



**NORTHERN TERRITORY GOVERNMENT RESPONSE TO**

**1ST REPORT OF THE COUNCIL OF TERRITORY CO-OPERATION**

**APRIL 2010**

## A. INTRODUCTION

- The 1<sup>st</sup> Report of the Council of Territory Co-operation makes 21 recommendations relating to: the Strategic Indigenous Housing and Infrastructure Program (SIHIP) (11 recommendations), local government reform (six recommendations), Working Future / local government reform (1 recommendation) and operations of the Council (3 recommendations).
- Pursuant to paragraph 14 of the Council's Terms of Reference, the Northern Territory Government is required to table its response to a Report of the Council within 3 months from the date a Report is received.
- The NTG provides its response to each of the 21 recommendations made in the Council's Report (Part B) and also provides comment in relation to the Opposition member's dissenting report (Part C).

## B. NORTHERN TERRITORY GOVERNMENT RESPONSE TO RECOMMENDATIONS

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.

**Position:**

*Noted.*

**Comment:**

*The Strategic Indigenous Housing and Infrastructure Program (SIHIP) is an important first stage in addressing the current and longer term need for Indigenous housing that has resulted from 30 years of backlog in the Northern Territory. The Government recognises that this need will not be met fully by SIHIP alone. The long term nature of the problem will require a strong and committed partnership between the Northern Territory and Australian Governments, non-government associations and communities over many years to resolve.*

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

**Position:**

*Noted.*

**Comment:**

*In August 2009 the SIHIP review established program parameters for what constitutes a rebuilt and refurbished house.*

*Refurbishments will range in cost from \$20,000 to \$100,000 per house with an average cost of \$75,000. The average cost for rebuilds is \$200,000 and will focus on returning houses to full functionality for less than half the cost of a new house on average.*

*Refurbishments will be supplemented by the Department of Housing, Local Government and Regional Services repairs and maintenance program. This will see houses further upgraded in a programmed way and will occur via service agreements with Shires or other contracted parties.*

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.

**Position:**

*Agreed.*

**Comment:**

*The Northern Territory and Australian Governments will continue to work toward ensuring stock is at an appropriate standard.*

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.

**Position:**

*Agreed.*

**Comment:**

*Refurbishments, Scoping and Handover Guidelines have been developed by Remote Housing NT (the NTG's system to manage public housing in remote communities across the Northern Territory).*

*These Guidelines detail a transition process from construction to handover aimed at minimising any time between completion and occupancy.*

*On the ground, the Alliances and regional housing property and tenancy management staff work together within these guidelines to ensure that handovers are undertaken within required timeframes.*

*At Wadeye the time between completion of the two new SIHIP houses and handover to tenants in February 2010 was one day.*

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.

**Position:**

*Noted.*

**Comment:**

*The Government's discussions with Julalikari Council Aboriginal Corporation indicate that their priorities are that infrastructure upgrades to bring the Community Living Areas up to the same standards or better than the town area of Tennant Creek are the priority for SIHIP funding.*

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

**Position:**

*Agreed.*

**Comment:**

*Once the scopes of work for each community have been finalised and the procurement methodology agreed, these details will be published.*

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.

**Position:**

*Noted.*

**Comment:**

*To break this down to individual houses will impose a significant administrative burden. Apportioning parts of costs to individual houses to get an accurate house by house figure will involve additional staff time and resources we believe would be better focussed on delivering houses.*

*It is the Government's intention that the total expenditure on the houses in each community will be published. This information will be drawn from the quarterly financial report as indicated in response to recommendation 8 and will include total cost and number of houses or work done.*

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.

**Position:**

*Agreed.*

**Comment:**

*A detailed financial report will be provided at the end of each quarter.*

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.

**Position:**

*Agreed.*

**Comment:**

*An independent audit / review of the Alliance contracting methodology will occur at the end of the current construction program.*

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.

**Position:**

*Agreed.*

**Comment:**

*An output of the National Partnership Agreement for Remote Indigenous Housing is to develop homeownership possibilities. Both the Northern Territory and Australian Governments support the move by remote community residents to private homeownership.*

*The Northern Territory and Australian Governments have been working with IBA and the Office of Township Leasing to facilitate homeownership in those communities where long-term secure tenure has been established.*

*Government is working with commercial financial institutions to enable the availability of mainstream finance for residents and businesses in the 20 Territory growth towns identified in Working Future.*

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.

**Position:**

*Agreed.*

**Comment:**

*Training and employment data will be provided as recommended. The further breakdown of data to the level of subcontractor numbers, training hour's onsite and in classroom is not currently collected and would be an additional cost to the program.*

*The data currently collected allows Government to oversight the program in terms of the Indigenous employment key performance indicators and outcomes without placing additional levels of reporting burden on the Alliances.*

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.

**Position:**

*Noted, – will be considered as part of future review of the Local Government Act.*

**Comment:**

*Shires collect rates on land tenements and charges for services such as waste management. Aboriginal Land Trusts and Commonwealth land are exempt from rates; however, land leased from an Aboriginal Land Trust is rateable. Shires may also charge fees for miscellaneous direct services such as cleaning, hire of equipment or dog registration.*

*Most rates in shire areas are capped until the end of 2010–11 year. Charges are not capped.*

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.

**Position:**

*Agreed.*

**Comment:**

*The Capital Cities and Palmerston City processes are working well.*

*The Minister for Local Government has also established a process for direct consultation with presidents and mayors.*

*Elements of the Capital City charter will be considered in developing revised local government Regional Management Plans. These Plans are developed in consultation with regional councils and provide the mechanism for co-operation between shire councils, other levels of government and the private and non-government sectors.*

*Municipal councils may participate in a Regional Management Plan on a voluntary basis.*

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.

**Position:**

*Noted.*

**Comment:**

*The Department of Housing, Local Government and Regional Services has met the cost of re-configuration of the ShireBiz system, established as part of local government reform, to meet the needs of individual Councils. It is also funding upgrades of new system modules requested by Councils.*

*The Government is currently considering a range of funding requests submitted by the Local Government Association of the Northern Territory (LGANT). More detail on our position will be provided in the future.*

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.

**Position:**

*Agreed.*

**Comment:**

*The Northern Territory and Australian Governments are working together to implement improved coordinated training for elected members. The project is proceeding in consultation with LGANT and with direct input from shire council elected members, and will have a key focus on leadership and governance for presidents and mayors.*

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.

**Response:**

*Agreed.*

**Comment:**

*The status of road corridors to Growth towns through Aboriginal Trust Land with appropriate land councils is being progressed by the Departments of Lands and Planning (DLP) and Housing, Local Government and Regional Services (HLGRS). Legal advice is currently being prepared by the Department of Justice in order to inform the Government's position.*

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.

**Position:**

Agreed.

**Comment:**

- (a) *A working group comprising DLP, HLGRS, NT Treasury and LGANT (acting on behalf of the shire councils) has been established to coordinate the preparation of a Northern Territory submission to the Australian Government seeking additional funding for the Northern Territory's local government road networks.*
  - (b) *DLP is currently coordinating a road hierarchy audit of all roads within 50km of the identified Growth towns together with all roads on the Northern Territory Grants Commission local roads database. DLP's database can provide the required information on the 8 500km of roads proposed for handover to the shires.*
  - (c) *A gap analysis will be undertaken to determine the resources needed to bring these roads to an appropriate standard for their level of use and overall importance.*
  - (d) *Subject to the completion of the analysis, a submission will be developed seeking to demonstrate the high level of under-funding that exists under the Grants Commission methodology for Northern Territory roads and seeking additional funding from the Australian Government to address this shortfall (see response to recommendation 18 regarding funding received by the South Australian Government), as the Northern Territory does not have the revenue base alone to address the full cost of road upgrade and maintenance across the Northern Territory.*
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.

**Position:**

Agreed.



**Comment:**

*Work is currently under way to prepare a detailed case for presentation to the Australian Government regarding road funding in the Northern Territory.*

*South Australia receives supplementary Australian Government funding for all local roads, not only for the Anangu, Pitjantjatjara and Yankunytjatjara (APY) Lands.*

*The arguments that were successfully put forward by the South Australian Government a number of years ago are being investigated to determine their relevance to the Northern Territory.*

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.

**Position:**

*Noted.*

**Comment:**

*The Territory's public servants play an important role in the social and economic development of the Territory. They work hard and provide professional advice to Government at all times. It is the view of the Government that public servants already provide full and comprehensive information at all times when advising the Council.*

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.

**Position:**

*Agreed.*

**Comment:**

*Government has agreed to provide the Council with a secretariat of 3 staff comprising a Committee Secretary, Executive Officer and an Administrative Officer to assist the Council in the performance of its role.*

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.

**Position:**

*Agreed.*

**Comment:**

*The NTG will respond in a timely manner to a Report of the Council, and table its response in the Legislative Assembly within 3 months of the date a Report is received as required by paragraph 14 of the Council's Terms of Reference.*

### **C. OPPOSITION MEMBERS DISSENTING REPORT**

22. The Government expresses its concern with comments made by the Council's Opposition members in their dissenting report (pages 50-51 of the Report) which suggest that:
- the Under-Treasurer attempted to avoid answering a question on two occasions until such time as a question was framed in a way that an answer was unavoidable; and
  - "The reluctance of public servants...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".
23. The Government rejects any suggestion that its public servants would be motivated to obstruct the Council in the performance of its duties. This particularly applies to the Under Treasurer who is a most professional and exemplary public servant who has worked hard for the Territory under Governments of different political persuasion.
24. The issues being considered by the Council are complex and require careful consideration. The Government expects that public servants are entitled to seek clarification of any question asked by the Council to ensure that information being provided to the Council is accurate and fully informed.
25. The Government stands by the professionalism and integrity of public servants without qualification and considers that the suggestions to the contrary made in the dissenting report, are inflammatory, inappropriate and offensive.
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