change in the Territory.

If the Committee Chair does not take on a more aggressive approach to getting to the bottom of issues, the Country Liberals will simply not endorse the operation of such a committee by continuing to participate in it.

Further issues that need to be addressed are the reluctance of some departments, not least of which is the Department of the Chief Minister, to take the committee seriously. It has been expressed by the Chief Minister that the departments are to fully commit to providing information. Disappointingly it took until 18 February 2010 for the Department of the Chief Minister to supply information promised the year prior. Repeated requests have only furnished excuses and last minute answers. There is also other material that is still outstanding on the CTC's books.

There is no imprimatur conceded by various public service departments to the Committee. The CTC's members of all persuasions have repeatedly raised this issue in the Committee and action has been promised in the form of stern letters but little has been achieved.

The reluctance of some public servants to treat this committee as anything other than a committee that needs to extract answers rather than a committee that needs to be informed as to the facts, demonstrates that the Chief Minister's instructions have either been disregarded or there are less public instructions about how this committee is to be informed.

The exchange between the Under Treasurer and the Committee as to where certain infrastructure funds were to be drawn from is a case in point.

Mr ELFERINK: What are the sources of those funds?

Ms PRINCE: Are you talking about extra Territory government funds?

Mr ELFERINK: Yes.

Ms PRINCE: It was about an extra budget allocation ...

Mr ELFERINK: From what part of the budget was that extra budget allocation made? Was it in the budget process or is it from the Treasurer's advance?

Ms PRINCE: There was some additional funding provided towards the end of the past financial year.

Mr ELFERINK: Yes, from what source?

Ms PRINCE: Was it provided through Treasurer's Advance? I think it was.¹⁹¹

The question to determine that the money was being drawn from the Treasurer's Advance was avoided twice and until it was framed in such a way as to be only answerable with the answer originally sought. It would have been clear to the Under Treasurer what the question implied, but the answer was not readily forthcoming. Whilst loyalty to the Government of the day is commendable, it is not what was promised by the Chief Minister.

Another shortcoming by the Committee is its lack of desire to use the powers that it has. The CTC expressed their surprise that NT Gas simply refused to attend. The response was to send another stern letter. Whilst the Country Liberals, albeit reluctantly, agreed to a mere letter to remind NT Gas of the powers of the Committee, it is about time that the CTC asserted itself if it is to measure up to what is expected of it. Currently, the spirit of 'co-operation' is rendering it a powerless organ. The fact is that the CTC has the power to summon witnesses and subpoena documents and it should do so.

Again in line with raising the matters of the failure to get material and the lacklustre approach of the departments, we go back to the point about provision of secretariat support and preparation for hearings. When we are dealing with deeply complex departments like Treasury and the issue of SIHIP, a better process is to have people working for or contracted to the Committee who can provide useful guidance on these areas. We are not suggesting that there is an abrogation of responsibility from the members to undertake the work, but by the sheer volume and as stated above, complexity, this effort by the Committee Secretariat is essential, if this Committee is to have any chance of success in meeting the expectations set for it.

The Country Liberals believe that all these issues finally rest on Committee Members and ultimately, the Chair. It is how members conduct themselves in their role, and importantly, how they assert their leadership that will ultimately determine the value of this committee.

Conclusions

In conclusion, if the CTC is to enjoy the continued support of its members and the public at large it is going to have to become far more assertive and active in its conduct. The Country Liberals have been critical of this Committee from the outset because it expected these shortcomings to manifest themselves as they indeed have.

In essence the CTC is, from the Government's perspective, more about staying in power by ensuring the support of the Member for Nelson than it is about improving the governance of the NT. The continued calamities that have occurred since the

¹⁹¹ Legislative Assembly of the Northern Territory (LANT), Council of Territory Co-operation (CTC), Transcript of Proceedings, Darwin, Monday 9 November 2009, pp.20-1.

commencement of the CTC have shown that the CTC cannot respond effectively and responsively to those matters. The situation regarding the meltdown in child protection and the continuing problems in housing, land release and the Top End's power supply demonstrate how impotent this 'body of governance', in reality, is.

Finally, the Country Liberals express their disappointment that of the 25 recommendations they brought to the CTC that only six (with two in an amended form) were accepted with not a single syllable of the original submission's background being accepted by the Committee. Whilst one recommendation has been incorporated in the majority report as text, this isn't a good outcome with regard to co-operation. Notably, the Member for Nelson who drives the philosophy of co-operation, was instrumental in all the votes that saw so much of the Country Liberals' material being struck out. This is doubly disappointing because prior to doing so, the Member for Nelson said that he thought many of the recommendations were good recommendations.

Recommendations

- The CTC should meet weekly so it can be more responsive to the issues affecting Territorians.
- Public servants briefing the CTC should be fulsome and forthcoming with information on all occasions when advising the CTC.
- The agreement with the Chief Minister be amended to compel the attendance of Ministers before the CTC.
- To achieve its aims the Government must provide a secretariat that is staffed with sufficient expert and other resources.
- CTC reports must be timely and handed directly to government for immediate advice as to what action will be taken in relation to the report.
- The CTC should be more willing to use its powers of compulsion.

SIHIP

SIHIP is the Territory's silent intervention.

It cannot be more simply expressed than to say that SIHIP's management by the Territory was so bad that the Federal Government, after national embarrassment, was forced to intervene. Whatever the reason, the management by the Territory Government was a national shame.

Much of the problem with SIHIP was that it was saddled with expectations that it could not hope to meet. SIHIP was steered towards the rocks when Governments, both Territory and Federal, used a myriad of press releases and launches to build expectations even before the program had been funded and described. As the language of those releases and launches were crafted in the vernacular of urgency and it was reasonable to expect that it was publicly expected that an urgent response was on the way.

This didn't happen because it needed planning and because the new model of Alliances demanded a need for caution. The eventual slippage of three months in the roll out process as well as the extraordinary use of money on external consultancies, without the immediate results implied by Governments, ensured that it was going to be a program that would fail to deliver houses on time as far as the public expectation was concerned. It needs to be remembered that it did fail to deliver houses on time.¹⁹² Two houses released in Wadeye two and a half years after the initial announcements does not constitute a triumph.

SIHIP also led to expectations being created in remote communities. After the initial consultations at numerous communities, larger houses were promised to the people who live in those communities. After the review that led to the effective Federal takeover of the program, those houses began to shrink in size and the quality of refurbishments began to be watered down.

After the review, there was a 'Joint Announcement' by both spheres of government that described:

...a stronger leadership role for the Australian Government by embedding an Australian Government Officer in the NT's program management team.

This explanation was little more than a papering over of the fact that the Federal Government had wrested control of the program back to its own jurisdiction. Their concerns were well founded because of the incapacity of the Territory Minister, Rob Knight, to deal with the problems the program had developed.

The performance of the Territory's Minister was so bad that the implications for the Territory's coffers have been substantial. The 'infrastructure' component of SIHIP has been taken out of the SIHIP bucket and it has been forced onto the Territory Government to address the issue from unbudgeted expenditure. In November 2009 that expenditure had been taken from the Treasurer's Advance at an amount of \$20

¹⁹² The SIHIP Review says: 'There has been a three month delay against original timeframes in commencing work in the first three nominated locations, Groote Eylandt, the Tiwi Islands and Tennant Creek.' Department of Families, Housing and Indigenous Affairs and the Northern Territory Government, *Strategic Indigenous Housing and Infrastructure Program – Review of Program Performance*, 28 August 2009, CTC Tabled Paper No1, Darwin, 9 November 2009, p.26.

million. Such an impost on a Government already running a \$249 million deficit for the current financial year should be an unwelcome impost to say the least. It is notable that the Government is intending to run deficit budgets for the next three years at least and it is likely that the mistakes made with the implementation of the SIHIP program will continue to adversely affect the Government's financial commitments into the future.

Also of concern to the Country Liberals is the dilution of what is being done by the program in communities. It was clear at the outset that houses had been, at a definitional level at least, reduced to mere dwellings. This meant that the program was not only going to deliver smaller houses but one and two bedroom dwellings were going to be counted in the houses list. Further the definition of what was a rebuild and what was a refurbishment has been blurred with the funding arrangements between the two becoming less clear.

A refurbishment was to be done at an average cost of \$150,000. It is important to note that what is required of a refurbishment has been drastically reduced. Originally a refurbishment was intended to bring a house from a structurally sound but run down state into essentially an 'as new' state. This is reflected in houses in Tennant Creek where this has effectively been achieved. However, houses in the post review period have now seen a much lower standard being applied. For example, a house being refurbished in accordance with the later standards will only have fittings and wet areas repaired. It was explained to the CTC in Nguiu that under the new standards if a wall is dirty and written on but otherwise sound, it will not be attended to or repaired.

The Nguiu example is one that adequately demonstrates the "arms length" approach adopted by the NT Department of Housing and the failure of the Minister responsible to provide any direction whatsoever. Prior to the review, Territory Alliance was given a budget of \$53M to perform its obligations under SIHIP on the Tiwi Islands and given *carte blanche* go ahead and consult with the community to determine their housing requirements. After consultation, the Alliance arrived at figures of 29 new houses and 95 rebuilds and refurbishments.

They costed a refurbishment at \$150,000 each and costed a 2-bedroom, 6-person house at \$560,000. If one calculates the cost of this proposal:

$$\begin{aligned} 95 \text{ rebuilds/refurbishments @ } \$150,000 &= \$14.25\text{M} \\ \$53\text{M} - \$14.25\text{M} &= \$38.75\text{M} \\ 38.75\text{M} / 29 \text{ houses} &= \$ 1.34\text{M per house}^{193} \end{aligned}$$

This figure beggars belief. However, if one was to factor in the 11.5% (pre- review administration) cost of almost \$7M, the unit cost of one house on the Tiwi Islands would have fallen to \$1 126 034 each.

The point to be made at this juncture is that, had the review not taken place and the Federal Government stepped in to jointly manage and oversight this program, the unit cost of a house on the Tiwi Islands would have been \$1 126 034.

Another example of what we would call, 'questionable' costings, 10 refurbishments and rebuilds (five of each) were undertaken on Groote Eylandt at an 'average cost of

¹⁹³ These amounts were taken by way of hand written notes from an out of session hearing (i.e. not recorded by Hansard) by the Member for Katherine at Nguiu. The Country Liberals are surprised by the figures. Further investigation is needed to verify the figures.

\$200 000 each'. Even if one were to assume an average cost of \$150 000 per refurbishment, the cost of a rebuild jumps to a quarter of a million dollars, only \$100 000 shy of the original estimated average cost of a new house (pre-review) of \$350 000 each.

Only after the review was conducted, and administrative costs, costs of refurbishments and the number of houses to be built were mandated, far better outcomes would be delivered to the Tiwi Islands and in other Aboriginal communities.

Post review, that is, after intervention by the Federal Government, 90 new houses were mandated to be built and the cost of refurbishments reduced from \$150,000 to \$75,000 each on the Tiwi Islands.

Necessarily, this increase in the number of new houses and the reduction in unit cost per refurbishment manifested itself in smaller houses and less actual refurbishment work being undertaken on those houses identified as requiring that level of work.

However, the review was certainly not a silver bullet. As a result of the halving of the budget to perform refurbishments, far less work was to be carried out on each house with the outcome of that work focussed on returning a house to functionality only.

Clearly, the NT Government dropped the ball here, also. Using Nguiu as an example again, many houses destined for refurbishment will have the floors only in the 'wet areas' namely, kitchen and bathroom, properly sealed.

The CTC members inspected houses at Nguiu that are destined for refurbishment. The floors on many houses are concrete, however they were built using beach sand many years ago and have deteriorated markedly. These floors are extremely porous and soft, aggregate is exposed and they are pitted and damaged through both normal wear and through the use of tools, such as axes. It would be impossible to keep such a floor to any level of cleanliness and, without doubt, poses a serious risk to the health of any person inhabiting the house.



Damaged floor in house to be refurbished, Nguiu, 2 February 2010

It is quite apparent that the NT Government has failed in its duty to adequately advise the Federal Government on this matter. In its haste to meet politically motivated targets, real, on the ground results for the aboriginal people, who are to be the recipients of the SIHIP program, have given way to the politics of meeting poorly conceived and unrealistic targets.

It is expected that houses refurbished to such a poor standard will not meet the requirements of the *Residential Tenancies Act* and may well preclude them from being consumed into the pool of houses owned and/or managed by the NT Department of Housing, which is one of the programmed outcomes of SIHIP itself.

The only rational conclusion that can attach itself to these facts is that the money in the program is being stretched to meet the targets originally claimed by SIHIP's drivers, namely the Federal and Territory Governments. This is a cynical result that will mean that Aboriginal people will be moving into smaller houses than they had originally expected and where they are moving into refurbished houses it is conceivable that the house will be dirty and grimy when handed back to them. It will be a cold comfort to them that they will know that the Governments who brought them their homes will be able to announce that they've met their targets.

The Country Liberals censure the Territory Government for its failures to effectively manage the program at the outset.

The Country Liberals censure both Governments for raising the expectations of Aboriginal people unreasonably for the sake of positive political outcomes.

The Country Liberals are highly critical of the current policy of winding back the refurbishments for the sake of budgetary outcomes.

Another area of concern is the repeated stone-wall regarding the cost of housing in communities. Houses being built in major communities are going to cost (\$450,000) on average.¹⁹⁴ Whilst the Alliances accepted that the cost of houses will be an average of \$450,000 it was asserted that this average would be a product of houses in the bush costing more. The CTC accepts this assertion, but then a suggestion in Alice Springs by an Alliance that even the houses in the major centres would cost that much (when pressed), then the \$450,000 figure begins to gain an air of arbitrariness that may not be reflected in reality. It is interesting to note that in Wadeye (before GST and yard costs) the average price of a house will be between \$350,000 and \$400,000.

The consistency of the cost of construction of houses at \$450,000 is surprisingly consistent with the bench mark of \$450,000 set by the tenderer. The Country Liberals understand that there are other social benchmarks that are being attempted by the Governments in terms of skilling and training, driving the reliance of Governments on the Alliance models to achieve these outcomes. The Country Liberals harbour reservations that the model is delivering as well as it could.

Government assertions that the process of having imbedded public servants in the Alliances to oversee the expenditure are cold comfort when the details of those contacts, particularly in light of the evidence in Wadeye of the \$350,000 to \$400,000 average house, give cold comfort to the Country Liberals that as much as possible is being achieved by the program as could be done. It is probable that the margins for the Alliances are not as lean as they would have Government and taxpayer's believe.

¹⁹⁴ LANT, CTC, Transcript of Proceedings, Alice Springs, Monday 23 November 2009, p.11.

Recommendations

- The Territory Government, in the opinion of the CTC, is still the best positioned government to manage the program. Its members and the members of the Territory Parliament are far better positioned to know the NT's remote areas than Federal Parliamentarians and Ministers.
- The program should be allowed to roll out its refurbishments and rebuilds to the standards originally promised. (While it is too late to build new houses of the size promised because of the review, putting people into partially finished houses will only lead to their accelerated decay. Furthermore the NT Government will likely become the managers of many of these half refurbished houses and as a land lord they will be duty bound to bring them up to a standard that SIHIP no longer contemplates. Whilst this probably means that the Governments won't meet their promised targets, it does mean that proper houses will be occupied rather than half done houses. Of course if the Federal Minister wants to meet the targets originally promised and re-promised then the Country Liberals would welcome an appropriate cash injection.)
- An audit should be done by an independent auditor at the completion of the process to determine the usefulness of the alliance model including an assessment of the profits returned by the Alliances through the process. (Whilst those profits are commercial in confidence, nothing prevents an auditor from commenting on the reasonableness of any profits and expenditures incurred in the process.)
- Consideration must be given to the process of announcing programs of this nature by Governments at both levels. Frankly, what should have been a good news story for both Governments has become a disaster because of the desire to massage the message rather than actually focus on the results achievable. The experience has left a sour taste in many mouths not least of which are the many Aboriginal people who have been promised one thing and delivered of another. (This motion was accepted but only as text in the majority report. It is the only text that has been adopted in the Majority Report by the CTC.)

Working Future

The Country Liberals support the hub and spoke model proposed by the Working Future system.

It is early days in the roll out of this program and therefore it is difficult to assess the effectiveness of the program. Clearly the program is driven by the capacity of the Territory and the Federal Government to deliver services in the bush and that harsh economic reality is understood and accepted by the Country Liberals. The Country Liberals also commend the appointment of Bob Beadman as the NT Coordinator-General.

It is disappointing however, that the Land Councils had chosen to substantially exclude themselves from the process when they have such a pivotal role in the area. The CTC received evidence from three land councils and each of them described themselves as a statutory authority of the Commonwealth. The NLC went on to correctly state that they represented the wishes and desires of the traditional owners.

Interchangeably however, they saw fit to make comments on areas outside of their statutory scope as they are, after all, essentially land managers for the Traditional Owners of land. While the Country Liberals accept that their role has extended into areas such as commenting on education and health, then the Country Liberals feel that if they seek to make such comments they should also be qualified to answer questions on their roles in such areas. Disappointingly, they chose to make comments about government policy, on occasions with overt political overtones, but evade questions by claiming they were only capable of responding within the areas of their statutory limitations.¹⁹⁵

The Country Liberals acknowledge the model of joint co-operation between the Federal and Territory Governments with regard to this policy and considers it long overdue. However, the absence of the Land Councils in taking an active part in this process removes probably the most crucial component for a successful future for Aboriginal people.

The possession of a 12th of Australia's landmass under inalienable freehold should be a vehicle for driving substantial wealth, employment and self determination, however, this has not been achieved because of an almost ultra conservative approach by land owners. The Country Liberals acknowledge that with Anindilyakwa, Tiwi and the Northern Land Councils there is a substantial change in their commercial orientation. The Country Liberals welcome the announcement by the NLC at Wadeye that they are reviewing their approach and waits with anticipation announcements and briefings as to what the re-alignment of policy will engender.

Nevertheless, these organisations are still excluded from what should be a very important process.

¹⁹⁵ The Country Liberals accept that some of the transcript material is yet to be proofed, supporting these assertions, by the people who made them. However, the Country Liberals are sufficiently confident of their records to believe that no substantive changes will follow.

Recommendations

- The NT Government requests that the Federal Government impose upon the Land Councils a duty to involve themselves, as statutory authorities, in the solution that this model of service delivery offers. A wait and see approach will retard the advances that can be made in terms of future employment and economic advancement unnecessarily.
- In consultation with the Commonwealth, The Office of Township Leasing should become a Territory Statutory Authority.

Local Government Reform

Local Government reform is an area that has caused enormous ructions throughout the Territory. Whilst the Country Liberals acknowledge that it was necessary to reform local Government the process taken has led to massive disruption in the community repeatedly expressed by the various witnesses giving evidence before the CTC from a range of organisations.

Singularly the most obvious aspect of this reform was its unnecessary haste. What has never been explained by government was why the start date of the first of July 2008 was so important to be achieved. The indecent haste of this reform has led to some very unfortunate outcomes, not least of which has been CouncilBiz as a support program. Evidence from an independent expert, Mr Des Kennedy, in Katherine demonstrated that any person of reasonable competence would have identified the program as useless for the purpose it was intended on its first day of examination. This error has cost taxpayers \$5 million. Moreover, Mr Kennedy gave evidence that, in his opinion, the Shire reform was no-where near ready for implementation on 1 July 2008 and that the roll-out of the shires should have occurred 12 months later.

The transition to the shire process has led to shires having little or no useful idea about what their balance sheets should look like. Almost universally, the shires have given evidence to the CTC indicating that they have inherited unserviceable assets and that they still have no practical idea as to how many assets they own, or have responsibility for. Some shires have had incomplete asset registers handed over from the old system and some simply cannot find many of the assets that are supposed to have been transferred.¹⁹⁶

On top of that, shires have inherited the unaudited accounts of the subsumed Community Government Councils and Progress Associations.¹⁹⁷ During the consultation and build-up phases prior to 1 July 2008, community residents, previous Council elected members and staff, and incoming Shire CEOs were all informed by the Department of Local Government that the financials from subsumed Councils would be closed and handed over in an audited state. This did not occur, leaving new shires to allocate resources to the task of finalising old financials and acquitting old grants.

The Country Liberals are concerned that unacquitted grant money may have to be handed back to respective funding bodies, adversely affecting the anticipated dollar value of funds rolled into the new shires. This is an issue that requires further consideration. Due to a combination of the poor state of the inherited financials and the failure of the shires' financial IT system, Business Activity Statements (BAS), as required by the Australian Taxation Office (ATO), were not submitted on time. Roper Gulf Shire was fined by the ATO for the late submission of a BAS.

Many shires still have no practical idea as to how many assets they own, or have responsibility for, or the conditions of the assets. This work should have been done prior to the amalgamations and the failure to do it has undermined the shires' capacity to plan for the future. The Territory Government stands condemned for its failure to manage even the basic elements of the takeover. It is hard to imagine that

¹⁹⁶ LANT, CTC, Transcript of Proceedings, Alice Springs, Monday 23 November 2009, pp.38-9, 54-56, 58; Transcript of Proceedings, Katherine, Wednesday 2 December 2009, pp.19, 23.

¹⁹⁷ LANT, CTC, Transcript of Proceedings, Alice Springs, Monday 23 November 2009, pp.38-40.

any private company would be established in such circumstances and the resultant confusion will affect shire planning and management for years to come.

Further, the management plans that have been thrust upon the shires will set them up to fail. With discretionary income limited to FAGS and rates income, most shires are little more than project managers for tied grants thrust upon them by both the Federal and Territory Governments. It appears little consideration was given to the impact of this approach.

It is hard to imagine why some of the shires exist as elected bodies in this environment. If their capacity to make decisions is limited by having a small discretionary amount of expenditure, and in the case of the Tiwi Islands Shire a shrinking amount of discretionary expenditure, then the elected body may have no useful mandate to make decisions. There is no point in electing any group when that group's decisions are made by the institutions that tie their expenditure. Elections imply a discretionary capacity that simply is little more than a show piece under the current arrangements.

The \$800,000 of discretionary expenditure left to the Tiwi Islands Council will largely be used for administrative purposes and therefore the council members rightly feel that they are seriously undermined. Further, changes to the *Local Government Act* (NT) have removed the capacity for councils to charge a 'service fee' for their communities. This further undermines any form of effective self determination implied by a democratically held election.

Shires have also been given redundant infrastructure that presents demands upon the limited discretionary funding available. Barkly Shire has exactly such a problem with the Tennant Creek Swimming Pool. The Pool has a repair bill of \$6 million which substantially exceeds the discretionary capacity of the shire for several years combined.¹⁹⁸

Several shires complained that this situation has rendered them essentially into a position that will lead to their inevitable insolvency. This means that the Territory Government has set these shires up to fail from the outset. One shire put a brave face on their situation and essentially called these issues a 'challenge', but in truth if the NT Government wanted this program to succeed, these basic and fundamental issues should have been identified, and addressed before the amalgamation was pushed through. No such attention at all was given to these issues and confusion will continue. The failure at a ministerial level to address what were and continue to be obvious consequences of the changes imposed, demonstrates an absence of leadership and/or understanding that undermines public confidence in the Government.

Because of these issues, local government shires will continue to struggle in the Territory for the indeterminate future.

It is the belief of the Country Liberals that the leadership vacuum caused by the resignation of former Local Government Minister Elliot McAdam is the cause of the failings in the reform process. The subsequent Minister, Rob Knight, demonstrated a complete absence of guidance and left the matter entirely to the Department of Local Government to manage whilst continuing on the simply unachievable time frames set

¹⁹⁸ LANT, CTC, Transcripts of Proceedings, Tennant Creek, Thursday 19 November 2009, p.30-2. Mr Gary Cleary, Director Corporate and Community Services, Barkly Shire, said that the shire's rate base was about \$3 million a year and the rest of the budget was external agency funding : LANT, CTC, Transcripts of Proceedings, Tennant Creek, Thursday 19 November 2009, p.35.

by the previous Minister, Elliott McAdam. The inflexibility of the Government has caused substantial disquiet.

The Country Liberals find that the rationale for the Local Government output group is no longer valid in the Department of Housing, Local Government and Regional Services.

The group essentially has two functions. Firstly, a compliance function that is in essence a policing role when it comes to ensuring that the terms and conditions of the Local Government Act are achieved. Secondly, the department has an oversight role that provides administrative services and assistance to local government authorities. Evidence has been taken from some councils that even the support role has become essentially a police state which is resented very much.¹⁹⁹ Whilst the Country Liberals are still sceptical that the Department of Local Government is deliberately trying to undermine the Tiwi Islands Shire for reasons based on personality, it is clear that the actions of the Department in that instance have been intrusive and unwelcome.

The presence of a Territory public servant in the Nguiu meeting caused discomfort and when that person was removed, there was a clear relief among those giving evidence. It is not suggested that the presence of the public servant by the Country Liberals was any form of intimidation, but clearly the members of the Tiwi Islands Shire did feel that was the case.

The fact is that an organisation such as LGANT, properly funded, could provide the administrative support services. An office of Local Government attached to the Minister's Office or as a free standing statutory authority, could do the auditing role in conjunction with LGANT to ensure that the *Local Government Act* was complied with.

Amendments to the *Local Government Act* should be made in consultation with LGANT to ensure that these boundaries be properly described in the Act and that LGANT provide proper representations as the elected body representing local government authorities.

Recommendations

- The Local Government functions of the Department of Housing, Local Government and Regional Services be wound up and its employees redeployed in other areas of the public service or arrangements made for staff to transfer to LGANT if they so choose.
- A statutory authority, answerable to the Minister for Local Government, be established for enforcement audits.
- LGANT be approached by the NTG to oversee administrative support functions and local government representation.
- LGANT to be properly funded for adopting these functions.
- Amendments made to the act to enable the reintroduction of community based service fees (subject to current transitional, rating and other provisions).

¹⁹⁹ The Country Liberals accept that some of the transcript material is yet to be proofed, supporting these assertions, by the people who made them. However, the Country Liberals are sufficiently confident of their records to believe that no substantive changes will follow

- Amendments acknowledge all current transitional provisions such as the arrangements over mining leases and pastoral leases.

PowerWater²⁰⁰

PowerWater is an organisation that is facing serious issues. In recent times it has needed to respond to an infrastructure that has fallen into decay. It is notable that not even senior management of PowerWater was aware of the situation until 2004 when as the result of an EBA, staff insisted on a review of the condition of the network.

Subsequent failings in the supply of gas generation facilities and the network have revealed how frail the system has become. Borrowings by the organisation have loaded enormous debt onto the firm and although its equity position has improved the cash flow of the company is of concern. Recent power price hikes, although critical, have left the organisation in a position where it is merely viable rather than commercial. The Country Liberals are concerned that the organisation may be borrowing to deal with recurrent funding.²⁰¹

It is of concern to the Country Liberals that as a result of questions being asked of PowerWater on 28 January 2010 that a pedestrian approach is being taken toward determining the cause of the shutdown of gas by NT Gas in November 2009. Whilst evidence has been given that the line has been 'pigged' and that the gas is now flowing within specifications, the absence of a report actually describing the nature of the fault that caused the interruption is a substantial shortcoming.

Evidence received that the preliminary report found 'no fault' is simply not good enough. It is self evident that something serious went wrong when 14,000 customers are lost. That two and a half months later, knowledge of that failure is still limited to mere speculative comments by the CEO is concerning, especially as these arrangements are all in place to improve the power generation network in the Territory. The review by Sinclair Knight Merz to be undertaken into the PowerWater Corporation's capital and maintenance program is surprising, considering the attention that has been focussed in recent times by other reviewers.

NT Gas was asked to provide evidence by the CTC but thus far have declined to attend. This is unacceptable and represents a simple affront to the gravitas the Chief Minister has supposedly accorded the CTC. Whilst it is acknowledged that NT Gas is a private company the fact remains that its major customer is the Territory Government (through PowerWater). It would be expected that NT Gas would be cautious about upsetting that customer. Clearly NT Gas gives little concern about the opinions of the NT Government.

Eni's failure to deliver compliant gas within contractual timeframes has also come at an expense to PowerWater. Notably in the Director's report of PowerWater's last Annual Report:

Delays in gas delivery required the Corporation to use higher cost alternative energy sources (including distillate) which has a detrimental impact on the cash flow the extent that higher costs are not covered by damages received from Eni.

²⁰⁰ The Country Liberals accept that some of the transcript material is yet to be proofed, supporting these assertions, by the people who made them. However, the Country Liberals are sufficiently confident of their records to believe that no substantive changes will follow. It is for the sake of timeliness and responsiveness that this material has been included for government to consider.

²⁰¹ The Department of the Chief Minister is currently undertaking a review to advise the Country Liberals of the current fiscal position of Power Water.

In fairness to Mr Macridies, the PowerWater CEO, he has explained on several occasions the effect of the paragraph and the actual calculation of the liquidated damages.

It is noted that the matter of liquidated damages has been settled, however, it is not known if that has left any cost impost on PWC or the taxpayer.

What needs to be determined is, how much was paid, was the full amount of compensation payable recovered, was any loss suffered by PowerWater or the NT Government and why is there an inconsistency between the Minister and Eni as to whether the matter has been settled.

Recommendations

- NT Gas should be compelled to give evidence before the CTC as soon as possible.
- In the absence of a comprehensive response from NT Gas, PowerWater should commence action against NT Gas for compensation.
- The Minister must attend the CTC and explain in detail the arrangements between PowerWater and Eni.
- The Minister for Essential Services stop issuing press releases announcing what he is going to do because these statements have become meaningless and the credibility of the Minister is now irrevocably undermined. Future announcements should be restricted to results and not promises.

Police Statistics²⁰²

The reason that the CTC asked for a briefing of crime statistics regarding the reporting of domestic disturbances was because of apparent inconsistencies between Police statistics and Department of Justice statistics.

It is notable that part of the confusion was caused by a typographical error in the most recent Police Annual Report.

Nevertheless, the issue remained unresolved because of the repeated assertions by the Chief Minister that the increase in violence recorded in the Territory was a direct product of the increased reporting of domestic violence in the NT.

These statements were not supported by numerous Police Annual Reports that have shown a decreasing proportion of assaults and offences against the person each financial year.

It was also perplexing that the Attorney General also started saying with regard to the release of crime statistics that domestic violence accounted for 54% when the police figure reflected a figure of 46%. Significantly the difference is 8%.

Evidence before the CTC revealed that the figures used by DoJ and Police were derived from exactly the same raw data.

Ultimately after some explanation it was revealed that the data set used by DoJ was derived by examining different geographical areas than used by Police and that Police counted all crimes against the person in their count where DoJ only counted those offences classified as 'assaults'. Whilst assaults represented the majority of the offences under the general classification of crimes against the person, the fact remained that offences like rape, murder, robbery and others were not included in the DoJ count. By eliminating these offences from the count it effectively pushed up the proportion of domestic violence offences by limiting how many crimes of violence were counted.

It is concerning that the Minister for Police sets policing policy surrounding crimes of violence based on violent crime figures that do not include murder, robbery and rape. It has become apparent that the Minister for Police has come to rely on DoJ figures to justify Police policy. When there is such a large difference between the DoJ figures and their interpretation and the Police figures and their interpretation, this approach is concerning.

It is notable that the use of differing parameters leads to different outcomes from departments. Government statistics are often enough criticised without the public of the NT being told by bureaucracies that to compare Police and DoJ statistics is to compare apples with pears.

Recommendations

- Greater care must be taken in the preparation of Police Annual Reports.
- Police Crime statistics, which include murder, rape and robbery should be used to set Police policy to respond to violent crime in the Territory, not just the use of assault numbers.

²⁰² The Country Liberals accept that some of the transcript material is yet to be proofed, supporting these assertions, by the people who made them. However, the Country Liberals are sufficiently confident of their records to believe that no substantive changes will follow. It is for the sake of demonstrating timeliness and responsiveness of the CTC that this material is included for the attention of Government.

- Efforts should be taken to amend reporting processes so that there is a marriage between statistics being reported by Police and DoJ and these statistics reflect each other.

The Ministerial performance of Rob Knight

Minister Rob Knight has been at different times and still is the Minister for Essential Services, the Minister for Local Government and the Minister for Housing. This means that he has been a central figure in the issues surrounding SIHIP, Local Government reform as well as PowerWater. Further, his roles have also made him an important figure in Working Future as a policy.

The Country Liberals express its grave concern with his performance during this period and in all of his portfolio areas. As a central figure, his impact on what has been occurring has been, in a charitable description, negligible.

It has been clear that the Minister's rare mentions in the meetings of the CTC to date that even his own public servants have not seen him as being a leader in any of these processes. The lack of his name implies an absence of presence. Further, with the reputation on the line of his policies, his absence could not have been more conspicuous. Any Minister worth their salt, with their policies under such close scrutiny would be expected not only to accept an invitation, but demand, an audience before the CTC to explain the reasoning and rationale for policy structures and decisions.

Rather than exercise those options the Minister continued to act in absentia. The uncontrolled acquisition of consultants in the pre-review SIHIP program demonstrates a lack of appreciation, let alone control, of what was happening at that time. In the absence of clear leadership the Commonwealth felt compelled to intervene.

The shambles in the local government reform process, which included burdening shires with a computer system they couldn't use, with an associated substantial cost impost, reflects a lack of attention or care. Further, the incapacity to see that the reform process needed to be delayed after the arbitrary deadline 1 July 2008 is further evidence of a lack of understanding of his leadership role. Moreover, the lack of direct communication with shires trying to implement changes he was supposed to be driving showed a lack of even interest in determining the effects of his policy.

The failure by the Minister to insist on NT Gas explaining quickly and clearly why their gas delivery was shut down and ensuring that the problems were fixed to his satisfaction, demonstrates that he simply does not understand that he carries the ultimate responsibility for ensuring that the system works.

Whilst not attended to by the CTC the recent revelations of vacant Housing dwellings around the NT in times of a chronic affordable housing shortage, particularly in Darwin shows that Mr Knight simply sees his role as one of figure head rather than leader. The recent near collapse of his Government has done nothing to galvanise him into action to do a better job to ensure the outcomes he is personally responsible for.

It is the opinion of the Country Liberals and it should be the opinion of the CTC that this particular Minister has failed at every juncture in the areas of his responsibilities. It is the opinion of the CTC that it isn't simply because he has a lax approach to his work, but rather he is devoid of the capacity to critically approach his role in an effective and responsive manner.

Recommendation

- Mr Knight be immediately relieved of his role as a Minister of the Crown and his functions be given to another more capable.



.....
Mr John Elferink
23 February 2010



.....
Mr Willem Westra Van Holthe
23 February 2010

APPENDICES

APPENDIX A**COUNCIL OF TERRITORY CO-OPERATION****TERMS OF REFERENCE**

- (1) That the Legislative Assembly establish a Sessional Committee to be known as 'The Council of Territory Co-Operation';

Purpose of the committee

- (2) That the committee facilitate:
- (a) greater levels of collaboration in the governance of the Northern Territory;
 - (b) enhance parliamentary democracy by providing a strong role for members of the Legislative Assembly who are not members of the executive government, particularly on matters of common concern;
 - (c) expand involvement in important Northern Territory initiatives and projects;
 - (d) provide new avenues for Territorians to have input through the Legislative Assembly into the government of the Northern Territory; and
 - (e) provide a road map for tackling some specific issues currently facing the Territory.
- (3) The committee consist of up to six members including two government members, two opposition members and at least one independent member to be appointed by a subsequent resolution and that unless otherwise ordered, Mr Wood be appointed Chairman of the committee.

Duties of the committee

- (4) That the committee inquire into, consider, make recommendations and report to the Assembly from time to time on the following matters of public importance:
- (a) the strategic indigenous housing and infrastructure program (SIHIP);
 - (b) local government reform;
 - (c) the planning scheme and the establishment of Weddell;
 - (d) a working future (including homelands policy);
 - (e) any other matter of public importance referred to it by the Legislative Assembly; and

- (f) any matter of public importance concerned with the administration of matters of which ministers of the Territory have executive authority pursuant to the provisions of the *Northern Territory (Self-Government) Act* and Regulations (Commonwealth).
- (5) That the provisions of paragraph (4) have effect notwithstanding the terms of reference of other Assembly committees.
- (6) That the committee determine appropriate timeframes and work plans and the priority for consideration of matters referred to it;
- (7) That, notwithstanding paragraph (4) above, the committee report to the assembly as soon as possible after 30 June each year on its activities during the preceding financial year;
- (8) That in the event of an equality of voting, the member chairing the committee shall have a casting vote;
- (9) That the committee have power to appoint subcommittees and to refer to any such subcommittee any matter which the committee is empowered to examine.
- (10) That three members of the committee constitute a quorum of the committee and two members of a subcommittee constitute a quorum of the subcommittee.
- (11) That the committee or any subcommittee have power to send for persons, papers and records, to adjourn from place to place, to meet and transact business in public or private session and to sit during any adjournment of the Assembly.
- (12) That the committee shall be empowered to print from day to day such papers and evidence as may be ordered by it and, unless otherwise ordered by the committee, a daily *Hansard* shall be published of such proceedings of the committee as take place in public.
- (13) That the committee have leave to report from time to time and any member of the committee has power to add a protest or dissent to any report.
- (14) That any report tabled by the committee which recommends action by the government, shall within three months from the date of tabling of such report generate an information paper in response to the report and that the Assembly has the capacity to take note of the response.
- (15) That unless otherwise ordered by the committee, all documents received by the committee during its inquiry shall remain in the custody of the Assembly provided that, on the application of a department or person, any document, if not likely to be further required, may, in the Speaker's discretion, be returned to the department or person from whom it was obtained.
- (16) That members of the public and representatives of the news media may attend and report any public sessions of the committee, unless otherwise ordered by the committee.

- (17) That the committee may authorise the broadcasting of public hearings of the committee under such rules as the Speaker considers appropriate.
- (18) That the committee shall be provided with all necessary staff, facilities and resources and shall be empowered, with the approval of the Speaker, to appoint persons with specialist knowledge for the purposes of the committee.
- (19) That the committee be empowered to consider the minutes of proceedings, evidence taken and records of committees established in previous Assemblies; and
- (20) That the foregoing provisions of this resolution, so far as they are inconsistent with Standing Orders, have effect notwithstanding anything contained in the Standing Orders.

APPENDIX B**COUNCIL OF TERRITORY CO-OPERATION****LIST OF INITIAL PUBLIC HEARINGS AND WITNESSES****Darwin****Monday 9 November 2009****Northern Territory Department of the Chief Minister**

Mr Mike Burgess, Chief Executive

Mr Ken Davies, Deputy Chief Executive

Northern Territory Treasury

Ms Jennifer Prince, Under Treasurer

Northern Territory Department of Local Government and Housing

Dr David Ritchie, Chief Executive

Mr Andrew Kirkman, Executive Director SIHIP

Mr David Alexander, Director of Business Strategy and Performance

Darwin**Tuesday 10 November 2009****Private Citizen**

Mr Rollo Manning

Darwin City Council

Ms Helen Galton, Deputy Lord Mayor

Palmerston City Council

Mr Robert Macleod, Mayor

Brustolin Builders

Mr Mark Brustolin, Director

Australian Government Department of Families, Housing Community Services and Indigenous Affairs

Ms Amanda Cattermole, Group Manager, Office of Remote Indigenous Housing

Mr Robert Ryan, Executive Director, SIHIP

Northern Territory Department of Local Government and Housing

Mr Andrew Kirkman, Executive Director, SIHIP

Earth Connect Alliance - Canstruct Pty Ltd, WorleyParsons Services Pty Ltd, Force 10 International Pty Ltd, Greene & Associates Pty Ltd, Ostwald Bros. Pty Ltd

Mr Andrew Schroth

New Future Alliance – Leighton Pty Ltd, Broad Construction Services Pty Ltd, Opus Pty Ltd, Ngarda Civil & Mining Pty Ltd

Mr Brian Hughey

Territory Alliance - Sitzler Pty Ltd, Laing O'Rourke Australia Construction Pty Ltd, McMahon Services Australia Pty Ltd, Sub Alliance partner - Compass Group (Australia) Pty Ltd

Mr Dick Guit

Mr Allan McGill

Litchfield Shire Council

Ms Mary Walshe, President

Mr Russell Anderson, CEO

Public Forum

Mr Graham Ring, Journalist *National Indigenous Times*

Mr Graham Watts, private citizen

Ms Jane Carrigan, private citizen

Mr Morris Foley, private citizen

Mr Roger Higgins, private citizen

Tennant Creek

Thursday, 19 November 2009

New Future Alliance

Mr Brian Hughey

(Included a site visit of SIHIP construction program)

Australian Government Department of Families, Housing Community Services and Indigenous Affairs

Mr Robert Ryan, Executive Director, SIHIP

Julalikari Council Aboriginal Corporation

Ms Gina Smith, Chairperson

Ms Pat Brahim, CEO

Mr Joe Carter, SIHIP Project Coordinator

Barkly Shire Council

Mr Phil West, Director, Works and Services

Mr Gary Cleary, Director, Corporate and Community Services

Public Forum

Ms Brigid Walsh, private citizen

Alice Springs

Monday 23 November 2009

Central Land Council

Mr David Ross, Director

Ms Jayne Weepers, Senior Policy Officer

Ms Alyson Wright, Policy Research Officer

Ms Virginia Newell – Coordinator, Leasing

Territory Alliance

Mr Allan McGill, Manager
Mr Rob Marchant, Package Manager, Package 12

Northern Territory Department of Local Government and Housing

Mr Andrew Kirkman, Executive Director, SIHIP

Lhere Artepe Aboriginal Corporation

Mr Darryl Pearce, CEO

Tangentyere Council

Mr William Tilmouth, Executive Director
Mr David Donald, Manager, Environmental Health and Essential Services

Central Desert Shire Council

Mr Roydon Robertson, A/CEO

Alice Springs Town Council

Mr Damien Ryan, Mayor

MacDonnell Shire Council

Mr Sid Anderson, President
Mr Des Rogers, Deputy CEO
Mr Graham Taylor, CEO
Mr Mike Freeman, Director, Technical Services
Ms Kath O'Leary, Manager, Agency Services

Intervention Action Rollback Group

Ms Barbara Shaw
Ms Marlene Hodder
Ms Lauren Mellor

Katherine**Wednesday 2 December 2009****Victoria Daly Shire**

Mr Donald Wegener, Mayor
Ms Sandra Cannon, CEO

Roper Gulf Shire

Ms Clair O'Brien, Deputy Mayor
Ms Catherine Proctor, Director, Corporate and Community Services

Northern Territory Cattlemen's Association

Mr Rohan Sullivan, President

Katherine Town Council

Ms Anne Shepherd, Mayor
Mr Geoff Brooks, CEO

ShiresBiz Remediation Project

Mr Des Kennedy, Project Director

Northern Territory Department of Local Government and Housing

Ms Sarah Polhill, Executive Officer, Big Rivers Region

Public Forum

Mr Jim Forscutt, Public Officer, Edith Farm Volunteer Fire Brigade

Ms Tina MacFarlane, private citizen

APPENDIX C**COUNCIL OF TERRITORY CO-OPERATION****EXPENDITURE TO 31 DECEMBER 2009**

	Actual Expenditure \$
Total Salaries	15,016
Communications	9,290
Entertainment/ Hospitality	129
Marketing and Promotion	3,260
Motor Vehicle Expenses	24
Training and Study Expenses	545
Travelling Allowance	248
Total Operational Expenses	13,496
Committee Members Travel	4,956
TOTAL EXPENSES	33,468

APPENDIX D**TABLED PAPERS AND QUESTIONS ON NOTICE****REGISTER OF QUESTIONS ON NOTICE**

Date	Witness	Information to be provided	Number	Response date
9/10-11-09 Darwin	Mr Ken Davies	Number of NT and Federal public servants engaged on SIHIP before and after the review	IP3/1/1	23.11.09
		Current structure overseeing SIHIP	IP3/1/2	23.11.09
	Ms Jennifer Prince	Information on all Indigenous housing programs, type, funding and funding source.	IP3/2/1	17.12.09
		Who signed the SIHIP agreement on behalf of the NT?	IP3/2/2	23.11.09
		Is there any other non-budget expenditure in relation to delivery of housing and services into remote communities in the current year? Details?	IP3/2/3	23.11.09
		Matrix of funding to local government over the past two years and projected over the next two years.	IP3/2/4	17.12.09
	Dr David Ritchie	Alliance method – copy of the report which led to the introduction of this delivery method for SIHIP	IP3/3/1	23.11.09
		Who were the other 20 consultants and what were their roles?	IP3/3/2	23.11.08
		Now 10 consultants – who and what and the costs?	IP3/3/3	23.11.08
		Copy of briefing note to Minister re slippage issues and costing (by tomorrow)	IP3/3/4	23.11.09
		Briefing papers for former Minister Anderson which led to her resignation (by tomorrow)	IP3/3/5	23.11.09
		Is anyone from the local shire reform committee (transition committee chaired by Pat Dodson) on CouncilBiz?	IP3/3/6	23.11.09
	Mr Mike Burgess	Copy of National Partnership Agreement	IP3/4/1	23.11.09
		Information on housing provision on Community Living Areas (CLA's) on pastoral leases	IP3/4/2	18.02.10
	Ms Helen Galton	Documentation regarding the DCC amalgamation proposal for Cox Peninsula	IP3/6/1	11.11.09
	Ms Amanda Cattermole/ Mr	How do we get 750 houses out of \$652m? What analysis was	IP3/8/1	23.11.09

Date	Witness	Information to be provided	Number	Response date
	Andrew Kirkman	done to come up with this number of houses? This is to include what information and guidelines the Cwlth gave the NTG in relation to the houses to be built.		
		When the pre and post review parameters for the housing are completed please provide a copy.	IP3/8/2	10.02.10
	Alliance Partners plus Amanda Cattermole/Andrew Kirkman	What did 'refurbishment' mean before the SIHIP review?	IP3/9/1	23.11.09
		Who came up with the refurbishment figure of \$200k and the number of houses to be refurbished, and on what basis?	IP3/9/2	23.11.09
		What is the thickness of the cement sheets used?	IP3/9/3	23.11.09
19-11-09 Tennant Creek	Mr Brian Hughey, New Futures Alliance	Who were the two suppliers in Tennant Creek who declined to tender for the white goods ultimately provided by Harvey Norman?	IP4/1/1	15.02.02
		Number of Indigenous employees engaged by New Futures Alliance – local and based outside Tennant Creek	IP4/1/2	
	Julalikari Council Aboriginal Corporation	Number of evictions from Julalikari housing over past 12 months?	IP4/2/1	
		Number of locals, and visitors, using Julalikari housing	IP4/2/2	
	Barkly Shire Council	Details of the post office agency's takeover under the proposed plan for future operations	IP4/3/1	
		Details of the annual maintenance cost of the swimming pool in the context of the proposed replacement cost as described by Mr West	IP4/3/2	
		Details of child care centres proposed for possible closure due to funding deficiencies	IP4/3/3	
		Mr West to provide copy of briefing notes once amended as appropriate	IP4/3/4	23.12.09
23-11-09 Alice Springs	Territory Alliance – Andrew Kirkman	When was the third party design review contract established and what are the details?	IP5/2/1	04.12.09
2-12-09 Katherine	No questions on notice			

REGISTER OF TABLED PAPERS

Number	Date Tabled	Title	Tabled by
<i>Darwin</i>			
TP3/1	09/11/09	Strategic Indigenous Housing and Infrastructure Program – Review of Program Performance	Mr Ken Davies, Deputy Chief Executive, Department of the Chief Minister
TP3/2	09/11/09	Strategic Indigenous Housing infrastructure Program (SIHIP) – Status Report at 9 November 2009	Dr David Ritchie, Chief Executive, Department of Local Government and Housing
TP3/3	09/11/09	Northern Territory Local Government Areas – 1 st July 2008	Dr David Ritchie, Chief Executive, Department of Local Government and Housing
TP3/4	09/11/09	Northern Territory Growth Towns	Dr David Ritchie, Chief Executive, Department of Local Government and Housing
TP3/5	09/11/09	Population and Indigenous population	Dr David Ritchie, Chief Executive, Department of Local Government and Housing
TP3/6	09/11/09	Territory Growth Towns Sites	Dr David Ritchie, Chief Executive, Department of Local Government and Housing
TP3/7	09/11/09	A Territory Government initiative working future fresh ideas/real results	Mr Mike Burgess, Chief Executive, Department of the Chief Minister
TP3/8	10/11/09	Presentation to the Council of Territory Co-operation	Mr Rollo Manning, Private Citizen
TP3/9	10/11/09	Municipal Plan Strategies and Actions in Sortable Format	Mayor Robert Macleod, Palmerston City Council
TP3/10	10/11/09	Joint AG/NTG Overarching Management Structure Remote Housing NT	Ms Amanda Cattermole and Mr Robert Ryan, Department of Families, Housing, Community Services and Indigenous Affairs; Mr Andrew Kirkman, Department of Local Government and Housing
TP3/11	10/11/09	National Indigenous Housing Guide	Ms Amanda Cattermole and Mr Robert Ryan, Department of Families, Housing, Community Services and Indigenous Affairs; Mr Andrew Kirkman, Department of Local Government and Housing
TP3/12	11/09/09	Noonamah Map – Plan of Battle Axe Sub-Division	Ms Mary Walshe, President, Litchfield Council
TP3/13	10/11/09	Site for a Regional Waste Management Facility Preliminary Overview	Ms Mary Walshe, President, Litchfield Council
<i>Tennant Creek</i>			

		No tabled papers	
Alice Springs			
TP5/1	23/11/09	Letter to office of Indigenous Policy – concerns re outstations development and growth towns	Mr David Ross, Director, Central Land Council
TP5/2	23/11/09	Submission to NT government – Outstation Policy Discussion Paper	Mr David Ross, Director, Central Land Council
TP5/3	23/11/09	Working Future – A critique of policy by numbers	Mr David Ross, Director, Central Land Council
TP5/4	23/11/09	Indigenous population data	Mr David Ross, Director, Central Land Council
TP5/5	23/11/09	Submission	Mr William Tilmouth, Executive Director, Tangentyere Council
TP5/6	23/11/09	Central Australian Affordable Housing Company (CAAHC) - Constitution	Mr William Tilmouth, Executive Director, Tangentyere Council
TP5/7	23/11/09	CAAHC Three Year Strategic Plan	Mr William Tilmouth, Executive Director, Tangentyere Council
TP5/8	23/11/09	Submission	Mayor Damien Ryan, Alice Springs Town Council
TP5/9	23/11/09	Submission	Ms Marlene Hodder, Ms Barbara Shaw and Ms Lauren Mellor, Intervention Action Rollback Group
TP5/10	23/11/09	Outstation Policy	Ms Marlene Hodder, Ms Barbara Shaw and Ms Lauren Mellor, Intervention Action Rollback Group
TP5/11	23/11/09	Ampilitawatj Walk-off	Ms Marlene Hodder, Ms Barbara Shaw and Ms Lauren Mellor, Intervention Action Rollback Group
TP5/12	23/11/09	Submission to Minister Macklin	Ms Marlene Hodder, Ms Barbara Shaw and Ms Lauren Mellor, Intervention Action Rollback Group
TP5/13	23/11/2009	Walpiri Delegation Statement	Ms Marlene Hodder, Ms Barbara Shaw and Ms Lauren Mellor, Intervention Action Rollback Group
Katherine			
TP7/1	2/12/2009	Media Release: KAB/Tidy Towns – judges visiting Barunga Barunga wins Territory's Tidiest Town Award	Ms Clair O'Brien, Deputy Mayor and Ms Catherine Proctor, Director Corporate and Community Services, Roper Gulf Shire
TP7/2	2/12/2009	Roper-Gulf Roads – hand-written note	Ms Clair O'Brien, Deputy Mayor and Ms Catherine Proctor, Director Corporate and Community Services, Roper Gulf Shire
TP7/3	2/12/2009	Oplus ShiresBiz implementation Review Project Report	Ms Clair O'Brien, Deputy Mayor and Ms Catherine Proctor, Director Corporate and Community Services,

			Roper Gulf Shire
TP7/4	2/12/2009	Comments on Katherine Town Council's Draft Five-Year Municipal Plan 2009-14	Mr Jim Forscutt, Representative of Edith River Volunteer Fire Brigade
TP7/5	2/12/2009	Documentation in relation to water allocation in the Katherine/Mataranka area	Ms Tina MacFarlane, Private Citizen, (Ms McFarlane was referred by the CTC to the Sessional Committee on Environment and Sustainable Development)

APPENDIX E**SIHIP UPGRADES AND CAPITAL WORKS COMMUNITIES
(as announced 12/4/08)²⁰³****57 communities to receive housing upgrades**

Tara	Gunyangara
Imangara	Belyuen
Kybrook Farm	Yuelamu
Eva Valley	Finke
Acacia Larrakia	Titjikala
Weemol	Wutunugurra
Amanbidji	Yarralin
Rittarangu	Mutitjulu
Wallace Rockhole	Pmara Jutunta
Nturiya	Nyirripi
Wilora	Minjilang
Bulla	Willowra
Haasts Bluff	Mount Liebig
Canteen Creek	Laramba
Robinson River	Jilkminggan
Imanpa	Barunga
Bulman	Amoonguna
Engawala	Papunya
Atitjere	Pirlangimpi
Pigeon Hole	Alpurrurulam
Peppimenarti	Kaltukatjara
Areyonga	Nganmariyanga
Binjari	Milikapiti
Santa Teresa	Warruwi
Ramingining	Naiyu
Daguragu	Beswick
Kalkarindji	Minyerri
Kintore	Ampilatwatja
Ali Curung	

16 communities to receive major capital works

Hermannsburg	Gunbalanya
Yirkala	Nguiu
Yuendumu	Ngukurr
Gapuwiyak	Galiwinku
Numbulwar	Maningrida
Angurugu	Wadeye
Umbakumba	Lajamanu
Milyakburra	
Milingimbi	

²⁰³ The Hon Jenny Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs, 'Landmark housing project for NT Indigenous communities', *Media Release*, 12 April 2008, http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/landmark_housing_12apr08.htm, accessed 29 December 2009.