



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

Public Accounts Committee

Public Hearing Transcript

11.45 am, Thursday, 4 February 2016

Litchfield Room, Parliament House

Members: Mrs Robyn Lambley, MLA, Chair, Member for Araluen
Ms Natasha Fyles, MLA, Member for Nightcliff
Ms Nicole Manison, MLA, Member for Wanguri
Mr Gerry Wood, MLA, Member for Nelson

Witnesses: Department of Local Government and Community Services
Ms Mike Chiodo, Chief Executive
Ms Noelene Swanson, Deputy Chief Executive
Mr Darren Johnson, Director of Homelands, Outstations and Town
Camps

Madam CHAIR: I welcome our guests here today Mr Mike Chiodo, Chief Executive, Department of Local Government and Community Services; Ms Noelene Swanson, Deputy Chief Executive, Department of Local Government and Community Services; and Mr Darren Johnson, Director of Homelands, Outstations and Town Camps in the Department of Local Government and Community Services.

We appreciate you taking time out of your day to attend this public hearing. This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This session is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If at any time you feel that what we are talking about should be discussed in confidence, let me know and we can organise that.

If you could please state your name and your capacity in which you are appearing. If you have an opening statement by all means tender that. Thank you.

Mr CHIODO: My name is Mr Mike Chiodo, I am the Chief Executive of the Department of Local Government and Community Services. Thank you for introducing my department's representatives Ms Noelene Swanson and Darren Johnson. I would like to make an opening statement to provide you with the strategic context of the homelands program since becoming Chief Executive Officer of the Department of Local government and Community Services.

Before I commence I thank the committee for providing me with some of your questions in advance. I will touch on these during my opening statement and elaborate as required during the course of our briefing today.

Supporting Aboriginal Territorians to live on the homelands to fulfil their cultural obligations to their inherited country has been a policy priority for successive Australian and Northern Territory governments. There are approximately 10 000 Aboriginal Territorians who live in 2400 dwellings on more than 500 homelands and outstations across the Northern Territory, reflecting the profound connection between many Aboriginal people and their homelands.

The dwellings on these homelands are all privately owned. The homelands program consists of three core components. The first is municipal services, which covers waste disposal, road and aerodrome maintenance, dust control and firebreaks. The second is Essential Services, which covers electricity, water and sewerage operation and maintenance.

These two components are generally referred to as the combined Municipal and Essential Services, MES, program. The third core component is the Housing Maintenance program, which focuses on housing repairs and maintenance.

There are three additional elements that support the homelands program. These are the MES, or Municipal and Essential Services, Special Purpose Grants, the Homelands Extra Allowance and the NT jobs program. The homelands program is a contribution only to the cost of living on homelands. Residents are responsible for meeting other costs and the upkeep of their dwellings and facilities. It should also be emphasised that services provided through the homelands program are tailored to the specific needs of residents within the program's budget parameters.

In terms of funding under the homelands program, the department administers over \$42.8m in grants annually to service providers to deliver municipal, essential and housing-related services to eligible homelands, as well as town camps which are funded by the Northern Territory government. The \$42.881m funds Municipal and Essential Services, the housing maintenance program, the NT jobs package and staff who manage the homelands program.

In July 2013 an additional \$14m over four years was introduced via the Homelands Extra Allowance program to supplement the homelands program. The homelands program was previously funded through the National Partnership Agreement on Stronger Futures in the Northern Territory, Municipal and Essential Services Implementation Plan. While the Municipal and Essential Services Implementation Plan was signed in 2013 by the current Territory government, its overarching National Partnership Agreement on Stronger Futures in the Northern Territory was agreed by the previous Northern Territory and Australian governments in August 2012. The negotiations commenced in 2011 and the agreement was signed, as I said, in August 2012.

In August 2015 the Chief Minister, Hon Adam Giles MLA, and the federal Minister for Indigenous Affairs, Senator Hon Nigel Scullion MP, agreed to discontinue the Municipal and Essential Services Implementation Plan and allow the Northern Territory to independently manage homelands. The remaining \$154.8m funding commitment detailed in the Municipal and Essential Services Implementation Plan was subsequently paid to the Northern Territory government, giving the Territory government the opportunity to set the strategic directions for the homelands program going forward.

The Northern Territory government funds the department's Homelands, Outstations and Town Camps unit comprising 14 full-time and two part-time staff to manage the homelands program. Not every homeland receives funding under the homelands program. The department works closely with service providers to determine which homelands will be funded. Each year service providers are asked to provide details of occupancy against the

categories of permanent, seasonal or intermittent occupancy. If new homelands are identified, departmental officers will visit the homelands to confirm occupancy. The fixed amount of Municipal and Essential Services and housing maintenance program funding is then distributed amongst the eligible homelands. Therefore, subject to confirmation by the department, the total number of homelands funded under the homelands program can vary from year to year as occupancy changes. At this point in time there are currently 363 homelands funded under the homelands program, and services are being provided by 36 contracted organisations to Aboriginal Territorians across these homelands.

The municipal and essential services program has an important role in providing municipal and essential services to homelands located in some of the most remote parts of Australia. The reliability of potable water and essential services is crucial to maintaining healthy living and active participation in society. The program is helping residents achieve this through the provision of support services which include road and aerodrome maintenance, waste disposal, electricity, and water and sewerage systems operation and maintenance.

As I mentioned earlier, a key component that supports the homelands program is the municipal and essential services special purpose grants. The fund provides additional capacity to a homelands program service provider in the delivery of municipal essential services where specific project costs are beyond the capacity of the municipal and essential services program. Remote communities being serviced under the municipal essential services program and its accompanying special purpose grants have benefitted in a number of ways. For example, in the 2014-15 financial year 152 municipal and essential services special purpose grants projects were funded including upgrading water and power, supply systems, installing new rubbish tips and funding of roadworks. The Irrerlirre power station was upgraded at a cost of \$60 000 directly benefitting 100 residents, and water mains and pipelines at Lilla were upgraded at a cost of \$100 000 addressing serious water supply issues.

Housing maintenance. As I alluded to earlier, the housing maintenance program focuses on repairs and maintenance of eligible dwellings in homelands and is a contribution only to the cost of living on homelands. Residents are responsible for meeting other costs and upkeep of their dwellings and facilities. Service providers can spend up to 20% of the funding on operational costs. Financial records for the 2014 financial year indicate that service providers utilised the 20% for housing maintenance staff.

The Homelands Extra Allowance, which consists of \$14m over four years, was made available from July 2013 in response to a need for additional support for housing improvements in homelands. For each successful application providers receive \$5200 per dwelling per annum. From this service providers can deduct \$260 or 5% for administrative overheads. As at December 2015 the department had funded a total of 2238 applications from 1045 separate residents across 288 homelands. From commencement to December 2015, 32 providers had been funded to a total of \$11 637 600 under the Homelands Extra

Allowance. There were 150 ineligible applications for the three years to December 2015. The common reasons for ineligibility were: the applicant was a primary public housing client - 76 cases; the applicant lodged an application for houses in a homeland that was not funded under the homelands program - 69 cases; the applicant had earned an amount above the program criteria cut off of \$60 000 - four cases; and the house was funded to another resident - one case.

To increase awareness of the Homelands Extra Allowance the department undertakes regular visits to homelands to inform residents of the program criteria and to assist with applications where appropriate. In addition the department continues to engage with service providers to ensure they are fully aware and given the opportunity to participate in the Homelands Extra Allowance program. This also helps to encourage applications from homelands that are less accessible.

The department has also reviewed the Homelands Extra Allowance criteria guidelines and simplified the application process. Combined, these efforts have seen the number of funded Homelands Extra Allowance applications more than double from 417 in its first year to 1098 funded applications in 2015.

Due to the increased interest from residents and service providers the department is assessing further Homelands Extra Allowance applications and we will be expending another \$2.1m this financial year.

As with the municipally essential services components, residents on the homelands are also benefiting from both the homelands maintenance and Homelands Extra Allowance package. For example, as of December 2015 a total of 2238 applications, as I said, have been funded under Homelands Extra. As a result residents have seen improvements made to their dwellings which include refurbished kitchens, bathrooms, covered verandahs, carport security and concreting. I have some visual examples. If you would like me to hand those up, I am happy to do so.

Currently, the department does not collect employment data relating specifically to the housing maintenance program or the Homelands Extra Allowance program that indicates Aboriginal employment numbers. However, analysis of reports lodged with the department in the 2014-15 financial year indicates that service providers utilise 20% of the funding under the HMP, housing maintenance program, for employment.

Efforts to increase Aboriginal employment, it is also evident through the NT jobs package where 136 Aboriginal full-time equivalent positions have been engaged to deliver outcomes on the homelands program which includes the previously mentioned programs. The

Northern Territory government is currently funding this program, or continuing the funding of this program since the funding from the Australian government ceased in June 2015.

Since becoming Chief Executive of the Department of Local Government and Community Services I have taken a number of steps towards ensuring the homelands program achieves its outcomes through cost-effective delivery. This is now even more critical following the decision of the Australian and Northern Territory governments for the Northern Territory to independently manage homelands.

A key step forward in this is the suite of homelands programs-related reviews that the department is currently undertaking. This includes the homeland program policy review expected to be complete in June 2016 which will help identify areas of the program that need refining to achieve maximum outcomes while being delivered cost-effectively.

The financial performance review of homeland service providers recently completed, which sought to identify key requirements of service providers to support more positive and productive relationships with both the department and the homelands they provide services to.

The access and asset review was also recently completed. However, the department is awaiting its final report which will provide a snapshot of the type and current state of infrastructure assets, demographics and access to social services. This has never previously been done. Although this does exist within our 73 registered communities, this work has never actually been done in our homelands, so this will be the first time that it will be conducted.

The service delivery fee contribution review was also recently completed and the department is awaiting a final report which was conducted by an external organisation, which is Deloitte. It will provide the benefits, constraints and recommendations on the standing situation relating to a service delivery fee contribution by service providers.

The department has also undertaken a strong standing in relation to non-compliance by service providers. While continuous efforts are made by the departmental staff to ensure service providers meet their deliverables and reporting requirements, there have been cases where funding was withheld due to non-compliance.

During the 2014-15 financial year there was one case of a breach where funding was withheld from a service provider. This breach resulted in the termination of the service agreement between the department and that service provider due to not providing services to the specified homelands as required under the funding agreement. In the 2015-16 financial

year another corporation went into special administration and was unable to continue delivering services.

This resulted in the termination of its service agreement. The homelands previously serviced by these two organisations are being serviced through contract arrangements in the short term, while a long-term solution is being worked towards. This was the first time in the history of the homelands program since it commenced in 2008-09 that service agreements have been terminated. I make no apology for the termination of these agreements or withholding funds due to breaches of service agreements which are meant to support some of our most disadvantaged homelands across the Territory.

The department has also been proactive regarding service provider performance and quality assurance. To ensure homelands program objectives are met, all service providers are provided as part of the funding offer the minimum performance standards expected from each of them each year. Service providers are also required now to report to the department twice yearly, including details of homelands visits, maintenance logs and audited financial statements.

In addition, departmental staff undertake regular visits to homelands to carry out spot checks and verify work. The quality of work performed under the homelands program is assessed by departmental technical officers who visit homelands and report back to the department on the work undertaken. When something requires further attention the technical officers liaise directly with the service providers. With the two exceptions I mentioned previously, the overall quality of work undertaken by service providers under the homelands program has been sound. These results are encouraging given the high number of homelands that are serviced and the varying capacity of service providers.

With the Northern Territory now having full responsibility for managing homelands, there is opportunity to ensure homelands programs' strategic directions going forward are positively contributing to the social and economic wellbeing of homelands residents. A key step towards this and ensuring maximum outcomes are achieved through cost effective delivery is completing the suite of homelands program related reviews that I alluded to earlier. The department will continue to be diligent in managing the homelands program by working with service providers to ensure they meet the minimum standards.

Thank you for the opportunity to present my opening statement and I look forward to elaborating further on that statement.

Madam CHAIR: Thank you, Mr Chiodo. Any questions?

Ms MANISON: Thank you, Mr Chiodo. That was a very extensive opening statement and clearly it is a very big and important area across the Territory, but it sounds very complex as well. I just wanted to clarify the funding arrangements for homelands. When we are speaking about homelands we are also incorporating the town camps as well. Is that correct with the funding?

Mr CHIODO: No, they are incorporated within the same implementation plan, or they were, but the responsibility for town camps for Northern Territory government funding started immediately when the implementation plan was signed, and that is funded by the Northern Territory government. The \$154.8m was for homelands.

Ms MANISON: How long is that period of funding, the \$154m, or was it a payment that was given and then you are on your own?

Mr CHIODO: The original program was a 10-year program under Stronger Futures NT. The \$154m represents the last eight years of that program.

Ms MANISON: At the end of that, when the \$154m runs out, does that mean the Commonwealth will continue contributing to homelands or does that become a fully-funded Northern Territory government operation?

Mr CHIODO: It has become a fully-funded Northern Territory operation as of now - when they handed over that funding to the Northern Territory government.

Ms MANISON: Traditionally, the Northern Territory would receive approximately \$20m a year from the Commonwealth government to help manage with homelands. However, once that agreement was signed in June 2015, it meant the Commonwealth no longer has to contribute funding towards homelands. It is fully managed by the Northern Territory government?

Mr CHIODO: That is correct.

Ms MANISON: Thank you for clearing that up. It is just homelands and does not include town camps?

Mr CHIODO: No.

Ms MANISON: With the Homelands Extra Allowance - \$14m was allocated and did you say in your opening statement that \$11m has now been expended?

Mr CHIODO: Yes, just over \$11m, member for Wanguri.

Ms MANISON: I am keen to find out more about what you get out the door for each application. It is \$5200 per household?

Mr CHIODO: Correct.

Ms MANISON: You said \$260 of that - contractors or service providers are able to use that for administration. Is there a general list of what housing maintenance or value for money you would expect to get out that door? We know things cost more the more remote the location is - to deliver those types of services, particularly with repairs and maintenance, so what line of sight do you have as an agency to see what value for money we are getting in those homes?

Mr CHIODO: The way the process works, member for Wanguri, is that the service provider will attend the specific homeland and through a consultation process with the home owner establish what they would like to use the \$5200 for as a part of the application and they stipulate that. What then takes place is as long as the applicant meets the criteria I spoke about earlier the funding is provided to the service provider.

In some instances - one of the reasons we simplified the process - there have been questions when the individual householder has requested something that was going to cost more than the \$5200. In that circumstance permission was asked for to accumulate the sum over a two-year period or a two application period.

Ms MANISON: It is one application per year?

Mr CHIODO: Yes it is, so there would be a cumulative effect of \$10 400 and that would then be utilised to deliver whatever the specific house had asked for in that environment.

Ms MANISON: From an agency assessment perspective of value for money by different regions you deliver the homelands extra initiative policy to, what do people really get for \$5200 at a homeland? What would a typical job entail?

Mr CHIODO: I will let Noelene take that one

Ms SWANSON: Noelene Swanson, Acting Deputy Chief Executive Officer. This is where the photographs may come in quite useful because they show the type of work. Your

question was about value for money, and that is a fair question. The beauty about the homeland providers is that under the former MES IP there was a requirement to meet at least 65% Indigenous employment. They have all met or exceeded that consistently across the program. Because of that it means the cost of delivery also is reduced because they are not relying on FIFOs coming in, which is what has tended to increase the cost. You will see from those photographs we have had whole kitchen replacements and full bathroom upgrades for this amount of money. I would challenge a lot of Darwin and Alice Springs plumbers to be able to complete for the same cost.

Ms MANISON: Region by region, homeland by homeland there is regular assessment to make sure you are confident with the service providers and what value for money we are achieving from each application and each job?

Ms SWANSON: That is correct. The works are scoped and our technical officers review the scopes and the costs.

Ms MANISON: Thank you.

Mr WOOD: Of course, you do not have to get an engineering certificate. I know you show a bathroom there. At my place, I cannot upgrade my bathroom without a full engineer's certificate. So there are some advantages of being at an outstation because you are not covered by, I presume, some of those requirements you have in a city.

Ms SWANSON: That is correct, but our technical officer make sure they apply to the Australian Standards. One thing I will say is we will not let second-rate work go out there.

Mr WOOD: I was not knocking that, I just know from personal experience I would require an engineer and new design for my bathroom - you know how much they cost - before you even put anything in. No, I reckon that is terrific. I will let Nicole keep asking questions.

Ms MANISON: With regard to the uptake of the grants we have seen, it seemed a bit slow to start with. I believe at estimates the last time the question came up of how much money had been expended, it was only in the vicinity of about \$2m. So we have seen quite an extreme acceleration in that program to be at over \$11m now. What are you attributing that to? Was it just the mechanics of starting up a program and getting the right service providers in place? What has been that difference to see such a leap in the space of six months?

Mr CHIODO: It is an accumulation of all of those factors. It was the simplification of the application process that needed to take place. It was also an educative process with the service providers. It was getting the service providers - when we speak about service providers it is the same 36 service providers that are delivering the other programs.

Several factors were in place. One was the initial understanding of service providers, or level of understanding of their role in this exercise. The second was sending out departmental officers to work with the service providers in the homeland communities to ensure a level of understanding. The third was the simplification, as I said, of the application process. Once we got through that, it grew exponentially. You are right.

Ms FYLES: How do you monitor? When the program was introduced one of the factors around funding was income levels and school attendance. How do you monitor those two things? Has it influenced any funding decisions?

Mr CHIODO: Yes. I take you back to my opening statement where there were four cases where, in effect, the individuals who had made an application exceeded the \$60 000 earnings threshold. Through the application process we have a system of checks and balances. For example, the three major points we are looking for in there is that the children who live in those houses are receiving education; that they are employed, and once they nominate their employment, who they are employed by. That is how we monitor that process. The third, of course, is that it is their primary or permanent place of residence. We monitor that in association with the Department of Housing.

Ms FYLES: Do you liaise with the Department of Education and get school attendance figures?

Mr CHIODO: Yes, we do.

Ms FYLES: And is there is a percentage attendance that is required?

Mr CHIODO: It must exceed 80%.

Ms FYLES: Okay, thank you.

Question on Notice No 1

Ms MANISON: With regard to the number of homes that have benefited from the Homelands Extra Allowance, we know there are approximately 2400 homes out there and that people can apply for this allowances yearly. How many homes there have been benefiting from the Homeland Extra Allowance?

Mr CHIODO: I will have to take that on notice, member for Wanguri. I do have the total figure, but I want to be certain of the figure. We believe it is 1300 houses, but I will take that on notice if that is okay, Madam Chair, and ensure I provide that figure to you.

Madam CHAIR: Thank you.

Ms MANISON: With the houses that are out there, and if people are ineligible for the Homelands Extra Allowance or they have not gone through the process of applying for it, if the house is in quite a state of disrepair will the maintenance of that home become the private owner's responsibility?

Mr CHIODO: No. Again, very clearly, as I said in my opening statement there is an ongoing responsibility for the household to contribute to the maintenance, but the homelands program is three categories, one is the MES program, or the Municipal and Essential Services program, and the second one is the housing maintenance program. So there is an ongoing maintenance program as part of the funding that was spoken about, which is outside of Homelands Extra.

Homelands Extra is an additional component that was introduced, but there is a housing maintenance program.

Ms MANISON: Are you finding with the housing maintenance program, if a home is ineligible for Homelands Extra Allowance that they are therefore are probably receiving a bit more attention through the general repairs and maintenance program?

Mr CHIODO: That could be one of the factors, but it could also be that specific homeland has a series of its own programs in place through its own funding. Contrary sometimes to public belief, a number of homelands are exceptional. To name one, for example, it would be Baniyala up in the north. We do tend to concentrate on the ones that are not, and so we should. My full answer to that is no, because what we are finding is that the ones that really look after themselves are not necessarily applying for the Homelands Extra Allowance. We have the service providers concentrate particularly on the ones that need the housing maintenance rather than the ones that are spending on their own programs. It depends on the service provider and on the location.

Ms FYLES: How many service provider beaches have resulted in a repayment of funding or withholding of payments?

Mr CHIODO: Okay, exactly as I said in my opening statement, two. We, in fact, breached both of those and neither of those continues to provide services. There is a second answer to that, and perhaps I am pre-empting, but each service provider through the department must provide an acquittal of all services provided. What we have introduced through the department is that the next round of funding is not made available until that acquittal is provided, so it may be delayed until we have received the acquittal and we are satisfied, but not withheld.

Ms FYLES: I apologise if I missed it, but how many Indigenous people are employed for repairs and maintenance work under the program?

Mr CHIODO: I will specifically speak about the NT jobs program, 137 local Aboriginals; however, that is specifically out of the Northern Territory jobs program. We have never had a requirement, which is one of the reasons that we are conducting the reviews on the homelands policy now that we have our own responsibility for management of the homelands. In the past to keep records of local Indigenous people that are employed through the homelands maintenance program, or the Municipal and Essential Services program. We know the 137 out of the Northern Territory jobs package program work across all programs, but we are also convinced that there are others within those organisations that tend to provide services as well. That is homelands and outstations.

Ms FYLES: Do you collect any data on how many people would be employed at the homelands or town camp where the work is being undertaken?

Mr CHIODO: Yes, we do. That is the 137 I am speaking about, and they need to acquit that program hence the commitment by the department to continue the program when the Commonwealth ceased to fund it.

Ms FYLES: Is there any indication, of that 137, how many would be employed for three months or more?

Mr CHIODO: They are all FTEs.

Ms FYLES: Okay.

Mr WOOD: In relation to the overall outstation and homelands housing, in your review are you looking at the condition of those houses? I have partly a conflict of interest because I have family living at Bulgul right on the coast. I was also involved, through the Council of Territory Cooperation, in looking at houses at places like Milikapiti. We know that a lot of steel houses rusted away. They very expensive to replace of course, or could not be replaced at all. Are you doing it, or you are asking your service providers to, come up with a status of houses across the Territory and whether some of those houses – I know the houses at Bulgul - if some of them do not have work on them soon they will be past the point of no return due to rust.

Mr CHIODO: The answer is yes. The Asset and Access Review was specifically conducted – I was concerned from the moment I became Chief Executive of the department that we did not have what we call asset and access data, and access from a definition of not only access through roads or aerodromes etcetera, but access to services, in particular education and health services. The asset component of it – and it was conducted by CAT on our behalf – that is the Centre for Appropriate Technology. I always want to say advanced technology, but it is Appropriate Technology. The asset component is providing us with a house by house status report.

Mr WOOD: Will that include outstations which are abandoned? Some are at Legume Station. I think Emu Point on the way to Nhulunbuy - out near the Great China Wall.

Mr CHIODO: Not at this moment, member for Nelson. We have concentrated on the ones that we are funding and, as I said earlier, the permanent and the seasonal ones.

Mr WOOD: Are the houses you are dealing with are inhabited?

Mr CHIODO: Correct.

Mr WOOD: Is ownership of houses something that could be a future problem? Our briefing notes show all these houses are on Aboriginal land trust, so technically the land trust owns the house.

Mr CHIODO: That is correct.

Mr WOOD: You are supplying funds to a house that even though there is an owner it is not owned by that person, is owned by the land trust. If, for instance, an owner did not want to pay the service fee you cannot kick them off because – could that person still apply for the Homelands Extra Allowance as an individual?

Mr CHIODO: Yes, they could. However, the complexity of that would be that all our applications come through the service provider. The service provider attempts to inform us of the level of compliance from the householder when it comes to a service fee.

Mr WOOD: Right.

Mr CHIODO: Again, one of the things that we have initiated is working with the land trusts. The complexity of the issue has always been the ownership factor and the very clear belief that the government needs to maintain these properties even though they are owned by the land trust and the individual living in the house. We are working with land trusts to develop a level of understanding when it comes to roles and responsibilities so that perhaps we can do a better job of maintaining some of these properties.

It is not going away from the maintenance of the properties, but it is making it as much of a partnership as we possibly can.

Mr WOOD: If there are, say, five or six houses on an outstation and four of those houses are in good condition and one is in a bad condition, can the service provider put an application in for \$5200 for each of those houses and pool the money together to fix that house that is in poor condition?

Mr CHIODO: No. What they can do, though - and it is part of our program - is apply for a special purpose grant specifically for that house, citing the example - I spoke about special purpose grants as an additional section of the program. In effect, what the service provider can do is put together a project plan as part of their service delivery plan, come to the agency with a special request, and can then be funded directly for the provision of services to that home.

The difficulty with what you propose would be that you would require each of the other householders to make an application for funding, then redirect it to the fourth one. We would not want that to take place so we recommend the special purpose grant methodology.

Mr WOOD: So the applicant always has to be the person who lives in the house ...

Mr CHIODO: Who lives in the house, that is correct.

Mr WOOD: ... not the service provider.

Mr CHIODO: Yes. But the applicant for the special purpose grant is the service provider. That is why we would advise them to use that methodology, very similar to the methodology we adopt with local government where regional councils will apply for a special purpose grant for very specific projects. It is time limited and we expect them to report back on the completion of those works, or make and acquit it at the end of the exercise.

Mr WOOD: Getting back to the ownership of the house and the relationship between the ownership of the house and the service provider. If there is no lease within the lease, or there is no tenancy agreement, is that potentially a problem? The land trust owns the houses, the service provider is just a service provider. Does he have any legal arrangement with the owners of those houses?

Mr CHIODO: No, but I make the point that in a large number of these instances we are talking about organisations that were formed as outstation resource centres, as they were called. They were established by the land trust and funded through the government to provide those services within that homeland and outstation.

Part of the educative process that needs to continue is that the service provider has to maintain their relationship with the land trust, as well as the individuals who are residing in each homeland. It differs from region to region, member for Nelson.

Mr WOOD: Are those service providers under a contract with the government?

Mr CHIODO: Yes, they are.

Mr WOOD: In recent times we have had discussions, I think in Central Australia . One of the maintenance contracts for the town camps in Alice Springs has gone to a different company, there have been changes within local government maintenance of housing. Are those service providers also part of a tender process at some stage?

Mr CHIODO: No, they are not. The process we are talking about with homelands is a grants methodology. Grants are not put through a contestability process so there is no tender process. Again, it is part of the reasons for the review. I am not looking to alter that methodology, but I am looking for how we can better control the content of the contract to provide a higher level of certainty of the quality of the service we are receiving. There is a contract between the department and the service provider, but it is a grants-based contract rather than a contract in law through a tender process.

Mr WOOD: Normally if you are handing out government money for somebody to provide a service, you would expect that to be through a tender process, so in this case service providers do not come under that process; is that what you are saying?

Mr CHIODO: No, it is a grants process and it is not unusual in government with grants processes. Creating contestability in grants process can be a very difficult exercise and I believe this was established a considerable period of time ago, as I said, based on the fact most of these service providers were put in situ as a part of the original agreements.

Mr WOOD: Just my final question. I have a number of Aboriginal communities in my electorate, 15 Mile and Knuckey Lagoon. They obviously have houses that need repairs, but they cannot come under this Homelands Extra Allowance.

Mr CHIODO: No, it depends on which one.

Mr WOOD: Well, Yilli actually has a mixture.

Mr CHIODO: Correct. If they are recognised as town camps they do not. If they are recognised as a homeland or an outstation then yes, they can.

Mr WOOD: It is a bit of a funny system because you have Acacia, which would be a homeland and will get Homeland Extra, and you come 40 km up the road you have another Aboriginal community which does not look much different, same as a lot of the communities you see anywhere else, and I can assure you some of those houses need maintenance on them, but it is not applicable.

Mr CHIODO: No, member for Nelson. I cannot remember all of the communities within your electorate; the only one I can think of is Tree Point which is registered as a homeland, Knuckey and Palmerston Indigenous Village for example.

Mr WOOD: We still call it 15 Mile.

Mr CHIODO: Yes.

Mr WOOD: PIV sounds like a bureaucratic name.

Mr CHIODO: It does. So they are still town camps and they come under a different agreement with Yilli Rreung, you are right.

Mr WOOD: I raised this issue about homelands. I was concerned, and you know this from the SIHIP program, a lot of the debate was around making sure the amount of money that was being put into the program went into changing physical things in the House, because part of SIHIP was not just building new houses, but rehabilitating houses you might say.

So you said only 5% of the money goes into wages and administration, is that correct and fair?

Mr CHIODO: Correct. That is in the Homelands Extra program.

Mr WOOD: That is the bit I was concerned about because, with \$5200, if you took half of that out for administration you do not have much to go on, so are you able to quantify that 5%?

Mr CHIODO: Yes we can and I am sure we could – I would not have those figures with me, but I ...

Mr WOOD: I presume because you are dealing with service providers that also do the home maintenance work, that the two have to be combined. You could not go out and do work for 5% of \$5200.

Mr CHIODO: That is correct. That is why it is so low.

Mr WOOD: Right, and it is added to the other.

Mr CHIODO: Because the other one is 20%.

Mr WOOD: The three reviews that you have mentioned - is it possible, when those reviews are finished, for us to have a copy?

Mr CHIODO: Once they have been presented through the minister.

Mr WOOD: So they will go through the minister.

Mr CHIODO: They will automatically be presented to the minister. The logic of the reviews is - the most important review is of the policy itself, but the underpinning reviews are the ones that will inform what needs to be done as a part of the review.

I wanted it to be a - I was going to say a more strategic process; I do not mean it that way. I want it to be a strategic process that combines the information necessary to inform the overall and that will then go to our minister.

Madam CHAIR: And when will that be?

Mr CHIODO: We are looking at the end of June 2016, having it all completed.

Mr WOOD: Just quickly, do you have a list that you could give us of houses that have been upgraded?

Mr CHIODO: Yes, and if I could take that on notice I am more than happy to provide that.

Question on Notice No 2

Mr WOOD: Madam Chair, can I ask the Chief Executive to please supply us with a list of houses that have been upgraded under the homelands program?

Madam CHAIR: I just have one question. Have you finished?

Mr WOOD: Yes, thanks.

Madam CHAIR: Housing is, I think, the biggest issue in the Northern Territory, the biggest social issue. It is tough work for any government department to do what you are trying to do, so I congratulate you for what seems to be a reasonably effective set of programs.

I know in my electorate, the electorate of Araluen, I have many public houses that are waiting for repairs and maintenance. It takes sometimes years for the Department of

Housing to fix anything from a leaky tap to a cracked window. The demand for repairs and maintenance of your outstation houses must be enormous. What volume are we talking about? What is the waiting list for people to have things repaired out in the bush? Is it the same as in town for public housing?

Mr CHIODO: Again, Madam Chair, it is a multifaceted answer. It really comes down to region by region and, bluntly, the level of competence of the service provider.

Madam CHAIR: Yes, okay.

Mr CHIODO: I am happy to look into it for you, but the complexity of the response is that there are some – I am pleased to say that I know in one of the areas where we have changed service providers - which answers the member for Nelson's earlier query about tender or grant process. It comes down to our ability - and remembering we have six technical officers, to review the program as it is taking place.

What we have found is the more we ask – and there are some that still require improvement, there is no doubt about that – but the more we create an environment where the service provider understands the level of service that they need to deliver and the fact that there is an inspectorial function that backs that up - that is what gives us an opportunity to keep an eye on that, but it still requires substantive improvement which is why we have asked for the Asset and Access Review.

Madam CHAIR: Okay.

Mr WOOD: Do you promote people living in a house doing their own repairs? I probably should not say it, but the house I am talking about at Bulgul needs someone to get a bit of rust remover, get in with a coat of paint and do it themselves. Do you promote some do it yourself?

Mr CHIODO: It is part of the program.

Mr WOOD: People tend to think, 'It's not our house therefore we rely on a service provider. We will wait for them to come.' By that time the house has rusted away.

Mr CHIODO: One of the things coming out of the reviews is we need to do better at dealing directly with the homeowners in homelands and outstations to develop a greater understanding of what their responsibilities are, and develop a educative process that informs them that they are capable of doing DIY in those circumstances, and in some

circumstances are responsible for doing some of that work. It is part of the review and it is part of the educative process we are looking at.

Madam CHAIR: Any more questions?

I would like to thank you all for coming to this hearing of the Public Accounts Committee. Thanks to Mr Chiodo, Ms Swanson and Mr Johnson.

Mr CHIODO: Thank you all.

The committee suspended
