



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

COUNCIL OF TERRITORY CO-OPERATION

Public Hearing No 49 – 6 December 2011

Members:

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

Witnesses:

Mr Ken Davies, Department of Housing, Local Government & Regional Services
Mr Andrew Kirkman, Executive Director – Remote Housing SIHIP

MEETING COMMENCED 1:28pm

CHAIR: I think we'll get going. I've got to read the normal statement.

I declare open this public hearing of the Council of Territory Co-operation and welcome Mr Ken Davies, Chief Executive of the NT Department of Housing, Local Government and Regional Services, together with Andrew Kirkman. I thank you for appearing before us today. Although the Committee does not require you to give evidence under oath these hearings are formal proceedings of the Parliament and consequently they warrant the same respect as proceedings of the House itself.

Whilst this meeting is public, witnesses have the right to request to be heard in private session. If you wish to be heard in-camera please advise the Committee prior to commencing your answer. I remind the witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of Parliament.

Today's proceedings are being electronically recorded. Please state your name, your full name and position before commencing your evidence. As soon as practicable following this hearing the transcript of your evidence will be provided to you to proof it.

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

So I'd like to welcome Mr Ken Davies and Mr Andrew Kirkman. And just for the record I might just ask you, each one of you, just to state your position, please.

Mr Ken DAVIES: Sure. Yeah. My name is Ken Davies. I'm the Chief Executive of the Department of Housing, Local Government and Regional Services. Andrew?

Mr Andrew KIRKMAN: Andrew Kirkman. Executive Director, Remote Housing NT.

CHAIR: Thank you very much for coming today. As we said, we haven't seen you for a while.

Mr Ken DAVIES: No, that's right.

CHAIR: And I'm sure there'll be plenty of questions. I'm just going to ask for permission from my colleagues here. We've just finished dealing with the Department of Children and Families, and one of the questions that's come up was the allocation of houses for foster carers.

Mr Ken DAVIES: Yeah.

CHAIR: Now, we have written I think as the CTC to the ... I think we might have written to Mrs Macklin, have we?

Secretary Ms Helen CAMPBELL: We've written to Mrs Macklin twice, also to Dr Burns.

CHAIR: It's a recommendation of the CTC. Listening to Ms Clare Gardiner-Barnes they need the houses. We've heard that this has become a local decision. What I would like to know is what is Housing doing about this particular matter?

Mr Ken DAVIES: Yeah. Alright. Thank you, Chair. We have been working with the Department of Children and Families on this issue. Currently all housing allocations under the National Partnership Agreement on remote indigenous housing are based on a prioritised waitlist. That considers a number of criteria with advice from the Housing Reference Group.

In relation to foster carers, since the commencement of the remote framework, there have been four cases where an allocation has been made to foster carers, that's four specific cases. We don't have any other current notifications of foster carers from the Department of Children and Families at this point in time but we are working with them to identify where there is a need.

So four housing allocations have been made, Chair, and we anticipate there'll be further allocations. I do know of one family at Maningrida where a new house was allocated and the person who had that house was already in ... already foster caring two children, so we expect there will be others that may have accessed new housing that will in fact be foster carers. But at the moment it's four, and we're working with DCF now, we've got a working party, a working group established to make sure that where foster carer arrangements are made, that the appropriate housing allowances are made.

CHAIR: But if you ... how many houses at Wadeye?

Mr Ken DAVIES: We've got a hundred new houses at Wadeye.

CHAIR: Now if all those houses are full...

Mr Ken DAVIES: Yeah.

CHAIR: ... and along comes a request for a foster carer, there will be no house?

Mr Ken DAVIES: It will depend on who the foster carer is, Chair. If the foster carer is someone external from the community, then clearly there'll need to be a provision made for a house and whether that's GEH - government employee housing - or public housing. But if the foster care arrangements are asked for in a community and there is a family identified that is willing to give the foster care, then we would see the way through as working with the Housing Reference Group to identify an appropriate house to facilitate that arrangement. And that's already happened in four instances.

CHAIR: Is there any cases where the Housing Reference Group has said no?

Mr Ken DAVIES: No. Not at this stage. Not that we're aware of. No.

CHAIR: Lynne?

Ms WALKER: Can I just ask, Ken, apart from Maningrida, which other communities are these remaining three foster homes?

Mr Ken DAVIES: I don't have the specifics of where these arrangements have been made in terms of the actual location, but we could find those out for you and furnish them...

Ms WALKER: It would be helpful...

Mr Ken DAVIES: ... to the CTC.

Ms WALKER: ... if we put this question on notice.

Mr Ken DAVIES: Yes. Absolutely.

CHAIR: I suppose the concern is that we've got this big issue about child protection, and one of those ... one of the key parts of child protection as foster carers.

Mr Ken DAVIES: Yeah.

CHAIR: So what sort of priority, because you were talking about a priority list, but how high is foster caring on the priority list?

Mr Ken DAVIES: Well, it's ... in terms of the criteria, foster caring in the arrangements of families is, you know, it's very high in terms of how we rank and deal with these issues, Chair. I mean, we look at things like the level of disability the client might have, the sorts ... whether they're employed, what their family circumstances are and then based on ... and also the circumstances they have previously been living in.

So in terms of foster care being a specific criteria, that is one of the elements we would look at, but what we want to do is to formalise these arrangements now with DCF so that we can have the hands-on discussions with Housing Reference Groups to say that that's now of a higher priority.

In terms of the further work we've been doing, we have actually been working on reallocating government employee housing from existing housing stock, and where we've got new we've been allocating it, but from existing housing stock, that is housing stock that's currently used to house employees from police, education and health where there's a capacity to do that. We've freed up houses, and currently we've freed up ... I've got the note here, but 14 GEH houses in the Territory growth towns to allow for the placement of child protection teams.

CHAIR: That's teams, not necessarily a parent?

Mr Ken DAVIES: Oh, well, a ... no, this is the teams, this is the support overlay and then I'm assuming ... what we're assuming with DCF here, Chair, is that the conversations around foster care needs will then arise at the community level based on the presence of these workers and the interactions that are going on with health and education and police on those communities.

Ms SCRYMGOUR: What's the process in Darwin though, Ken? Darwin ... just say Darwin, Katherine, Ten ... I mean, if we're talking about a normalised situation in these communities and where the Department is then responsible for this housing and the policy of putting people in these homes, what's the process you go through in terms of Darwin? So what's different from a placement in Darwin to a placement in, say, Maningrida?

Mr Ken DAVIES: Yeah. Well, the placements in Darwin are ... Marion, we would need to ... I mean, a lot of the placements are in private accommodation, so...

Ms SCRYMGOUR: Well, just say it's not private accommodation and...

Mr Ken DAVIES: So if it...

Ms SCRYMGOUR: ... because there are situations where they're in public housing houses.

Mr Ken DAVIES: Sure. Sure. So we get requests in through our regional office areas, so through Casuarina and through Darwin from Family and Children's Services. People come in and say they're foster carers, they go on to a housing wait list. If it's a priority set of circumstances then they go onto the priority wait list and we'll move as quickly as we can to manage it within that priority wait list context.

Ms SCRYMGOUR: So why aren't we moving with that same priority that we do in Darwin...

Mr Ken DAVIES: Yeah.

Ms SCRYMGOUR: ... as we do in our remote communities?

Mr Ken DAVIES: Well, we think we will. And what we're doing now is setting up those coordination arrangements with Department of Children and Families. There will be the people that they will ... the actual child protection workers that they will put on the ground in each of these communities, we'll line that up with the work of the Housing Reference Group, with education, police and then part of the prioritisation process for families that are foster caring will be that we'll be able to allocate housing based on those local priorities.

Ms SCRYMGOUR: And what if the family ... what if the local Housing Reference Group doesn't agree with the placement or allocation of those houses to...

Mr Ken DAVIES: Alright.

Ms SCRYMGOUR: ... what's the Department's response in terms of...

Mr Ken DAVIES: Well, MLA Scrymgour, the CEO Housing, it's a public housing model, so the CEO Housing has tenure over the houses.

Ms SCRYMGOUR: Yeah.

Mr Ken DAVIES: The Housing Reference Groups provide advice, but ultimately the allocation decision rests with the regional executive director and myself.

Ms SCRYMGOUR: Okay. Another area, if I could just follow on from the next question. Another area which is under your responsibility but outside of our main growth towns are one of the issues that I raised with the CE of Department of Children and Families, was the placement of children ... and in terms of outstations and homelands. What work or body of work is being done in terms of homelands or outstations which we ... I mean, was part of our response but we've never sort of looked at. But there are children that are being taken from communities and placed in kinship carer sort of model, with families on homelands.

Mr Ken DAVIES: Well...

Ms SCRYMGOUR: Outstations, homelands funding comes under you're...

Mr Ken DAVIES: Yeah. Sure. It does. So outstanding, homelands funding in terms of supporting the housing infrastructure comes through my agency. We don't run a public house model into the outstations and homelands, MLA Scrymgour, so in that context the relationship is going to be through DCF directly with the families, not through my Department. My Department funds the support infrastructure for that housing and some funds toward maintaining the housing. We don't make housing allocations under a public housing model to families in outstations.

Ms SCRYMGOUR: Alright. So you only provide the service provision...

Mr Ken DAVIES: That's right.

Ms SCRYMGOUR: ... funding to the outstation resource agency...

Mr Ken DAVIES: That's right.

Ms SCRYMGOUR: ... that provide it, yeah.

Mr Ken DAVIES: Yeah. Yeah.

Ms SCRYMGOUR: Okay.

Mr Ken DAVIES: We don't directly tenant those houses, that's up to the family groups and the owners of those outstations and homelands to do that.

Ms SCRYMGOUR: What is going to happen though, Ken? I mean, can you ... well, are we progressing to ... what's happening with homelands and outstations?

Mr Ken DAVIES: Well, in relation to homelands and outstations, at the moment it's on private Aboriginal land, so for an outstation or a homeland to come in under a public housing model there would have to be an agreement about the tenure, so there would have to be a lease given, the community would have to commit to a public housing model. But overlaid with that, Marion would be the need for additional funding to A) bring the houses to a remote housing standard and also to maintain them at that standard. Currently we don't fund the housing support for maintenance to those outstation homes to the same level that we do for homes in a public housing model.

CHAIR: Did your Department do the audit on outstations for...

Mr Ken DAVIES: We have worked on an audit for outstations, yeah.

CHAIR: And is that available? Is that a public document?

Mr Ken DAVIES: That's certainly something that we could ... you might recall that Dodson did an earlier review of outstations, there was some work done by Pat, but in terms of a broader review about the number of houses on outstations, about 2,400, the number of outstations there are in the funds we provide for are outstation support through my Department, and we can certainly furnish that to you.

CHAIR: Did that get down to the detail of houses that are abandoned?

Mr Ken DAVIES: It would get to the detail of the number of houses in the footprint, the number that are occupied for more than eight months of the year, and it would also give some detail around outstations where we have observed that there's not people actually utilising that housing infrastructure.

Ms SCRYMGOUR: So can we get access to that report?

Mr Ken DAVIES: Definitely.

CHAIR: Yeah. So that was ... I gather that it was done fairly recently, in the last couple of years?

Mr Ken DAVIES: Yeah.

CHAIR: Is that right?

Mr Ken DAVIES: It has been done. And it's part of a broad...

Ms SCRYMGOUR: And who has ... who did that work?

Mr Ken DAVIES: The Department of Housing, Local Government Regional Services, Marion. And it's part of the work around the development of a homelands and outstations policy framework going forward in to next year, so there's some work being done for my Minister that's to go to the Northern Territory Government Cabinet about the policy going forward. Yeah.

CHAIR: Alright.

Ms SCRYMGOUR: So that ... I mean, we all know that the \$20 million for outstations and homelands finishes as of...

Ms WALKER: June 2012.

Ms SCRYMGOUR: ... June 2012.

Mr Ken DAVIES: So it's important ... in that context the funding ... so what gets funded into Northern Territory outstations are a whole range of services that will remain. So the education services, the policing services, the health services will all continue. That investment will be maintained.

What's happened is that the Northern Territory government did receive off the Australian government \$20 million annually to support municipal and essential services in outstations.

Ms SCRYMGOUR: Which is why I've only touched on the \$20 million because...

Mr Ken DAVIES: Yeah. So...

Ms SCRYMGOUR: ... we know that the ... or what funding goes to policing, education and health would be maintained.

Mr Ken DAVIES: Yeah. So what we're doing ...

Ms SCRYMGOUR: But the other money ...

Mr Ken DAVIES: Sure. So what we're doing with the Australian government at the moment is we're working with the Australian government about how we're going to maintain that level of funding. And it's important to emphasise that the funding that comes in for MUNs is not direct funding to housing. The housing funding comes through a different arrangement, the NAHA, and that arrangement helps us to fund to the level of about \$2,500 maintenance for the support of the housing. That arrangement will continue.

What is coming out is the \$20 million that was funded for municipal and essential services, and right now we're working with the Australian government, that is Northern Territory government officials to make sure that that funding is maintained going forward...

Ms WALKER: Maintained or increased?

Mr Ken DAVIES: ... post 2012. It's ... maintained is the aim at the moment.

Ms SCRYMGOUR: So is there ... I mean, the body of work that you're doing, and the reason I'm going down this line, Ken, is the move to take children, or to remove, I suppose, the transfer of children from these main communities where all the housing and infrastructure is being built, to placing them on homelands where there's been no growth for MUN's funding, no growth for housing money, so given that that population is also increasing, I know in some areas where you've visited, Mr Chair, there are houses that ... or outstations that have been ... people have left. But in a lot of areas the population's actually increased and it's increasing more.

So the body of work the Department's doing, Ken, is it looking at that increase, increasing population or demand that is being placed on homelands in terms of caring for families and children that have been removed from them or being transferred from the main community?

Mr Ken DAVIES: Well, the best way to frame that really, MLA Scrymgour, is to go back to the Working Future Policy and the Hub and Spokes Service Delivery Model, so part of that is about making sure that outstations are properly serviced, that they have good road networks, that we are in a position to drive good services from central areas to those outstations.

In terms of us investing further in outstations to grow additional housing, we don't have the funds to do that at the moment.

Ms SCRYMGOUR: So who wears that responsibility ... I ... and I acknowledge that, Ken. But we ... I represent people who are residents of homelands and outstations who are being asked to take responsibility for children, and they're being transferred from communities onto these outstations, they aren't resourced. We're seeing the wet season coming on, we ... I acknowledge the Working Futures Policy and the Hub and Spoke Model, but it doesn't really happen when the wet season, you know, when the wet season happens because people actually can't travel in to the main community. So it'll be good at some stage for the Department to actually look at ... or pull together the transport people and others to try and keep this stuff happening.

Mr Ken DAVIES: Yeah. And I think part of that...

Ms SCRYMGOUR: Because I think it's more than just, you know.

Mr Ken DAVIES: Yeah. And it's got to be, I think, about those child protection teams and that sort of thing being able to get in and getting access to communities, and getting in and working with families, and that's why we've moved as quickly as we can to identify this housing through GEH so that people are recruited in to provide the building of these child protection teams on these key communities can get to work as quickly as possible and they will create the relationships that are needed to support families.

And I guess, you know, in special circumstances we do have some contingency funding so that if at some point a family that was foster caring was in need of some urgent maintenance to a home or an upgrade, then if we got the right submissions back, not necessarily from the community, but through DCF, we could soon get some work done pretty quickly...

Ms SCRYMGOUR: Okay.

Mr Ken DAVIES: ... to bring things to standard. We do have some contingency there. Yeah.

CHAIR: Alright. Well, we might come back to some good old SIHIP...

Ms SCRYMGOUR: Can I just say, Mr Chair, I thank Ken because we didn't flag that we were going to ask outstations and homelands...

Mr Ken DAVIES: No, but...

Ms SCRYMGOUR: ... and I do thank you for taking on board those questions. But they are ... they were flowing from questions that I'd asked Clare Gardiner-Barnes in terms of children on outstations.

Mr Ken DAVIES: Yeah. No, thank you, Marion. And we're aware that the Chair had written on more than a couple of occasions I think, both to Minister Macklin and to our Minister about the foster caring issue, so we did ... there was some foresee ability there and we did anticipate it, so we made sure we'd done the work. Yeah.

CHAIR: Yeah. And we haven't got away from our general concerns about public housing because, I mean, you've also got what I call the bit in between which is the small communities. I know Marion's talking about homelands and outstations, but there are quite a few local small towns here, you know, your Bulman and your Burunga's and your Beswick's and your Nguiu and those...

Ms SCRYMGOUR: Santa Teresa's.

CHAIR: ... Santa Teresa's who their in no-man's land because they're not really an outstation, they're a town and...

Ms WALKER: But not a growth town.

CHAIR: ... that will...

Ms SCRYMGOUR: But they're not a growth town.

CHAIR: No, they're not a growth town so they're a bit of a no-man's land. Look, we'll move on to some SIHIP questions, and...

Mr Ken DAVIES: Sure.

CHAIR: ... since we last saw you, of course, the Auditor-General, Commonwealth Auditor-General has pulled out his report and in that report he's basically said the construction costs for new houses under your Live Program are higher than those elsewhere with similar climatic and remoteness issues. And he said the additional costs seem to be because of a large scale and pace of construction.

Now, one of the key factors in having an alliance system right at the very beginning was because of the economics was going to make it cheaper.

Mr Ken DAVIES: Yeah.

CHAIR: So if the Auditor-General is saying in actual fact the houses are actually costing more because of all the requirements of a large building company, an alliance, then why are we still going down that path and not individual contracts?

Mr Ken DAVIES: Okay. So I wondered if I could just set a little bit of a scene here...

CHAIR: Yeah.

Mr Ken DAVIES: ... and then go to that, and I'll ask Andrew to respond to specifics. But just wanted to just say that as at November 2011 we've got 393 new houses that have been completed. We've got a further 168 that are at lock-up stage, giving us a total of 561 houses new, that are ready to go for next year, Chair, and in terms of scale, I mean, that's a massive outcome. Five hundred and sixty new houses for families. Taking them out of overcrowded circumstances, let alone the 1,400 refurbishments that we've done and the rebuilds that we've also been able to complete.

I wanted to just move us, if I could, from the old 750, 230, 750 new, 230 rebuild and 2,500 refurbishment paradigm to the new implementation plan, and I'm pleased to report that we've signed a new implementation plan that is part of the National Partnership Agreement on remote indigenous housing that now encapsulates us by 2013 building 934 new houses, so it's going from 750 to 934, and taking the rebuilds from 230 to 415 rebuilds by 2013.

CHAIR: Can I ... I know we're butting in a bit.

Mr Ken DAVIES: Yeah.

CHAIR: As rebuilds, is that something that's actually mentioned in the Auditor-General's report.

Mr Ken DAVIES: Yeah.

CHAIR: And that there was supposed to be a review on refurbishments to see if they can be done by other groups. Is that too late, or have you decided?

Mr Ken DAVIES: No, definitely not. And we are still working with the Australian government, and as part of this implementation plan we are looking at the long term sustainability of the alliance model and we will be doing work in the next year or so, Gerry, to look at where we can start to move some of the refurbishments into a space where we can use local firms and local contractors to directly deliver.

And then for the new houses that we'll be constructing post the 934, because we've got a number of others that we have to build post 2013 in communities, then we may be able to go to another model. We're doing a review at the moment of the procurement processes and that will enable us to determine what the best way forward is.

CHAIR: That was the one mentioned in this...

Mr Ken DAVIES: It is.

CHAIR: ... report?

Mr Ken DAVIES: It is. It is a review. It's currently underway and that'll be completed early next year. And that will enable us to determine the best process for procuring the additional packages that we need to procure outside of the 934 that we've currently agreed to deliver by 2013, or during 2013.

CHAIR: So it's looking at not only the new houses, how they're constructed, but also refurbishments?

Mr Ken DAVIES: It will be looking at refurbishments, as well. And we're refining the model as we go. But I just wanted to emphasise the model's been able to deliver us a set of housing outcomes that have never been delivered in terms of the numbers before in a remote context. And the ANAO makes that pretty clear in their report.

Ms SCRYMGOUR: That's true. And I note 750 to 934, but it still doesn't answer the question as to the economies of scale...

Mr Ken DAVIES: And I'll go to Andrew around that. Yeah. So, Andrew.

Mr Andrew KIRKMAN: Andrew Kirkman. Yeah, certainly ... I mean, one of the reasons the alliance was chosen was to deliver on a broad scale, and I think it's fair to say we would never have achieved what we have in the timeframe without the delivery model that we've had.

In terms of, I guess, the costs and value for money, I think it's fair to say that the Australian National Audit Office did struggle in their analysis of this given the remoteness of the Northern Territory. Now they've come back to say, look, comparably they think perhaps it's been a little bit more per metre when describing it to other construction types in the Territory. So they've said, for the Northern Territory, other methods of construction, 4,550 to 4,736 as opposed to the comparison under the alliance delivery of 4,888 to 5,505.

So I think some of the struggle in terms of the comparison is (1) to get a comparison - there is nothing to compare this program to. Yes, in the past when we have delivered remote housing we probably sent out small teams of contractors, often one or two guys who've then picked up a few local guys to help out with some of the work. They haven't had to build a construction camp to cater for, sort of, 80 or 100 people, and they haven't had to fly people in and out regularly as you do on a sort of a scale of a program like this which is effectively akin to a large sort of mining program if you want to compare.

So I think in terms of the comparability it is really difficult. Certainly by and large the advice from the ANAO is that it's pretty close to other methods, but they acknowledge that the remoteness up here is something that does make it extremely expensive. So even if you compare it to some of the other work being done by other jurisdictions, say Western Australia, where you're delivering into somewhere like Halls Creek, you've got a bitumen road where you can put houses on the back of trucks and take them out there and drop them down. We're not in that situation in places like Galiwin'ku, and for most of the time of the year in Maningrida and certainly not in some of the other communities where we're having to barge in absolutely just about everything.

So I guess in terms of the scale of it, yes, I think that has seen some savings, but it's also seen the operation being delivered as you would with any other major project, and that is a full scale construction camp, flying in, flying out workers to get the expertise you need, and importantly you get the delivery in the timeframe that we've needed it.

CHAIR: But we had many complaints about different things while we're looking at this.

Mr Ken DAVIES: Yeah.

CHAIR: And I'd be the last to say good housing is being delivered out there. But you know, were there costs there that could have been avoided? We've heard of gravel costs at

Wadeye being extraordinarily high, \$1,000 a cubic metre for delivery of concrete to houses in Groote Eylandt when it's \$250 a tonne in Darwin. I'm not saying it shouldn't be higher, but where you've got sometimes monopolies that basically meant that the cost of housing has been extremely high simply because the ... well, you had no option of where to get your materials from.

Now, I don't know whether you've looked at some of those situations, the cost of barging, for instance, it had been said before that the cost of barging the ... I've forgot the names of the walls they use at Bathurst Island.

Mr Ken DAVIES: Ritek.

Mr Andrew KIRKMAN: Ritek.

CHAIR: Ritek. Which are basically empty walls going over there, then you ... I presume you've been shifting sand from the mainland to Bathurst Island, yet another cost, and it had been put to me why aren't you building the walls in Darwin and shipping the walls over once instead of once for the walls, once for the sand, once for the gravel, you know. So has there been some sort of detailed investigation as to whether some of these costs actually could have been cheaper if more efficient use of transport and materials had been used?

Mr Andrew KIRKMAN: We've done it to death is the answer, Chair.

CHAIR: Yeah.

Mr Andrew KIRKMAN: In places like Groote, gravel has been extremely high, the cost of gravel per tonne, something you'd certainly never experience in Darwin or probably anywhere else in the country, I would suggest. In that case, we compared to what it would cost to bring it over by barge, and locally it's marginally cheaper so we go with the local option.

Would we have liked to have spent a lot less on it, absolutely, with a lot more in the door had we been able to do that. But in each case the alliance has been really detailed in saving as much as they can to get more in the ground. So that's been pretty tough given the cost, but certainly that's a very good example of how you're paying almost ten times as much as you'd pay in town, or in a regional centre.

Ms SCRYMGOUR: So Andrew, given that we've got around 300 new houses, is it 300 new houses we'd have...

Mr Ken DAVIES: Three hundred and ninety three, nearly 400.

Ms SCRYMGOUR: Nearly 400 new houses...

Mr Ken DAVIES: Yeah. Four hundred new.

Ms SCRYMGOUR: What's the latest information in terms of ... I mean, we've heard all the arguments about why the alliance model was the way to go down, but are we any closer to having ... or being provided with what is the average cost per house in, say, Wadeye, Maningrida, I mean, Wadeye we've got the information, I mean, Wadeye we've got 105 new houses, 77 refurbishments, 28 rebuilds, and all of that should be completed by 2012. So if you look at Wadeye, do we, out of the 68.8, 68.7 million, 69.3 was actually allocated for Wadeye, what ... out of that 69.3 what has been... what's the actual allocation...

Mr Ken DAVIES: Unit cost.

Ms SCRYMGOUR: ... per house, new and then also with a ... I think the refurbishments were at 75.

Mr Ken DAVIES: Yeah.

Ms SCRYMGOUR: But could be higher in some areas depending on...

Mr Ken DAVIES: So that allocation will, MLA Scrymgour, that will be the cost, the average cost of the house, of the new and of the rebuild and the refurbished houses. So what will happen is when that package is closed out we will be able to give you an average across the...

Ms SCRYMGOUR: What houses are completed in that.

Mr Ken DAVIES: Yeah. That's right. And it will give us an average cost. We expect that it might be higher than 450 in Wadeye because of some of the issues that Andrew's identified.

Mr Andrew KIRKMAN: But we've still got to do the close out on the package, and then we'll be able to provide the CTC with a specific unit cost in that package.

Ms SCRYMGOUR: Well, if you're talking about completed works then, I mean, if I look at Milikapiti, had the completed expenditure figure of \$4.8 million, that community only had refurbishments rather than rebuilds, and only 30. So am I right to assume that if that is a completed, you know, the works are completed and it's closed off, so I could then divide \$4.8 million, divide that by the 30, is this the simple mathematics I get to, so I divide the 30 houses, they're only houses that were touched in that community were 30 houses, 30 refurbishments for the amount of \$4.8 million, is...

Mr Andrew KIRKMAN: Yeah. Ms Scrymgour...

Ms SCRYMGOUR: ... and I get the figure of what...

Mr Andrew KIRKMAN: A hundred and sixty thousand. In fact it's slightly, a hundred and fifty it would have been. We have articulated that in our quarterly report...

Ms SCRYMGOUR: Yeah.

Mr Andrew KIRKMAN: ... to you, Marion. As we've said in the past, when a community is finished we will endeavour to give you a unit average cost. And to a full package, so i.e. in Tiwi, Milikapiti, Pirlangimpi and Wurrumiyanga is under one package. When all that package is complete then we can get a final cost because there is some allocations that need to be taken. But we have in terms of Milikapiti already stated that we've spent \$4.8...

Ms SCRYMGOUR: 4.8.

Mr Andrew KIRKMAN: ... on Milikapiti, which is \$160,000 per house. Now if you ... you may recall we had a discussion a little while about this and that was that Milikapiti and Pirlangimpi were pre the August review, were commenced pre the August review so they are neither refurbishments or rebuilds, they're somewhere in-between, so that's why initially they'd been set for about \$150,000 a house, we ended up spending \$160,000 a house in Milikapiti.

Mr Ken DAVIES: In fact, MLA Woods, the ANAO report goes to the pre, pre review cost of houses, and the post review cost of the houses, and it specifically states that the pre review cost was 590K. That was for houses contracted prior to the August 2009 SIHIP review. And since the review it says the cost of the new houses have been brought down substantially. And they found that the packages commenced following the review are being delivered at an average of about \$454,000.

CHAIR: Yeah, those houses were also bigger than a three bedroom, weren't they?

Mr Ken DAVIES: Some of them were, definitely.

CHAIR: Some...

Mr Ken DAVIES: Some of the earlier ones definitely were, yeah.

CHAIR: And the rooms were slightly bigger.

Mr Ken DAVIES: Yeah. Yeah.

Ms SCRYMGOUR: And that wasn't across all communities, I would imagine?

Mr Ken DAVIES: No. No. That was on the Tiwis and Umbakumba.

Ms SCRYMGOUR: The 50, yeah, well, that's where it needs to be put into context.

Mr Ken DAVIES: That's right. That's right.

Ms SCRYMGOUR: Because at that pre-review it's actually only Tiwi Islands...

Mr Andrew KIRKMAN: Groote Eylandt.

Mr Ken DAVIES: And Groote Eylandt.

Ms SCRYMGOUR: Groote Eylandt.

Mr Ken DAVIES: Yeah. That's right.

CHAIR: So with Wadeye now, you're saying it's completed? Or pretty well...

Mr Ken DAVIES: Well...

Mr Andrew KIRKMAN: No, we're just finishing now the final civil works.

CHAIR: So they built a workers' camp there, quite a substantial camp. Now was that paid for out of the total cost?

Mr Ken DAVIES: That's right.

Mr Andrew KIRKMAN: That's right.

CHAIR: So now if it's sold, does that money go back to you?

Mr Ken DAVIES: It does.

Mr Andrew KIRKMAN: It does.

Mr Ken DAVIES: And gets reinvested back in to the building program.

CHAIR: Right. So who's in charge of the sale?

Mr Ken DAVIES: The...

Mr Andrew KIRKMAN: We are.

Mr Ken DAVIES: Yeah. The Department is in charge of the sale.

CHAIR: So you presume, hopefully get a reasonable figure back to cover for the...

Mr Ken DAVIES: Well, do you want to talk about that, Andrew...

Mr Andrew KIRKMAN: Yeah.

Mr Ken DAVIES: ... because...

Mr Andrew KIRKMAN: It is a good opportunity for the community. What we've done, certainly in the interim, is go into a management agreement with Thamarrurr Development Corporation who have taken that on from the alliance and now are managing that as accommodation for visitors in the community. So it's something that there wasn't a lot of capacity with prior, so that's I think a great outcome.

The idea is then that we arrange a sale with TDC or another sort of a traditional owner group in Wadeye, and that continues to be managed by the community for people who need to visit and to some extent even stay for a short time in Wadeye, given the fact there isn't any other housing available.

CHAIR: So you'd be able to recover some of your higher priced gravel by the sale of the...

Mr Andrew KIRKMAN: Well, we'll certainly be able to recover some of it. I mean, I guess importantly for us in Wadeye, you know, I believe we've come under budget in Wadeye, so it means that we can then bring back in whatever we get from the sale for future use in investing in other infrastructure.

CHAIR: Yeah, I suppose I'm being a little facetious because, I mean, I know prices were high and I mean ... the trouble is that it's made those houses expensive to build, some of those ... the basic material and, yeah.

Mr Ken DAVIES: Well, in terms of residual infrastructure, we don't anticipate those workers' camps, they're not going to realise a massive windfall in terms of being able to on-sell them, mainly because of the capacity of the organisations on the ground to pay, but also the valuation around a used piece of infrastructure given they're largely demountables and that sort of thing – are not fantastic, they'll need to be maintained to a high level, but they're not really suitable in the context of something you should open up for public housing. They're not robust enough.

Mr Andrew KIRKMAN: So what we've done is we've left about 35 of the beds there and we've taken about 45 to 50 out to Lajamanu where we've commenced work there now. So what TDC have to manage is a smaller camp going forward.

Mr Ken DAVIES: Yeah.

CHAIR: Can I just ask, I mean, one of the reasons you've had to come in and build a lot of houses is because the housing programs we've had over the years has declined, I would imagine. And there have been housing ... I know you've mentioned that this is the first time a lot of houses have built, but if I took an example of Nguiu, there were a lot of houses there before this program came along. Now if they've got behind in the numbers of houses that are required, it's because funding was never available to keep like the Ullintjinni Housing Association up to scratch with the number of houses required.

Now if you've got, say, Nguiu or whatever the new name is, up to the requirement for the number of houses it needed, why could then ... would you ... now why you look at an alliance and why wouldn't you hand it back to the community and say, well, we'll fund you X number of dollars per year to provide an ongoing supply of new houses. Is that what your intention is? Because I see this program as trying to fix a problem that's been caused because housing numbers have dropped off and all of a sudden you've found out you've got major overcrowding?

Mr Andrew KIRKMAN: Absolutely, Chair. I mean, this has been a, sort of, making up for, I guess, decades in under sort of funding in these remote communities. Yes. And I think going forward, if we can all ... at all sort of manage it, then a longer term annual funding program is ideal. And especially in places like Wadeye and Tiwi where there's local contractors who can build houses, particularly Wadeye, and agreeing a longer term program which not only, I guess, provides them the houses they need, but also provides that ongoing employment opportunity without sort of turning that on and off. So that's the ideal.

CHAIR: Is that a government policy or is it your intention to go down that path after this?

Mr Ken DAVIES: Well, this current National Partnership Agreement goes through until 2018. So we'll have to go into a reframing a couple of years out from that what the next steps are going to look like.

I agree with Andrew, but we can't do it without a concurrent look, Chair, at the underlying costs of additional infrastructure as well. So building houses is one part of the program, but making sure that there's the right sewerage and water and road infrastructure, as well is a challenge, and I've said this before to the CTC, currently the public housing model in urban and regional is about 8% of the public housing ... of the housing stock. In remote it's 100% of the housing stock, and that's not a sustainable model going forward. So government can't be the only answer in this space. We've got to get those big towns into a space where there's home ownership, where there's some private investment and additional housing infrastructure being provided on top of the straight public housing model.

But going back to Andrew's point, some sort of a sequenced building program going forward, for new public housing in remote would be fantastic because it would enable us to deliver the sustained outcomes we're looking for.

CHAIR: And we might get a...

Ms SCRYMGOUR: Ken, very, very quickly...

CHAIR: Before we ... are we going onto leases? No?

Ms SCRYMGOUR: No, no. Just wait for leases for a moment.

CHAIR: No, I don't want to go to leases at the moment.

Ms SCRYMGOUR: With the housing when we first started the inquiry and looking at this issue of SIHIP, we used to have at the table people that used to turn up with you guys, a Commonwealth representative.

Mr Ken DAVIES: That's right.

Ms SCRYMGOUR: And it concerns me. And nothing has happened, or what has happened, and you mention home ownership, apart from the Tiwi Islands where 15 people have been able to access home ownership, that program seems to have died or not accessible by other communities. What's happening? I mean, you have conversations with the Commonwealth.

Mr Ken DAVIES: No. Look, we are talking with the Land Councils about that, and we've certainly had a, you know, there's some models being worked on by the NLC at the moment. We do have requests for private home ownership on Groote, so there are some families who are interested in acquiring their home there. We've just got to get the right leasing arrangements in place, particularly if people are going to borrow money against the lease and be paying off a house.

Marion, the last thing you'd want is to sell a family a house that's worth \$80,000 and then in five or ten years' time, or 15 years' time it'll be worth only \$30,000 or \$40,000. So we've got to be careful that we don't create negative equity. And one way of doing that is to make sure that there's some sort of transferability of leases, there's got to be a 40 year frame as a minimum, the bank's are telling us to borrow money against it, so there's a lot of work going on here to try to get the right leasing arrangements in place so that when people purchase a home, they are purchasing it to create equity not just to be a liability.

I think the discussions that have to be had with community about this as well is if they're purchasing it as a transferable asset for family, that may not be as big an issue. But there have been instances interstate where families have purchased in to homes and they ended up owing more money than the house is worth, and we need to be careful about that.

Ms SCRYMGOUR: Alright. So that body of work...

Mr Ken DAVIES: It's ongoing.

Ms SCRYMGOUR: ... is continuing and ongoing with...

Mr Ken DAVIES: Absolutely. Yeah.

Ms SCRYMGOUR: ... with the home ownership?

Mr Ken DAVIES: Yeah. And I know that the NLC are doing a lot of work around this at the moment. We've had a bank forum, we got the big four banks involved, flew them out to Wadeye to have a look at some of the work that was going on out there, the operation of the TDC, talked to some of the traditional owners about what they would need in terms of lease requirements and that sort of thing to be able to lend money in to create some private investment. So we're starting to have some very good and productive discussions with the Land Councils about that.

Ms SCRYMGOUR: But what's happened to IBA, Ken?

Mr Ken DAVIES: Well, they were at the workshop. IBA are very much players in the space, they have a budget, Marion, and the Indigenous Home Ownership Scheme nationally

is fully subscribed as well at the moment. So it's all about the amount of money that's available and making sure that people have the right understandings when they're borrowing that money. But just at the moment we are still sort of working through some of those issues.

CHAIR: Lynne, do you have a question?

Ms WALKER: Yeah, I had a question, Ken. Going back to some of the original statistics that you just started with there, 393 new houses handed over. The 168 that we have at lock-up stage, now I suspect they're largely across Top End communities?

Mr Ken DAVIES: They are.

Ms WALKER: ... Galiwin'ku, Maningrida...

Mr Ken DAVIES: They are.

Ms WALKER: So what ... just given the time of year, wet season, cyclone season, are there hold ups with these places that are at lock-up stage because ideally you'd want to see them at lock-up before a minimum period of time?

Mr Ken DAVIES: Yeah.

Ms WALKER: Tenants in there and moving on.

Mr Ken DAVIES: Yeah. And we don't want to leave them sitting on subdivisions unsupervised either, you know. So I've talked to Andrew about that, but Andrew, do you want to explain where we're up to with those houses?

Mr Andrew KIRKMAN: Yeah. We've got quite a number in Galiwin'ku and that subdivision ready to go there. In fact, they'd be 50 to 60 of that number. And I was out there last Friday, there's thankfully bitumen on the roads and onto the footpaths earlier this week. So they'll be ready for tenancing. Obviously there's still a need to increase the water capacity in that community, which has been an issue for us. Now we've resolved that with traditional owners, so we're expecting that we'll be able to start tenancing those houses next week, which will be great, with the view to aim to getting most of them tenanted prior to Christmas. Now that will be a challenge for us given the number of families, but certainly the first 20 to 30 I'm confident we'll have in there this side of Christmas.

Similarly with Maningrida, we've obviously got the first stage of houses tenanted. I was out there as well last week. And the next stage they should be able to be tenanted next week, as well. So a similar situation in Nguiu, Wurrumiyanga, the subdivision has now got bitumen on it, so before the rains got here, which was a minor relief.

CHAIR: It's in a sappy place. It's going to be interesting to see how it goes there.

Mr Andrew KIRKMAN: And so they'll be able to be tenanted, all going well with services, as well. So I expect 168 at lock-up, we'll be getting close to 100 of those families in homes this side of Christmas. So a lot of work to do, but I'm sure we'll get there.

Ms WALKER: Yeah. That's great. Sorry. Can I ask another question?

CHAIR: Yeah.

Ms WALKER: Ken, you said that the revised figures would see new houses go from 750 to 934...

Mr Ken DAVIES: Thirty four.

Ms WALKER: ... by June...

Mr Ken DAVIES: That's right.

Ms WALKER: ... 2013, so that's an extra 184 houses in just over 18 months. Where are they going?

Mr Ken DAVIES: They're going...

Ms WALKER: Outside of the growth towns?

Mr Ken DAVIES: No. They're a part of the broader commitment. So we went in on a first tranche, MLA Walker, and so this is now continuing the commitments, and we're rolling it out to new communities so it picks up ... the additional picks up places like Lajamanu and Numbulwar as well, so we're now rolling forward. Hermannsburg will be another place, as well. So that's how it's working.

Ms WALKER: Okay. This is where the program hasn't commenced in those places yet?

Mr Ken DAVIES: Yeah. In the total package across to 2018 there's about 1,400 new houses that have to be constructed. We anticipate once we move through the big growth towns that we will then go to smaller communities and start to look at where new housing might go in those smaller communities post the 924.

And I think going back to your question, Chair, that then goes to the contracting model and how might we deliver those new houses, because we might be doing two or three in one community, ten in another, four or five in another. So that allows us to start to look at the methodology.

CHAIR: If you're saying, you know, 1,400 houses by 2018, that's what...

Mr Ken DAVIES: Yeah. That's right.

CHAIR: Now those houses are going into growth towns?

Mr Ken DAVIES: No, 934 will go in to growth towns and post the 934, post 2013 there will be a further building program that will continue to take us to the 1,400 and we anticipate that that will allow us to move to some of the smaller communities to do additional housing in those small communities. Now that may involve some new, but it also may enable us to go through and do some of the work we need to do around beyond economic repair houses and replacing houses that we haven't been able to deal with in the SIHIP program to date.

CHAIR: So if I was to go to Nauiyu (Daly) or Peppimenarti or Palumpa or Bulman or Santa Teresa...

Mr Ken DAVIES: Yeah. That's correct.

CHAIR: ... can I say that those communities there might be some light at the end of the tunnel by 2014 for new houses?

Mr Ken DAVIES: There might be some light at the end of the tunnel, Chair, but it won't be necessarily about a lot of additional, it'll be about using current sites and where we've got houses.

I was at Beswick the other day, and if you go into Beswick, right on the corner driving into the community there's a house there just on the right hand side that's been flooded quite a few times, and basically now what's happened, it's within the public housing footprint, but we've had to board it up. It's on an elevated site but it's basically beyond repair so we've boarded it up. But that would be one site where you may go in and build a new one there, or you might move up to where the new housing subdivision is above the flood line and go up there and replace it there.

CHAIR: But isn't the issue that these small communities are growing still?

Mr Ken DAVIES: Some of them are, MLA Woods, and so you would invest where that's happening and put additional housing in. If there were ... I mean, there are clearly some communities where there isn't growth, and we will make sure that we do the demographics and work with the communities around that, but we shouldn't be assuming that every single community out there is continuing to grow. There are some that definitely are but there are others that are declining as people move to bigger centres. And so we don't want to build houses where we don't need to.

But as an example, just around Alice Springs, we've got Hermannsburg and Yuendumu who are on for a building program in this, by 2013, in this phase of the Partnership Agreement. There would be some logic in making sure we build some additional houses if we can at a place like Santa Teresa. It's closer to town, it's well serviced, good road and it makes sense to invest some more there.

CHAIR: Sometimes a good road.

Mr Ken DAVIES: Yeah, sometimes. Yeah.

CHAIR: Just in relation to Maningrida, was there additional work required there and was it ... how was it covered cost wise?

Mr Ken DAVIES: I'll go to Andrew for that.

Mr Andrew KIRKMAN: Additional work?

CHAIR: Well, infrastructure...

Ms SCRYMGOUR: Last wet.

CHAIR: Yeah, and during the wet season.

Mr Andrew KIRKMAN: Yes, there was. There's been significant additional work required to ensure that...

Ms SCRYMGOUR: And good work.

Mr Andrew KIRKMAN: ... subdivision is not going to be inundated. So that included both extending out the causeways, but also doing some sub-soil drainage effectively all around the perimeter of that subdivision and through the subdivision so that we keep the

water table down the whole time, and there's some major other draining as well which is being taken.

Now some of that we expect to be able to recover through an insurance claim that we've lodged post that record wet last year as largely a result of that cyclone, cyclonic activity. But the other cost we'll deal with within the package, and the alliance assures me we can deal with those costs within the budget we've got.

CHAIR: So what was flooded? The houses?

Mr Andrew KIRKMAN: No. It was just in ... it was just inundated, the...

Ms SCRYMGOUR: It came down one way and it went up the other way.

Mr Andrew KIRKMAN: Yeah. So the roadwork formations that we'd had in place at that time got washed out, so that's the sort of rectification...

Mr Ken DAVIES: Thankfully none of the houses were ... they were all...

Mr Andrew KIRKMAN: No.

Mr Ken DAVIES: ... they were all built up to a level where that didn't happen.

CHAIR: Could I ask who designed the subdivision, because it's not unusual to have heavy rain in subdivisions?

Mr Andrew KIRKMAN: Yeah. This was a particularly unusual rain, I think, on the record books even. And it was the timing. So because we didn't have bitumen, if we'd had bitumen down before the rain came down that would have certainly helped. And a lot of the drainage hadn't been completed at that time. So we were sort of underway with works...

CHAIR: Is it red soil, from my memory, is that right, in that country? That like that...

Mr Andrew KIRKMAN: No, it was sort of...

Ms SCRYMGOUR: No, it's sort of lime, it's...

Mr Andrew KIRKMAN: And gravelly sort of in places.

Ms SCRYMGOUR: ... some of it, but it was gravel and lime. It was, yeah.

CHAIR: I just wondered because...

Mr Andrew KIRKMAN: Pretty sandy in a lot of spots, too.

CHAIR: ... when you do consider it, I mean, we talk about normalising towns but you do construction work, you're supposed to in Darwin and you do drains and you know it's going to rain, you're required to do some work to make sure that that drain does not cause a problem. I mean, do those sort of requirements happen out bush or they're sort of short cutted because of that bush?

Mr Andrew KIRKMAN: It is but it goes back to the scale and the pace of the program and you might be...

Mr Ken DAVIES: Well, the only analogy I can draw back to this, Chair, is post Cyclone Tracy when those subdivisions were constructed in the northern suburbs where you went in, you created the subdivision, you just started building it the same time. In effect we're doing the same thing out there, so a normal subdivision works where it gets done, there's bitumen put in, the drainage is done, the blocks are on-sold and then somebody comes in and builds on them and they gradually fill over time and you learn the lessons very early.

What we did was construct the subdivisions and build at the same time, and it meant there were some delays in putting in some of the drainage, that roads hadn't been bitumenised, we were concurrently building houses so when we had the one in 100 rain which is what happened out there, I think it was 1,800 mm, 1.8 metres of rain in one month, it caused some damage to the subdivision roads and drainage infrastructure but no damage to the houses, no house was inundated.

CHAIR: That's what I was getting at. You're required in Darwin, if you're building a drain, to put in erosion control methods until your drain is stabilised. I mean, that's...

Ms SCRYMGOUR: That goes to the scheme and the Act.

CHAIR: No, that goes to what contractors have to do when they're doing government contracts in town, you'll see them ... No, all I'm saying is do those sort of rules still apply to a contract throughout bush, do they have to put erosion controls in, do they have to, you know, it's going to rain anyway, if you're going to do a road in the wet season, regardless of whether it's a record or not, but, you know, to reduce the costs and the damage to the environment, there's certainly things that are required to government contracts. Were they done out there?

Mr Andrew KIRKMAN: There has been some done but it's around the timing of the work as well, so there's not ... in the size of the drains we're talking about there wasn't really the capability to put, say, matting down.

In terms of the work I saw last week out there, there's certainly some controls in place. But the contractor will, I guess, inevitably weigh up the cost benefit of putting that control in there as opposed to getting in and finishing the work.

Mr Ken DAVIES: The subdivisions are, Chair, being constructed to a standard and there are, you know, the usual planning overlays that go with that. So the event that happened at Maningrida was very unusual so I think part of the answer to Andrew is around the standards of those subdivisions and what you'd expect in that place.

CHAIR: I presume the council is going to be asked to take over the subdivision, and I think we might have asked this once before but are they, I mean, in Litchfield, the council sets the standards for roads to subdivisions. The same I presume in Darwin. In this case, you're setting the guidelines for the subdivision and then handing over to the council.

Mr Andrew KIRKMAN: That's right.

CHAIR: Does the council have any say in the guidelines or the subdivision guidelines?

Mr Andrew KIRKMAN: We have been consulting with the council, I mean, there's probably still quite a bit of work to do in that regard. There hasn't been any ... there's no guidelines for the remote communities in terms of standard, so we've gone for a standard that's akin really to, I guess, a rural subdivision, we've got bitumen roads, kerbing down one

side to allow the sheet water run-off, lighting and a footpath certainly in the case of Maningrida and Galiwin'ku getting back into town. So it's the general things that you would expect in, say, Howard Springs or Humpty Doo.

Have we been able to bring it up to a standard you'd expect in Palmerston? No, we haven't, and that is because this is all public money we're investing and we're trying to get as much into the housing as possible. So we haven't brought it up to an urban standard but it's akin to a rural cross-section in terms of the roads and so we've got quite a bit of amenity in it, especially when you compare that to the rest of the community. So I think when people go into the new subdivisions, they'll certainly see a great improvement upon the, you know, the existing infrastructure and the remainder of the community.

Mr Ken DAVIES: So Chair, in relation to your question around the interaction with the ... just one example, the police station at Ramingining, I know the East Arnhem Shire Council had a view about how the kerbing was to be done there and the layout of that police station and had some influence in terms of their planning overlay.

So we're getting to the point now where we're starting ... it was fair to say in the early stages of this program we hadn't established the clear relationships we needed to with local government to make sure that they were fully appraised of everything we're doing but we think we're in a much better position now.

In taking Andrew's point, those new subdivisions in terms of an inherited asset that needs to be looked after are certainly of a much higher standard than much of the existing infrastructure in those towns.

Ms SCRYMGOUR: Chair, I know that this is a, you know, and it is an important area and I know...

CHAIR: No, I've finished there.

Ms SCRYMGOUR: I'd like to get onto lease please.

CHAIR: I was.

Ms SCRYMGOUR: Leasing, leasing, can we get onto leasing?

CHAIR: Yes. Do you want me to ask questions?

Ms SCRYMGOUR: I can, or Lynne? Any of us can ask a question on leasing, where things are at.

CHAIR: I'll just ask, where are the five year leases? The ones that the government, the Commonwealth government said it's going to not renew. When they run out.

Mr Ken DAVIES: So the leases under Section 31 of the NTER Act do expire on August 17 2012, so on Groote Eylandt and on the Tiwi islands, the long term leases have been secured by the Executive Director Township Leasing so there'll be no impact there.

In terms of the NTER leases on the mainland, that is in the NLC and CLC footprint both in growth towns and in the smaller communities, the Australian government's going to be paying some recompense to the NLC and CLC by way of compensation for acquiring those leases over a five year period. We have secured in 12 communities housing precinct leases, Chair. Of the 15 RSDs we've got Yuendumu and Yirrkala that we hadn't secure

housing precinct leases for but in all the rest of the locations, Hermannsburg, Maningrida, Galiwin'ku, all the ones in the Top End, we've secured.

Ms SCRYMGOUR: And they're all mainly the growth towns, aren't they?

Mr Ken DAVIES: Yeah, so Lajamanu's another one that we've secured. Now in the minor communities, in those smaller communities when the housing lease ... sorry, when the NTER leases are lifted there will be a tenure gap and we're working with the CLC and NLC to work out how we're going to manage the public housing infrastructure in that arrangement.

But the path is set and so on August 17 the housing infrastructure in those minor communities that isn't secured will go back into the Land Trust the way it was prior to the intervention and we'll be moving to secure all of the Northern Territory government assets in those minor communities under the leasing regime that's just been agreed by the Northern Territory government Cabinet. And that is peppercorn for public housing. We're going to secure all of the public housing at peppercorn. For GEH we'll be securing and paying lease payments, and for other government infrastructure including schools, health clinics, police stations, power and water infrastructure, bore field heads, we'll be securing those under a 40 year lease arrangements and paying lease arrangements going forward.

CHAIR: And they're based on what, those lease arrangements?

Mr Ken DAVIES: In terms of the...

CHAIR: Of those 40 year leases?

Mr Ken DAVIES: ... unimproved value, 40 year leases. So peppercorn for public housing, the other leases will be secured on the basis of unimproved value.

CHAIR: Have you estimated the cost of those leases?

Mr Ken DAVIES: We have, we estimate in the ... just to give you an idea again of the numbers, of the metrics, we estimate that the Northern Territory government in the Territory growth towns has 900 assets that we need to secure, and that in the minor communities there's another 900 that need to be secured. The Australian government's ... we estimate the Australia government has about 80 assets that they need to secure...

CHAIR: And councils?

Mr Ken DAVIES: We're in the process of working with local government around the assets that they'll choose to secure. I'll come to that in a minute, Chair. But in relation to the growth towns we estimate recurrent it'll be about \$2.5 million a year that we will be paying in lease payments to land trusts to secure those assets to create long term government ownership. So we have the option of either an upfront payment under the model that's been agreed by the Northern Territory government or a lease payment.

At the moment the NLC and CLC in particular seem to prefer the annualised payments so that delivers an income stream for the small group of traditional owners that own those assets in those towns and we anticipate to pay for the other 900 in minor communities, that'll be another 2.5. So for the total leasing process in remote communities we estimate it'll be about \$5 million recurrent.

CHAIR: That will go up by what per year?

Mr Ken DAVIES: It'll be subject to CPI and there may be some periodic review that will be built in as well. But CPI, we think that's a really good outcome. The Northern Territory government decision also asked that we work with the land councils to make sure that discussions are had with the people who are in the Land Trust to direct the payments that they receive into community based assets or industry within those towns to try to drive some economic development and if we go to what happened on Groote Eylandt with the Anindilyakwa where we built the road between Umbakumba and Angurugu, they've contributed \$5 million of their own resources, of their own income, to that particular project to supplement the Northern Territory government Commonwealth contributions.

So we see this as a leader to start to drive some of the economic development. It was interesting chairing the Bankers' Forum that we had with the banks and they were talking about traditional owners securing assets or leasing assets. They had a view that anybody who owned land wouldn't lease all of their assets at once or all of their land asset footprint or sell it. But as the market grows in these communities the chance for the unimproved value to go up might be something that they might consider going forward. So we will go in and secure what we need.

In relation to Local Government, I expect that they'll be ... given that they're going to have to pay lease payments going forward that they will go and be very particular about the assets they secure so their shire services quarters, maybe night patrol infrastructure, if they're delivering services for government or the Commonwealth government they'd be talking about the lease payments being part of their cost, infrastructure, but it would make it unlikely that they would go and secure an oval, for example. Or secure a playground. They will secure their assets and those assets will remain in the Land Trust and be managed - I'm talking about ovals and that sort of thing – managed in the same way that councils are doing at the moment.

CHAIR: Well, I won't get too much into that, we could spend a whole day discussing that but the issue, getting back to leases for housing, how many leases will finish in August next year?

Mr Ken DAVIES: So in the minor communities, in August next year, we'll have 53 smaller communities where they're at the NTER, Section 31 will be lifted and those leases will go back to the Land Trust and we'll have to move to secure those to keep them in the public housing model, and we're intending to go into an MoU with both the Northern and Central Land Council to make sure that happens while we go and do the cadastral surveys, the Lot numbers, there's a huge amount of work that now has to be done by the Department of Lands and Planning.

The Cabinet decision talks about securing all Northern Territory government assets by 2013 in the Territory growth towns and then moving to secure that the assets in the minor communities or smaller communities are post that exercise. But if we have to go to a minor town, say a place like Barunga or Beswick where we had to build some new government infrastructure, we would be going in earlier to negotiate with the Land Trust and the NLC to secure that block into a ... we won't go in and secure the whole town ...

CHAIR: So what happens at Bulman with the power house? Now, it's not ... if that lease is dropped by August 2012, what happens to the power house?

Mr Ken DAVIES: Well, the power house continues to run.

CHAIR: Yeah, it might run but who owns it?

Mr Ken DAVIES: Well, it'll sit in the Land Trust until we get to securing it.

CHAIR: Even if it's a power and water power house?

Mr Ken DAVIES: That's correct. Yes, that's correct, it'll sit in the Land Trust. It's a piece of ... it's an asset that's sitting on Aboriginal land so we'll have to go back and do the survey work, section out the Lot number and then agree the lease payment regime that will flow from it and secure it, but power will have an asset that is theirs for 40 years. Currently they have an asset that is not theirs, it's on Aboriginal land or it wasn't theirs in the prior arrangement, and under the NTER Act with the intervention it was secured by the Australian government, not the Northern Territory government, by the Australian government for five years. So this will enable PAWA to secure its assets.

CHAIR: Well, I just had Bulman. If there's no leases in Bulman, by August, so what's the issue about ... I know you're talking about 40 year leases but is there a gap there? You're talking about a ten year gap. You mentioned a ten year ... you spoke...

Mr Ken DAVIES: Sorry, tenure, a tenure gap.

CHAIR: I thought you meant ten year. There's a big gap.

Mr Ken DAVIES: No, no, no, sorry. We just call ... it's my words, Chair, we're just calling it a tenure gap, so at the moment, previously all of these assets sat in the Land Trust. The NTER came in and the Australian government excluding the Tiwi and Groote, put in place the NTER that put them into this five year leasing arrangement. That's enabled us to go and build assets and create the public housing model.

What will happen is that when the NTER is lifted, the compulsory leasing regime will cease and we're going to have to go in to start to secure our assets, now remember it was only for five years, on 40 years leases now so that we have them and they're our property and we can manage them in the way that an owner would want to manage them.

CHAIR: But who own ... yeah, but you've spent money on refurbishments? There'll be a period of time where you won't own the house, you won't be able to collect rent, it's not your house?

Mr Ken DAVIES: Yes, well, we've spent money on refurbishment but just keep in mind the public housing will all be peppercorn so there's no lease payments for public housing.

CHAIR: But there has to be a lease.

Mr Ken DAVIES: What we will do is enter into an MoU and we're working with the Australian government about putting in place a management arrangement to make sure that these houses are still managed in a public housing model while we go around and secure the titles.

CHAIR: But if you don't own the house or haven't got a lease over the house, how do you move someone out of the house, how do you say someone should go into the house?

Mr Ken DAVIES: Because we will have an arrangement with the Land Council and with the Australian government that allows us to still do that. And it will be done under an MoU arrangement and a management agreement arrangement.

CHAIR: And that will be for all 53 communities that are going to...

Mr Ken DAVIES: That's correct. And we're still in the process of negotiating with the Australian government, given that the NTER date is an Australian government overlay. The creation of a public housing model was part of a ten year partnership that went out to 2018. So the intention always was to put these assets into a public housing model and to create tenure over them, Chair. What we've got is a truncated timeline based around this 2012, August 17 date. What we want to make sure is the assets that the Northern Territory is acquiring in terms of public housing, is at a reasonable standard, is at a remote public housing standard or at least an RTA standard to ensure that we're not acquiring a whole lot of unfunded liability as well.

So we're working with the Australian government to make sure that as we acquire public housing leases, we have got some surety that the assets within those leasing footprints are going to be brought to standard.

CHAIR: So have you done all that? You've got 53 communities, you're going to have to check out which houses you would be willing to take over? Because you're not going to take them all over if they're not to a standard...

Mr Ken DAVIES: That's part of the discussion we're working through at the moment, Chair, yeah.

CHAIR: And you've got less than one year to do it?

Mr Ken DAVIES: We've got less than one year to do that and therefore we think that we won't have completed that task and certainly the survey work and the cadastral survey work won't have happened across all 53 of the minor communities in the Northern Territory. We are substantially advanced in the growth towns, we've got town plans now, we've got the Lot numbers and the proper work that's been done around the new subdivisions so with substantial progress there but in those remote communities there will be a time interval where we're doing that work to make sure that as we acquire the assets we're acquiring the assets with the right cadastral surveys and so on.

And I'll just say this, again we're coming back to this 30 years of old policy and process here and we're doing a hell of a lot in the last three or four years to close that gap and it's just about making sure that we do this properly to a plan and it's not going to be as easy as just saying, well, all of those houses there can suddenly come into a lease and they're ours because we need to be able to define the areas and sign them into a proper tenure leasing arrangement with the traditional owners.

CHAIR: Any Aboriginal corporations said that we'd like to run the houses? Now, I'll give you an example where I was recently - Robinson River. Those houses aren't NT Housing. They're going to get refurbished and I think they're hoping they will stay as part of their housing function as an Aboriginal corporation. So are there any people saying we don't want NT Housing to look after those houses?

Mr Ken DAVIES: The way it's working, Chair, is that we are funding organisations to provide the service but the intent of the partnership arrangement at the moment is to create a public housing model. So we need a set of records that facilitate a public housing model. That is a tenant history, ability to pay, making sure that as people move from place to place that we understand their family circumstances, if there's been some neglect we can deal with that and where there's been damage, people have to pay. So it's not our intent at the moment from the Northern Territory government side to relinquish these assets in an ownership sense to other organisations because of the investment made by the Australian government taxpayer.

However, it doesn't mean that we can't engage with an organisation like the organisation at Robinson River to manage those assets in an arrangement with us and to deal with the property and tenancy management. We're already doing that with shires and we've got the affordable housing rental company, the Central Australian Affordable Housing Rental Company engaged in doing some of that work for us in Alice Springs and the urban living areas already.

Ms SCRYMGOUR: Ken, can I ask a question, Chair? Thank you.

CHAIR: I have to put this out to the Members.

Ms SCRYMGOUR: In Wurrumiyanga which is Office of Township Leasing, what lease arrangement have you got with the Office of Township Lease?

Mr Ken DAVIES: At Wurrumiyanga we've got a 99 year leasing arrangement there for the public housing. The reason we've gone for 40 years, MLA Scrymgour, is that that's the normal life of an asset, so...

Ms SCRYMGOUR: So you've got 40 years at Wurrumiyanga?

Mr Ken DAVIES: No, no, 99, we've got a 99...

Ms SCRYMGOUR: 99 years. Sublease from ... okay.

Mr Ken DAVIES: That's right, it's concurrent with the township lease. And we anticipate hopefully, going back to the Chair's question earlier on, that some of those assets that are in the public housing model will shift to private home ownership, you know. Over time people might say they want to buy their house. So that 99 year lease parameter gives us a lot of capacity to transfer a house across on a further leasing arrangement that allows for real home ownership and some transfer ability, over time.

Ms SCRYMGOUR: What lease arrangement have you got in place or in terms of housing precinct, Milikapiti and Pirlangimpi.

Mr Andrew KIRKMAN: Milikapiti is just signed up to a township lease...

Ms SCRYMGOUR: Well, they will be, they haven't signed it yet.

Mr Andrew KIRKMAN: They will be, yeah. But they've agreed to a township lease which will look to a 99 year arrangement there as well, and Pirlangimpi is under currently under the five year lease.

Ms SCRYMGOUR: Alright, so you'll ... I mean, in terms of...

Mr Ken DAVIES: We'll have a sublease from the EDTL in effect...

Ms SCRYMGOUR: For Milikapiti?

Mr Ken DAVIES: For Milikapiti.

Ms SCRYMGOUR: Has there been discussions between the Northern Territory government and the Commonwealth in terms of the Commonwealth setting precedents in taking a 99 year lease over an outstation? Because as I understand, the township lease on Milikapiti is going to be including Ranku Outstation?

Mr Ken DAVIES: So Chair, we have had some discussions about that, and I think, you know, as we build the way forward around this, we're going to be tested in some policy areas. So Ranku currently is funded as an outstation and for that reason it gets funded through the NAHA and gets MUNS funding to support its housing infrastructure. So the houses at Milikapiti get funded to the tune of \$7,500 for RNM a year. Ranku only gets funded because it's on an outstation to the tune of about \$2,500 a year, and they're not in a public housing model.

It would be our intention for us to continue that funding arrangement for Ranku because it is not something that fits within the current negotiated parameters we have with the Australian government. So they've secured a lease over Ranku. It wouldn't be our intention to take a direct sublease for the housing infrastructure there because it's not within the public housing model as described by the current policy parameters we have.

Now that doesn't mean, as I've said before, that as some outstations decide and they grow big enough and they want to create a leasehold arrangement where some public housing is created that we wouldn't go there, but again, that depends on the funding regime that enables that to happen. And so as soon as people go into a public housing model on an outstation and if it's a new house, if it was a new house it's \$240 a week.

I don't know, we don't actually have a direct line of sight to what the residents on outstations pay their outstation resource centres in terms of rent. We certainly fund in the support that we provide and we know exactly what that is but in the new policy arrangement going forward which we're going to put to the Northern Territory government we're proposing to have a much closer relationship with those outstation resource centres so that we can understand what's being provided by the tenants, what's being provided by us and we can get a line of sight to how that resource has been managed.

Ms SCRYMGOUR: Okay. It would be good to try and line some of that up so you get some consistency.

Mr Ken DAVIES: Yeah, to try to build a sustainable model. And then if they do want to come into a public housing footprint, well, they're going to have to create a lease and Ranku is one that will test us. So we don't know where we'll end up yet.

Ms SCRYMGOUR: That'll be interesting because I was having that discussion with Jenny Macklin yesterday, so that's going to be an interesting...

Mr Ken DAVIES: Yeah, it's the start, I mean, it is fair to say that this goes back to Minister Brough's time as well, and...

Ms SCRYMGOUR: Oh look, he set precedents with Nama and Wudipuli Outstations...

Mr Ken DAVIES: That's right.

Ms SCRYMGOUR: ... in Wadeye, I mean, which everyone seems to have certainly forgotten about and...

Mr Ken DAVIES: Well, they're part of our public housing footprint, and we are managing those as public housing and they're both what were technically outstations, Nama and Wudipuli, so we've got two that sit in. This one that's just on that...

Ms SCRYMGOUR: And this one will come in and...

Mr Ken DAVIES: That's right, and then we've got other outstations who, going back to the Chair's comment, who might be saying, well, we actually want to be part of this public housing model. It's all about...

Ms SCRYMGOUR: Well, it has implications. I just wonder at some stage whether the Commonwealth will continue with the Office of Township Leasing or the, you know, at some stage they'll be, you know, whether the Northern Territory government will inherit...

Mr Ken DAVIES: Well, Chair, it's fair to say that for the work we're doing around our leasing now, we have got Department of Lands and Planning who are doing the cadastral survey work for us, we have got three or four lawyers involved, we've got the relationships with the Land Council. It's been coordinated out of the Service Delivery Coordination Unit at the moment, but we do have an office that is doing the direct Territory leasing negotiations now, and as I said to you, we've got to secure 1,800 assets, not 80, and so we've got a lot to do and in effect we have got a Territory leasing entity that's now starting to come to a point where at least in a negotiation and coordination sense that's starting to happen.

Ms SCRYMGOUR: I think everyone needs to acknowledge just how much work is being done in all of that, Ken, I think it's been ... and as you said, it's been 30 years of, you know, I mean, where it hasn't been done in terms of surveys and that sort of work. Where are we at in terms of those surveys with communities like Maningrida where, you know, I go back to my friend here and I always have discussions about the Planning Act and the scheme buying in remote Aboriginal communities, places like Maningrida which is a growth town and that the Planning Scheme applying in places like Maningrida that don't have a cemetery, and if you talk about surveys and ... I mean, as I understand it, the Department's been working on places like Maningrida. Are we able to get access to that?

Mr Ken DAVIES: We could certainly provide you with where we've gotten to, provide the CTC with that, definitely, and be very happy to do that to let you know where we're up to.

I think it'd be useful, Chair, as well, just, you know, we could provide a further briefing too just around the work that will need to be undertaken to actually make all of this happen as well. It's a big piece of work and understanding that it's not just going to happen tomorrow...

Ms SCRYMGOUR: No.

Mr Ken DAVIES: ... and the resourcing implications would be useful, so we could do that.

Ms SCRYMGOUR: Well, policy implications in the future, not just for our government but any future CLP government, you know.

Mr Ken DAVIES: Well, you know, it's definitely a big piece of work.

Ms SCRYMGOUR: Yeah.

Mr Ken DAVIES: Yeah.

Secretary Ms Helen CAMPBELL: So can I just be clear, Marion, you want the survey work on Maningrida once...

Ms SCRYMGOUR: Well, the work that Ken was talking about in terms of the surveys and assessments of these communities because that ... yeah.

Secretary Ms Helen CAMPBELL: And further briefing on leasing arrangements and negotiations going forward?

Mr Ken DAVIES: Yeah.

Ms SCRYMGOUR: Yeah. Thanks.

Ms WALKER: Thanks, Chair. Ken and Andrew, can I just ask a couple of questions around employment and workforce development based on the steps that you gave us in these spreadsheets. Thanks very much.

I mean, across every package the target has been for ... there's an agreed 20% indigenous employment and that target's been met and/or exceeded which is good. I'm looking at the very bottom of the spreadsheet around Section D, completion of accredited training. And I don't know if you can answer this question, but there's just some curious statistics there between the Territory Alliance and New Future Alliance and I'm just wondering about how it is they're delivering their training models. When you look at that in Cert I Construction, Territory Alliance have 48 completions, New Future Alliance obviously have gone to Cert I Construction, but at Cert II New Future Alliance have got 58 completions, and at the same time we now see Territory Alliance have got 36 underway in Cert II Construction.

So what is it about these two different contractors that are doing with their training? Does it reflect education levels in the community that they're working in that they've gone from one to a Cert I and one's to a Cert II. Can you answer that, Andrew?

Mr Andrew KIRKMAN: I'll do my best for you.

Ms WALKER: It just struck me as a bit of an anomaly there.

Mr Andrew KIRKMAN: Yeah. It certainly is different between the two alliances. We've got Ngarda Civil in construction who have basically been the lead around EWD in the New Future Alliance, and we've got KLI in Territory Alliance who effectively are providing the lead there.

Now both models have use of sort of mentors and rely quite a bit on funding with DEWAR around not only employment of mentors but employment ... getting those training modules worked through as well.

Now I think Territory Alliance have picked up a large number of people who haven't had any pre-work, or haven't had many employment opportunities in the past and there's been a lot of pre-work employment. So what will happen is every employee that hasn't had any of that sort of that pre-work employment, there's quite a bit around the literacy and numeracy and those sort of modules. They'll do those and then they'll go in to a Cert I in Construction.

So I will have to double check NFA because I'm surprised that there's none that have gone in there, but I think for the most part NFA have targeted workers at ... and certainly in the workers I've seen working in places like Ngukurr and Wadeye, they're targeted people who have had some experience in the past.

Ms WALKER: Yeah.

Mr Andrew KIRKMAN: So they've obviously been able to get the training started at a level beyond Cert I, but I'll come back on in terms of it, so perhaps a question on notice as to whether NFA ...

Ms WALKER: Yeah. Sure.

Mr Andrew KIRKMAN: ... in fact have had any Cert I and exactly why they've been able to move beyond that. But I'm presuming forward that that is because they've got on people that have had some experience and they've been able to start them on a Cert II.

Ms WALKER: Yeah. And yet conversely with Territory Alliance there are 12 completions for Cert III Carpentry apprenticeships, and yet only one for NFA.

And the other question was, what relationship do the alliance contractors have with DET and tapping in to the In Schools program where we've got, you know, within DET our focus is on getting kids into school, but getting them on to a pathway, so it seems to be a perfect opportunity where we've got major construction happening out in these places that there might be relationships with schools to tap into VET and young school leavers, or those in school but on that pathway.

Mr Andrew KIRKMAN: Yeah, I know. I'm sure there's more work we need to do in that regard in terms of the DET connection. Most of the employees that the Alliance have picked up have been mature age...

Ms WALKER: Yeah.

Mr Andrew KIRKMAN: ... which, you know, has meant that they're not in school, they may have in fact been out of school for quite a number of years. But going forward I think that's certainly part of the question.

In terms of we've got a working group that looks at the EWD side of the work the alliance are doing. We have got a DET member of that who provides some input around training, but moreover than not it's around the mature age training and employment.

Ms WALKER: I mean, if we look ahead to those packages that haven't been allocated yet because their leases haven't been finalised and that's places like Yirrkala and Ntaria, I mean, there's fantastic opportunities for those children at school to be able to tap into these projects that are coming their way.

Mr Ken DAVIES: And I think, Lynne, through the Chair, one of the things here is around sustainability, as well. So GB Civil Construction on Groote have actually just developed a very good partnership with Angurugu school and they've got a workshop at the back of the school and the kids go down, young men go down and do the welding and the construction activity.

In terms of sustainability, I think that's part of the things that we want to drive. And this goes to the future model because in fact they will be a long term employer.

Ms WALKER: That's right.

Mr Ken DAVIES: These construction companies are going to come and go. So it's where we target. Just as an example, the Barkly Shires put on a plumber at Ali Curung based there full-time now with the intent of that plumber taking on a couple of apprentices at least locally, and that's using the housing funding that we've got going in. So we're sort of ... there's this overlay but then the trick is to make sure that these people that get the training

are actually engaged in something that's longer term and not just dropping off the back of a program.

Ms WALKER: Yeah. Yeah.

Mr Ken DAVIES: And that's one of the challenges we've got.

Ms WALKER: Okay. Thanks for that.

Mr Ken DAVIES: But it's, yeah.

CHAIR: So can I...

Ms SCRYMGOUR: Do you have evidence from that, Ken, just following on from Lynne's question, of how many, from the alliances, have the alliance provided the Department, I mean, this is a ... we've been asking about the ... I mean, workforce issues and part of the agreement was that 20%, you know, meeting that 20% target. But have the alliances reported back into ... I mean, they've got work in other places, like there was a ... there's been a whole workforce trained on the Tiwi Islands and I know that some will be kept to maintain there. But how much of that workforce can actually travel or be mobile to other communities to work on other housing programs? Have they reported any of ... they've used any of the workforce?

Mr Andrew KIRKMAN: There has. I mean, there's also been some problems given we're keen to develop local, and I mean local to the community and the region, local employment, moving people from one community often to quite a distant community does cause us some issues in that regard.

I'm aware of, I think, a local indigenous person we've had in Wadeye and Tiwi both moving. We've had some people who we've employed on the Alice Springs town camp work which are now finalising. A couple of those I think are moving to other communities to do further work there, which is great for them.

There is that overlay of wanting to maintain that local development, but if there's good workers who are willing to travel, who are keen to progress further and alliance's have absolutely been keen to progress that.

Ms SCRYMGOUR: They've taken them with ... okay.

Mr Ken DAVIES: Oh, yeah. Definitely. One of the challenges has been with one of those workers I know was that they did go from one community to the other and I'm not sure how accepting the new community was of that person either...

Ms SCRYMGOUR: Okay.

Mr Ken DAVIES: ... Marion, and there is a view that if there are jobs available in the program better that they go to local people who haven't had a chance to be employed.

Ms SCRYMGOUR: Okay.

Mr Ken DAVIES: So there's the issue about whether or not some of these employees could actually come in and go into a mainstream employment program, you know, like working on...

Ms SCRYMGOUR: Yeah. Rather than going into another community.

Mr Ken DAVIES: That's right. So we had 13 that in Alice Springs that have made the transition to long term employees in Alice...

Ms SCRYMGOUR: Okay.

Mr Ken DAVIES: ... so we think that's a really positive outcome there from the building program down there. But of course that's because that community has got some industry and lots of employment options as well there.

Ms SCRYMGOUR: So 13 that have worked on...

Mr Ken DAVIES: ... on the SIHIP program...

Ms SCRYMGOUR: The SIHIP program and now working ... okay.

Mr Ken DAVIES: ... that started ... transitioned into building companies in the town itself, yep. Yep. So that's a good outcome.

Ms SCRYMGOUR: That is a good outcome.

Mr Ken DAVIES: And I think, you know, in the longer term around the Territory growth towns, some sort of a fly-in, fly-out model for people who have been trained is the way to go. Where people can travel...

CHAIR: We'd better finish up but just in relation...

Mr Ken DAVIES: Sure, Chair.

CHAIR: ... you've got unallocated packages here, are they dependant on the leases? Being sorted out?

Mr Ken DAVIES: Leasing ... we can't do a building program without a lease so there are two unallocated packages, Yirrkala and Yuendumu and Chair, unless we get a commitment to a lease, and it's nearly there at Yuendumu, but we can't engage in a building program, we won't be spending public money on additional housing in those communities until we can get a secure lease.

CHAIR: This will include even where five year leases are running out?

Mr Ken DAVIES: Where five year leases are running out, that could well be an issue in terms of discussing where there may be some reticent to return, reticence to return the houses. We've got that tenure gap and it may be possible that a community might ... or the Land Trust itself, the traditional owners that own that piece of land where we've got to acquire the public housing lease may be reluctant to do that. Well, if that's the case and we certainly haven't had any indications about this but we wouldn't be investing any new houses into those communities unless we had a lease.

CHAIR: Or any more refurbishments?

Mr Ken DAVIES: That could well be part of the negotiations.

CHAIR: Could I just ask then, the Commonwealth organised those five year leases, am I correct?

Mr Ken DAVIES: That was part of the NTER Act, yes.

CHAIR: Why couldn't it extend it for another five years, so you had the time for sorting this out?

Mr Ken DAVIES: Yeah, the NTER Act had a sunset clause in it and the compulsory leasing was a very compulsory arbitrary measure. That was part of the intervention, in effect, so it wasn't a negotiated process, it was an acquisition, and it was an acquisition of people's property, so what's happening is the leases are lifting, compensation will be paid for that and then in terms of creating a normalised environment where government owns the assets through proper negotiations on 40 year leases, we have to have this lifting and then go into a new arrangement, and that's why there could potentially be this tenure gap.

CHAIR: But why has it gone this far, you know, now to the end of the lease and yet we really haven't done a lot of negotiations about what's going to happen afterwards?

Mr Ken DAVIES: Well, I think ... so if we think about where we were three, four years ago, only now, to where we've got some township leases. Not enough but we've got a start, where we've got the CLC and MLC who are both agreeing to peppercorn leases for public housing, who are talking to us in this new framework around leasing government ... our assets, government assets to us on 40 year timeframes, the whole sort of language and paradigm around this has now changed, Chair, and it's going to take time. I mean, but we are going into something where a normal property where government would normally have to negotiate with the owners to acquire assets. If it was...

CHAIR: That's true.

Mr Ken DAVIES: ... the place down the road which the...

CHAIR: Government wouldn't normally put public housing in those circumstances necessarily. But is the CLC on side?

Mr Ken DAVIES: Absolutely.

CHAIR: He was talking about only dealing with the Federal government.

Mr Ken DAVIES: The CLC ... well, the CLC is using as the leaseholder the Executive Director of Township Leasing for the housing precinct...

CHAIR: The Commonwealth director?

Mr Ken DAVIES: Yeah, the Commonwealth Executive Director for the housing precinct leases at the moment but when it comes to the section 19 negotiations that'll need to go on around acquiring assets that are like power stations and schools and so on, we're not sure ... I don't have that detail with me, I could get it for you, Chair, about whether or not the CLC intend to use the EDTL or not, but that's their holding agent and that's their preference for at least the housing precinct lease at Lajamanu and Hermannsburg and we're assuming at Yuendumu, assuming Yuendumu get there. And keep in mind that the EDTL currently holds the head lease over the town camp of the urban living area infrastructure in Alice Springs. And then sub-leases that to the Department of Lands and Planning CEO who then in turn sub-leases to me as the CEO housing the housing footprint.

So, I mean, none of these are, you know, we've got a model here that's developing and again what we haven't talked about yet, and we're getting there, is to the point of transferable leases and leases against which banks will lend money as well, so this is all

happening within the space of three or four years. And again, it's a 30 year legacy, three or four years, it's a great journey and, you know, Chair, my advice to you is that the Land Councils are well and truly engaged in this process and have a sight to it and in fact see the decision by the Northern Territory government as setting the framework and the building block around which governments can really do business on Aboriginal land.

CHAIR: Because we did visit Hermannsburg and we didn't get that feeling at that time so I don't know whether things have changed since our visit to Hermannsburg.

Ms SCRYMGOUR: For?

CHAIR: For leasing. There were issues about...

Mr Ken DAVIES: Well, the leasing...

Ms WALKER: No, they have solved them.

CHAIR: That's right, they have now but there was an issue...

Mr Ken DAVIES: No...

CHAIR: ... and, you know, whether the Land Councils were happy with the whole process or the Central Land Council.

Mr Ken DAVIES: And it's fair to say ... well, the Land Council certainly is, I think, you know, at Yuendumu just for an example, the negotiations there are not about necessarily securing the housing lease, its how many additional houses the community think it wants and what our budget is in terms of it. So...

Ms SCRYMGOUR: And using the leases as leverage to thing.

Mr Ken DAVIES: That's right, as leverage, yep.

Ms SCRYMGOUR: And as I understand it, in Central Australia they went to the Commonwealth or to EDTL because they don't think that they should pay peppercorn rental.

CHAIR: Well, I have an opinion on that too but that's not for the CTC.

Ms SCRYMGOUR: No, that's your own personal opinion, Mr Chair, and it should stay your own personal opinion.

CHAIR: Well, that's what you get, a democracy and when you're running your own little dictatorship you can tell me to shut up. [Laughter] But as she's my relation I'll have to be kind to her. Thank you, thank you, Andrew.

Mr Ken DAVIES: Thank you, Chair. We will commit to provide that additional information as quickly as we can and, Chair, very happy to come back and talk to you about outstations and the leasing arrangements going forward at some point in the future.

Ms SCRYMGOUR: It would be good, Mr Chair, if we can get to that and...

CHAIR: We'll certainly do it after Christmas, Member for Arafura.

Ms SCRYMGOUR: Oh yes, some of us have got to have some leave, that's right.

CHAIR: Thank you very much anyway and I declare the Committee meeting closed.
Thank you very much.

Mr Ken DAVIES: Thanks.

MEETING CLOSED 3:12pm