



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

ECONOMICS REFERENCES COMMITTEE

Regional inequality in Australia

(Public)

MONDAY, 5 NOVEMBER 2018

DARWIN

CONDITIONS OF DISTRIBUTION

This is an uncorrected proof of evidence taken before the committee.
It is made available under the condition that it is recognised as such.

BY AUTHORITY OF THE SENATE

[PROOF COPY]

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

To search the parliamentary database, go to:

<http://parlinfo.aph.gov.au>

SENATE

ECONOMICS REFERENCES COMMITTEE

Monday, 5 November 2018

Members in attendance: Senators Ian Macdonald, McCarthy.

Terms of Reference for the Inquiry:

To inquire into and report on:

The indicators of, and impact of, regional inequality in Australia, with particular reference to government policies and programs in the following areas:

- a) fiscal policies at federal, state and local government levels;
- b) improved co-ordination of federal, state and local government policies;
- c) regional development policies;
- d) infrastructure;
- e) education;
- f) building human capital;
- g) enhancing local workforce skills;
- h) employment arrangements;
- i) decentralisation policies;
- j) innovation;
- k) manufacturing; and
- l) any other related matters.

WITNESSES

BICKNELL, Mr Greg, Chief Executive Officer, Chamber of Commerce Northern Territory	27
BOWDEN, Mr Joel, General Secretary, Unions Northern Territory	33
COOKE, Mr Doug, Senior Director, Digital Policy and Telecommunications, Department of Corporate and Information Services, Northern Territory Government	37
COOPER, Mr Robert, Chief Executive Officer, Larrakia Nation Aboriginal Corporation	1
DOUGLAS, Dr Josie, Manager, Policy, Central Land Council.....	7
FEJO, Mr Richard, Chairman, Larrakia Nation Aboriginal Corporation.....	1
ILLORTAMINI, Mr Gibson Farmer, Chairperson, Tiwi Land Council	7
KIRKMAN, Mr Andrew, Chief Executive Officer, Department of Infrastructure, Planning and Logistics, Northern Territory Government.....	37
MAYGER, Mr Derek, Chief Financial Officer, and Principal Legal Officer, Tiwi Land Council	7
McCORMICK, Ms Louise, General Manager, Transport and Civil Services, Department of Infrastructure, Planning and Logistics, Northern Territory Government.....	37
McMILLAN, Mr Peter, Executive Officer, Northern Territory Shelter Inc.....	21
PATERSON, Mr John, Chief Executive Officer, Aboriginal Peak Organisation Northern Territory.....	7
ROBINSON, Ms Kathleen, Chief Executive, Department of Corporate and Information Services, Northern Territory Government.....	37
ROSS, Mr David, Director, Central Land Council.....	7
SCHULZ, Ms Genevieve, Senior Policy Officer, Central Land Council	7
TAPSELL, Mr Tony Francis, Chief Executive Officer, Local Government Association of the Northern Territory	17

COOPER, Mr Robert, Chief Executive Officer, Larrakia Nation Aboriginal Corporation**FEJO, Mr Richard, Chairman, Larrakia Nation Aboriginal Corporation****Committee met at 08:34**

ACTING CHAIR (Senator McCarthy): I declare open this hearing of the Senate Economics References Committee for the inquiry into the indicators of and impact of regional inequality in Australia. The Senate referred this inquiry to the committee on 14 February 2018 for report by the last sitting day of June 2019. I acknowledge the traditional owners of this land, the Larrakia people, and I also welcome the presence at the committee of Mr Richard Fejo and Mr Robert Cooper.

The committee has received 126 submissions so far, which are available on the committee's website. This is a public hearing, and a Hansard transcript of the proceedings is being made, although the committee may determine or agree to a request to have evidence heard in camera. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken, and the committee will determine whether it will insist on an answer. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may also be made at any other time. I ask photographers and cameramen to follow the established media guidelines and the instructions of the committee secretariat. Please ensure that senators' and witnesses' laptops and personal papers are not filmed.

I now welcome representatives from the Larrakia Nation Aboriginal Corporation. Thank you for appearing before the committee today. I invite you to make a brief opening statement should you wish to do so. I also know that our committee has asked you, Mr Richard Fejo, to do a welcome to country for our committee today. Thank you.

Mr Fejo: Good morning, ladies and gentlemen and distinguished guests. My name is Richard Fejo. I am a Larrakia man of direct male descent of the Larrakia through my father, my grandfather and my great-grandfather in what Aboriginal culture refers to as grandfather law. Grandfather law is a very strong part of Aboriginal culture. It explains our inheritance of our land and our ability and our power to drive and lead our people.

Although we, the Larrakia, are known as saltwater people, our land boundaries extend approximately 50 kilometres inland. We've always been a welcoming people. Since the first time our history has been recorded, we've always been known as a welcoming people, and we're very proud to continue the traditions held by our ancestors as we welcome people to Darwin and Larrakia land today. We strongly support multiculturalism, and we believe that, whether you live here or you're visiting, you're a part of Larrakia story, and part of our story is making sure that's a strong story so everyone's success becomes our success and vice versa. So we do look forward to seeing what we can achieve today in respect for our people and our community, and this is what we're passionate about:

You have come by way of Larrakia land; while you are here you will hear the voices of our ancestors. When you leave, you will take the Larrakia message with you.

Reverend W Fejo.

Ladies and gentlemen, it's my honour to welcome each and every one of you to Larrakia land this morning. Thank you.

ACTING CHAIR: Thank you, Mr Fejo. Would you now like to introduce your organisation, the Larrakia Nation Aboriginal Corporation, and both yourself and Mr Cooper? You are welcome to provide an opening statement.

Mr Fejo: Thank you. I am the chairman of the Larrakia Nation Aboriginal Corporation here in Darwin. We are responsible for holding up programs in which we deliver our services to our community in assisting disadvantaged groups and Aboriginal or non-Aboriginal people. We run night patrols, day patrols and aged care. We run about 25 programs. We see this as an important aspect of maintaining our country and caring for country.

As a young fella, I grew up watching my father and my uncles and the amazing job they did. I was always in awe when I saw people come around home and ask my father for his permission to hunt or fish on our lands and about the way they governed our population. Today our population has increased greatly, so it is made up of much more than Larrakia people. Although we welcome our people, caring for country still means that we have to care for our population. To do this we need support to ensure that our role is fulfilled in our duty as Larrakia people, in our duty to our community and in our duty to our people.

ACTING CHAIR: Thank you, Mr Fejo. Mr Cooper, is there anything you would like to add?

Mr Cooper: The tenure that I've had with the corporation has been focused on increasing the service delivery to the disadvantaged clients of Larrakia Nation. Principally, those clients are visitors from the communities across the Top End. They are not Larrakia people. The inevitable conclusion I have come to, in terms of the inequality of the clients we face, is that as a proportion of the population of the Northern Territory the Indigenous cohort are above the national average.

Implicit in the inability to achieve Closing the Gap targets is the inescapable conclusion I reached that there is also underlying regional inequality. For the reasons outlined in our submission, we have difficulty maintaining continuity in the delivery of our programs. We have difficulty in renewing them in a timely manner. We have difficulty achieving a long-term focus in the delivery of our programs. If we were to have those issues answered, it is my view that we would achieve greater success in reaching the Closing the Gap targets. That is the longer term purpose of the Larrakia Nation that our chairman referred to earlier.

ACTING CHAIR: Thank you, Mr Cooper. In this inquiry we're looking at a number of areas with our terms of reference—fiscal policies at a federal, state and local government level. Would you be able to explain to the committee, when you look at the policies at those levels, what works and what doesn't work in terms of the high rate of inequality that you speak of or the frustrations that you need us to be aware of?

Mr Fejo: If it's all right with the committee I might just glance over some of the topics that we've addressed in our submissions. What we've got here is some indication of the significance of the impact of the NT economy on the NGO. We've outlined that currently in the Northern Territory NGOs employ approximately 7,600 full-time and part-time staff, which is eight per cent of the NT workforce. In comparison, manufacturing is four per cent, fishing is two per cent and mining is three per cent. This is just to outline some of the numbers.

Robert, our CEO, has referred to the duration of the funding agreement. Larrakia Nation receives 71.6 per cent of its annual revenue from government grants. It's not possible, in the NT economic environment, to employ staff from contracts outside grant contract periods, owing to the lack of mobility between regions given the distance of the NT from the larger populations in the south and the east. We've talked about the duration and application for grants and some of the experiences that we've had, and having timely returns for applications.

I think it refers to the example of provision of community night patrols in the Darwin urban area. This program is funded by the Department of Prime Minister and Cabinet under the Safety and Wellbeing program, and the funding was renewed on 1 July 2018, ending on 30 June 2021. The funding period dictates our focus as a service provider as meeting short-term objectives to removing clients from places of vulnerability and delivering them to places of safety. It does nothing to ensure or encourage longer term objectives associated particularly with achieving improved health outcomes and Closing the Gap targets associated with long-term employment and mortality. This, for us, is part of why we have 'living stronger and living longer' as our motto. We are about encouraging Aboriginal people to take leads in their health, and we know that we can achieve this through creating employment opportunities.

I understand that currently our entire range of programs are made up of Larrakia people. Just this morning it was explained to me that we've taken on a whole new group of Larrakia employees. For someone who is not employed, that is life changing; that is opportunity. It also means that they can care for their families and provide better lifestyles. This is the message that we hope to spread out into our community—not only can we generate potential employment but we can also actually change people's lives. Caring for our country means that we are on the front line and we're the best to understand and relate to Aboriginal issues in Darwin on Larrakia land: (1) because we are Larrakia people and (2) because this is our backyard. We're very passionate and caring about what happens in our backyard, and we know that no Aboriginal issue can be better overcome, other than having Aboriginal people dealing with Aboriginal issues.

ACTING CHAIR: Mr Fejo, I have a few questions, and then I will hand over to Senator Macdonald. In your submission you talk about the poor coordination between levels of government, with a particular focus on tenancy support. You also mentioned why you have a large group of Larrakia employed. I think it was you, Mr Cooper, who said you are predominately servicing people who are not Larrakia, who are actually coming in from the regions of the Northern Territory. You might just want to explain to the committee some of the reasons that you see why people are coming into Darwin who then have come into your services. What are those services that you're providing them?

Mr Fejo: My understanding is a lot of people move into Darwin, firstly, because it's the capital city of the Northern Territory. A lot of people come and choose to live in Darwin so that they can provide better education for their children in schooling during their high school years. They also have more opportunities, potentially,

through employment. Sometimes we find that the disadvantaged groups come to Darwin because perhaps there might have been some challenges they've discovered or they've experienced in their own communities. As such, quite often people might move to Darwin. So there's one side of it that is actually the positive, attractive side, where there is a balance between the good and the bad, so on the one hand it's opportunity, but on the other hand there are disadvantaged groups. For the Larrakia Nation's approach, these are the groups that we're more interested in assisting: the homeless, the disadvantaged, the people who have no opportunity. They're who we're trying to provide services to, and that does include services like return to country.

ACTING CHAIR: Would you like to explain the return to country program?

Mr Fejo: Sometimes when people live on our country they might be homeless, they might be on unemployment benefits. They are unable to afford a plane home. If they need to fly back to their community, say for sorry business or funeral time, it might be a reason that they need to return home but can't immediately access it. We have a service that can assist them to return to their country.

ACTING CHAIR: How does that service work?

Mr Fejo: I understand, and Robert can support me on this, that we would basically cover their airfare and then, in increments, they would return this.

ACTING CHAIR: They would pay the Larrakia Nation back?

Mr Cooper: Yes. We have an arrangement with Centrelink. The client will come into our office, we will organise their travel—whether it be by bus, ferry, plane—and they will then repay us out of their Centrelink payments for the next however long it takes to repay that. We now run that, effectively, as a commercial enterprise, so, once you have travelled with us, you need to repay that debt before you can travel again. We have a mixture of people who are here and haven't been prudent enough to save their return air travel, or they've been here for a period of time and decide they want to go home, or they need to go home for a specific reason. We will cater for whatever their requirements are, providing they meet their own obligations. So we build up the understanding that they need to take some responsibility for their own travel.

ACTING CHAIR: And do you get the returns? Do you get the money back through Centrelink?

Mr Cooper: The level of debt fluctuates. In the last month, for example, we sent a little over 200 people home and the level of debt we carried for the month came down by \$12,000, so we received more in debt repayments than we incurred in additional debt for the last month. For some months, it may well be the other way around. But, generally speaking, it is coming down slowly.

Senator IAN MACDONALD: You just said you run that as a commercial enterprise. Do you charge interest?

Mr Cooper: No.

Senator IAN MACDONALD: How is it a commercial enterprise then if you're just lending money and getting it back? It sounds like a good program, but how do you class that as a commercial enterprise? How does it make money?

Mr Cooper: We are paid by the Northern Territory government under a five-year contract, so we know that we have a period of time in which to recover the money. We started with money in the funds, so we're not paying interest on the debt that's carried, and the Northern Territory government has underwritten the debt that we are incurring. If you like, we've transferred the financial risk across to the NT government.

ACTING CHAIR: Just to finish on that, would that be just one of many services that you provide in getting people back to country? Or is that the main return to country program?

Mr Cooper: It's the return to country program. We are currently in the process of developing—I'll run briefly through the relevance. We are developing a Larrakia Nation client database, which our day patrol, night patrol, return to country, health outreach and probably NT support programs will be able to access. We can identify for our clients, whichever door they come into our service through, what their requirements are, what their reasons for being in town are, because they're all different, and where they want to exit from the system. We can refer them to Centrelink if they've had their payments stopped because they changed their address. We can refer them to one of the rehab centres. We can refer them to tenancy support if they're having trouble with family and tenancy. Or we can refer them directly to our own return to country program and arrange to have them sent home.

Senator IAN MACDONALD: First of all, Mr Fejo, thank you very much for your very warm, generous and, dare I say, genuine welcome to your country. It's a lovely way for me to be here, knowing that I'm welcome. So thank you very much for that.

Right across Australia there's a reality that, if you live in the regional parts of Australia, you don't seem to do as well as those fortunate people who live in Sydney, Melbourne, Brisbane and perhaps Adelaide. And so the

committee is trying to work out if there is one way we can address this. If you had a magic wand, what would you do in the big picture to fix a lot of the difficulties and inequalities you see in the Northern Territory? Is there some overall approach you might take? Some people in Canberra seem to think that Indigenous people are second-rate people who can't look after themselves. I always reject that. That's a stupid proposition. Indigenous people are as good as or better than anyone else. So what could we do that would get to the root cause? Again, I understand from what you're saying that just getting government grants is really not a long-term, sustainable future. I'm wondering if you have thought of the big picture. What do we need? More education? More jobs? How do you get more jobs? How do you get people to advance—if you call it advance—to the lifestyle that people in Sydney and Melbourne seem to have and to whom we in the regions look and say, 'Why don't we have those facilities?'

Mr Fejo: My view would be reaching self-sustainability as a goal but also understanding that, in saying that, we're still at a change point for us. We're still at the early point where we're encountering challenges with high rates of poverty and disadvantage. Our conclusion outlines Indigenous child mortality being unacceptably high. Early childhood education is low. Indigenous literacy and numeracy and year 12 attainment are unacceptably low.

Senator IAN MACDONALD: Why?

Mr Fejo: I think it is because we're still in that change period where we're trying to get to that turning point and go around the corner so we can support our children going to school. But, to do that, we need to support their parents and perhaps gain employment and all of that opportunity. As a cultural educator, I think we have to factor in our histories. Considering that in 1967 we became citizens of Australia, we're still trying heal ourselves. It's going to take us to really have impact in how we heal ourselves. That's why I say Aboriginal people are the people who really understand the disadvantage we face, because we experience it.

Senator IAN MACDONALD: You're the original citizens. The 1967 thing was really silly; it should never have needed to happen. I hear you say that it's self-sustainability, and that seems to me to be what's needed in all of regional Australia.

Mr Fejo: Yes.

Senator IAN MACDONALD: The question is: in the Northern Territory or in many parts of regional Australia, how do you do that? Tourism is important. There is mining and agriculture. Is there anything that anyone can do to increase those economic opportunities so you do become self-sustainable? That to me seems to be the underlying—

Mr Fejo: It is. It's an answer in itself. It's creating the opportunities. It's a part of independent self-determination so that our future children can go into more than just being dancers. They can be doctors. They can be lawyers. But, to do that, right now we need to get them through school. We need to get them to that point of focus and change what has been in the past into potentially an exciting future for us.

Senator IAN MACDONALD: You've related back to education. I'm from Townsville; James Cook University has a lot of Indigenous graduates. A lot of them are doctors too, I understand. So, as you say, the change is happening. But, to go back to the root cause, you're saying that whatever we can do to get the kids educated will guarantee their future and enable them to become doctors, mining engineers and farmers that can export things and earn money for the community. Would you agree that the underlying cause is trying to get that education right?

Mr Fejo: For some it's education. For some it's finding a roof over their head each night.

Senator IAN MACDONALD: Yes.

Mr Fejo: We still have that happening today. For some it's food security. These are human rights, which people are entitled to, but they are challenging. That's why we have our service and that's why we have outreach to people. That's why we need to start at the very roots of commencement.

Senator IAN MACDONALD: I agree that poverty and a roof over the head is something that, hopefully, won't be an issue at all, because everyone will be self-sustainable. This is looking to the future. This is where I'm asking: if you had a magic wand, what would you do to ensure that happened so you don't need to rely on government grants, you don't need to rely on welfare and are very capable, very innovative people who are part of the community? How do you get there? I don't have the answer to it; that's why I'm asking you—in case you do. Looking at the big picture, where do you want to be in the future?

Mr Cooper: As a corporation, we're really implementing a number of strategies. The magic wand has a broad brush. Fundamentally, there are a number of things we're looking at. One is obtaining better access to traditional Larrakia country not just because it's about the land but because that represents the opportunity for leveraging economic and social advantage for the future generations. It's not about Richard; it's about Richard's kids,

grandkids and future generations. The second part is about education—not only early childhood through but also the way in which that education is delivered. I had the good fortune a couple of months ago to see the Australian curriculum review authority come to Darwin and present the Indigenous streams that are now in the science curriculum for every year from preschool right through to year 12. They now have what they call elaborations for delivering education in a culturally appropriate and relevant manner. I've spent 20 years working my way west from Cape York, and the schools that I have seen most successful in Indigenous communities have delivered education in a way that the kids there can understand and benefit from.

Senator IAN MACDONALD: Is science for Indigenous people different from science for everybody else? I mean it's either science or it's not science.

Mr Cooper: It's the relevance of the delivery to the individual. For example, if you combine a maths or geometry curriculum with the way you do the scoring in AFL, all of a sudden it becomes relevant and a lot easier to understand. As a cyclist, I find it easy to understand vectors and acceleration in physics and so on if you put it in cycling terms, and I presume that's the same for other people. If it interests them then it has relevance for them.

The third part is self-confidence. We've currently taken on 17 more staff, 14 of whom are Indigenous, and the most heartwarming comments I got from the staff when they started work last Monday was, 'It gives me the opportunity to set an example for my countrymen that I can come from being unemployed to being full-time employed through your organisation.' And the second part was, 'It gives me the opportunity to help my countrymen.' So they are there looking out for their people for the long term, and that's where the inequality is that we see. As our chairman said, the Larrakia Nation is about living stronger living longer, and that's not about dealing with the short-term issues. That's about generational change out of our longer-term focused education system, seeing what leverage you can get off the land and getting people into proper employment. Whether it's tourism or something else, employment is employment.

Senator IAN MACDONALD: Or doctors or scientists or whatever. Okay.

Mr Fejo: To elaborate, I'll add this example. While we're talking about that, what we also need to take into consideration is that Larrakia Nation in the last 10 months has set up its very first elders program, which it takes a lot of pride in because it hasn't happened before and our elders have always wanted to achieve that. That, for us, is achievement. We're looking at rebuilding on our languages, and we're actually rebuilding on our traditional dances. That's the opportunity for our kids to perform as Larrakia in Larrakia dance talking Larrakia language.

Senator IAN MACDONALD: I understand that. That's good. I have a Scottish background. My forebears wore skirts and played those horrible things that make a squeaking noise, so it's important to keep culture. But, in the end, you've got to make your way in this big world, and that's where I think you're right about education. You explain the transition, the change, and that's important because there's no reason why Indigenous people shouldn't be the doctors, the scientists or the politicians heaven forbid!

ACTING CHAIR: Well I'm one, Senator Macdonald!

Senator IAN MACDONALD: Excuse me, Senator McCarthy. Who would want to do that! There's no reason why they aren't equal to or, as I say, better than everyone else in Australia. The opportunity is there. We've just got to make it happen. Perhaps the best way for governments to help is to keep out of it and let more intelligent people work on these things. Anyhow, thanks every much for that; that's wonderful. I see from your submission that you certainly do a lot of good stuff and employ a lot of people around the country. Is there anything that government can realistically do? Give more money? Everyone tells me, wherever you are, whatever you feel, that they always want the government to give more money, but there's a limit to that. Apart from that, is there anything governments can do that might achieve that better education outcome, that self-sustainability you talk about and the better health outcomes?

Mr Cooper: Senex would suggest that it comes down to engagement. As I previously said, I spent 20 years working my way west from Cape York through the gulf across to here, and I think the consistent message is that Indigenous people do have ideas, and have valid ideas, but frequently the consultation process really provides lip-service and doesn't actually give them the opportunity to engage and design their own future. A gentleman I have a lot of time for by the name of Joseph Elu from the NPA—I'm sure you've come across him, Senator Macdonald

Senator IAN MACDONALD: Joseph, yes.

Mr Cooper: In a public forum he once said, 'You should love us and leave us alone.' I suspect there's a lot of truth in that. You're talking to a people who have the ability and the desire but, while they are faced with the levels of support they have now, they find it difficult to break those shackles and actually redesign their own future. As a New Zealander coming across here and seeing it from the outside, I have the utmost respect for the people but not a great deal of time for the way that their future is being engineered presently.

Senator IAN MACDONALD: That in itself is a worry—that you say their future is being engineered for them. As I often say in the Senate, Indigenous people are as good as or better than others. They shouldn't be treated as different people; they should be just treated as people who can make a valuable contribution not just to their society or to Australia but also to the world. Thanks very much for that. I appreciate your comments.

Mr Fejo: I have a strong belief that we are the answer. I've had a lot of organisations approach Aboriginal people and Larrakia Nation and say, 'We're unable to effect change with the Aboriginal people that we're providing services to.' They're trying to close the gap. My response is: 'We're the glue. We're the traditional owners of this land, and nobody can engage or challenge us better than us.' Everybody knows about Aboriginal cultural law and customs. Traditional owners have the right to speak for country. Aboriginal groups will follow us. We need to have the ability to tie up loose ends—and we've put this in our conclusion as well—and make sure that we have the ability to provide ongoing services. In the past we've had programs that have risen in status and then had the funding removed. We can't engage, or continue to engage, our communities that way.

Senator IAN MACDONALD: Thanks for that. I see your conclusion—thanks for your written submission too, which is very good. I see those immediate goals, and they have to be reached—no doubt about that. I was trying to look to the broader future picture so that talking about child mortality is just not an issue anymore. The question is: how do we get there? Thanks very much for your comments today which give us a bit of an insight into that.

ACTING CHAIR: On that note, I appreciate your appearance here this morning, and we'll see you again soon. Thank you, Mr Fejo and Mr Cooper.

DOUGLAS, Dr Josie, Manager, Policy, Central Land Council

ILLORTAMINI, Mr Gibson Farmer, Chairperson, Tiwi Land Council

MAYGER, Mr Derek, Chief Financial Officer, and Principal Legal Officer, Tiwi Land Council

PATERSON, Mr John, Chief Executive Officer, Aboriginal Peak Organisation Northern Territory

ROSS, Mr David, Director, Central Land Council

SCHULZ, Ms Genevieve, Senior Policy Officer, Central Land Council

Evidence from Dr Douglas, Mr Ross and Ms Schulz was taken via teleconference—

[9:13]

ACTING CHAIR: Welcome. I'd like to thank you all for appearing before the committee today. I invite you to make a brief opening statement, should you wish to do so.

Mr Mayger: Chair, I have an apology from our chair, Mr Gibson Farmer. He's absent this morning, but he would have wished to have been here.

ACTING CHAIR: Thank you very much. I'll go to the Central Land Council. Would you like to make an opening statement, Mr Ross?

Mr Ross: Yes, thank you, Chair. Good morning to you and other members. This morning I appear on behalf of the constituents of the Central Land Council. Our constituents number more than 24,000 people who reside in remote and very remote areas. We cover an area close to 777,000 square kilometres in the southern part of the Northern Territory. The CLC itself is a Commonwealth statutory authority which was originally established under the Aboriginal Land Rights (Northern Territory) Act 1976. We are also a rep body under the Native Title Act. We're governed by 90 Aboriginal people who were elected from communities throughout Central Australia.

Amongst our other functions, the CLC has statutory responsibilities to protect the interests of Aboriginal people with an interest in Aboriginal land, including: to make loans, agreements and native title claims; to protect sacred sites; and to utilise land and other financial resources for the benefit of their communities. CLC is also a member of the Aboriginal Peak Organisations Northern Territory, APO NT. We work closely with the alliance to advocate for the wellbeing and rights of Aboriginal peoples across the Northern Territory.

Over 40 years the CLC has worked to achieve outcomes for our constituents. We have a successful ranger program, and community demand for ranger employment and for the establishment of additional ranger groups is very high. We have 12 ranger groups, with an additional four groups that manage Indigenous protected areas. Most of the 144 positions in CLC's land management section are Indigenous rangers. Our Community Development Program continues to grow, with more groups wanting to direct their income from rent, royalties, leasing and compensation payments to community driven projects that will achieve lasting community benefits. Aboriginal peoples in Central Australia are using their own assets to drive social, cultural and economic development. With strong leadership from the CLC delegates, groups and families are working together to identify, plan, implement and monitor projects that benefit people at a regional, community and homeland level.

Significantly, however, the many millions of Aboriginal dollars being invested through the Community Development Program—for example, for education, training, employment, community safety and enterprise development projects—are rarely matched by co-contributions from government. Co-contribution means projects can be implemented more comprehensively and run for longer. It also means that traditional owners' money, which is insufficient to relative need, stretches further and achieves more.

Aboriginal people in remote and very remote regions of Central Australia experience the lowest median incomes, the highest rates of poverty and the highest rates of income inequality in the country, compared to non-Aboriginal people. Worryingly, income gaps are widening in remote areas. The causes of these disparities are complex but well known. The intervention, the dismantling of governance structures and the abolition of community councils and Indigenous community housing organisations led to major upheaval of remote communities and loss of community control. The dismantling of the Community Development Employment Projects, CDEP, and its replacement with the discriminatory CDP is causing further hardship. This is combined with worsening housing conditions for small to medium communities, and overcrowding remains an ongoing issue. Education outcomes are not improving, and it is increasingly difficult to organise accredited training for remote communities.

The government needs to take urgent action to reverse these trends. I know better than most that this problem is complex. However, I believe that there are clear steps that can be taken now to narrow these gaps. These include,

firstly, adopting APO NT's remote development and employment scheme as an alternative to CDP to increase the number of jobs in communities, drive community participation and development, and provide for youth who are disengaging from the program.

Second is prioritising the rebuilding of a remote housing sector. We need a remote housing system which prioritises the physical and mental health of people in communities, enables communities to have greater control over decisions about housing and creates opportunities for local training and employment. Critically, to improve housing for remote areas, greater investment for headworks serviced lots is required. This matter is not being adequately addressed by the Commonwealth or NT governments. We also need investment in a long-term housing maintenance program to be delivered by Aboriginal organisations. This is where long-term employment outcomes will be realised.

Third is ensuring that government initiatives supporting Aboriginal enterprises respond to the unique conditions of remote communities, including remoteness, high-risk lending conditions and the necessity for Aboriginal peoples to maintain a connection to country. Fourth is continuing to support CLC's ranger program, which has demonstrated its ability to achieve significant benefits for Aboriginal people in training, employment, health and wellbeing.

Fifth is investing in vital basic infrastructure in remote and very remote areas to improve opportunities for Aboriginal-driven development on Aboriginal land and sea, including in roads, water, power, telecommunications and access to essential health and education services. And sixth is continuing to work with CLC, APO NT and others to develop a Closing the Gap framework which is supported by COAG endorsed national legislation, adequate funding and Territory-specific targets to reduce disadvantage in areas such as health, education and employment.

Thank you for your time this morning. I look forward to reading the committee's final report. I'm happy to engage with any questions that you may have.

ACTING CHAIR: Thank you, Mr Ross. We'll come to you as soon as we have heard the opening statements from your fellow panellists.

Mr Mayer: Thank you for the opportunity to present some regional inequalities that cumulatively are of concern to the Tiwis—firstly, communication infrastructure. There's a strong reliance on data communication to the Tiwi Islands, and it impacts on our quality of life and our day-to-day operations. Outages have a significant impact and can take from a couple of days to a week to be fixed. This impacts on policing and emergency services. It can cause a lack of power into households because of the metering system, where the top-ups are replenished through a point-of-sale system and access by the internet is required. There are limited shop sales and club sales due to only cash being available during these outages and the BasicsCard, credit cards and debit cards aren't available. There's also decreased communication between members because there's a high reliance on communication applications for people over the island. Also, there's an impact on the people wanting to participate and support their football team due to lack of coverage.

Senator IAN MACDONALD: That is most important!

Mr Mayer: That is important—that's right. I'll move on to roads now. There are a number of sealed roads and they're basically in the communities, whereas the access roads between communities are unsealed. The size of the island is about 8,000 square kilometres, so it's quite a large area. It's the second largest island behind Tasmania. The unsealed roads are graded twice a year and, when the rain sets in, the roads start to diminish quite quickly, creating unsafe driving conditions. That causes excessive repair and maintenance costs for both individuals and the organisations that service the island and it also reduces the longevity of vehicles.

On the food networks, fresh fruit and vegetables and other perishables are generally of lower quality in the Northern Territory, in Darwin, but, with the added time frame of barging them to the Tiwi Islands, the shelf life and quality is further diminished. Also, there's an additional freight cost, and the Tiwis seem to bear that additional cost.

I'll move on to another area: rangers. The Tiwi Islands have a coastline of about 116 kilometres. For this, the Tiwis have one authorised fishing inspector of class I, which is appointed by the minister of the Northern Territory under section 7A of the Fisheries Act. To put this into perspective, the distance from Sydney to Brisbane is 879 kilometres. Further, there are two marine ranger bases and two boats. One boat is in excess of 10 years old.

Moving to the heading 'Travel', we have two subheadings. One is 'Fuel'. The fuel price on the Tiwi Islands is approximately \$2.40 and has been at this rate for in excess of 10 years. On 29 October, 2018, the price indicated at GlobalPetrolPrices.com for Australian unleaded gasoline was \$1.61. The second is 'Air Transportation'. Major transport by air is through one airline, and the cost of a one-way airfare from Darwin to Bathurst Island is \$160.

Bathurst Island is about 80 kilometres north of Darwin, and the flight takes around 20 minutes. The cost of a one-way airfare to Garden Point is \$180, and Garden Point is situated on the north-west coast of Melville Island. That's approximately 125 kilometres from Darwin, and the flight time is about 30 minutes. Also, a flight from Darwin to Snake Bay is \$180. There are three major townships on the island, and those are the three. A recent comparison showed a flight from Melbourne to Sydney, QF949, with a total duration of one hour and 25 minutes, cost \$185. Furthermore, the transit time and cost from Darwin to other capital cities, including Canberra, which is an indirect flight, restricts the conduct of business due to excessive prices, scheduling delays and flight times.

This is an important one which is probably unique to the Tiwis. This is under the heading 'Medical and Renal'. There have been numerous studies, but a study by Professor Simon Foote has found from DNA sampling that the Tiwi population forms a unique cluster compared to other populations. Under this cluster, there's a predisposition to renal problems as the Tiwis have a lower-than-average filtering mechanism within their kidneys. They're just born with this DNA. So it doesn't really matter what type of environmental factors are played out in life; they're already starting with a significant chance—a disproportionately high chance—of facing renal issues, which end up requiring dialysis.

There are seven dialysis chairs set up at Bathurst Island catering for 21 patients. There are further chairs, in the nature of a self-care in-home facility, at Garden Point. The current configuration does not cater for an additional 30 to 40 Tiwis seeking dialysis in Darwin. For those who have to travel to Darwin, rents are very expensive. Generally, they have to maintain a house on the island and pay full commercial rent in Darwin. Those who can't afford rent quite often end up living in the long grass in horrific conditions. There are approximately 30 Tiwis with chronic kidney disease. Once a month two visiting doctors consult, but there is insufficient time for them to provide a service to all the patients.

We draw these matters to your attention for the purpose of assisting the Tiwi into the future, and trust you will continue to visit the Tiwi Islands.

Mr Paterson: I'd like to thank you, Acting Chair, and the panel for the opportunity to provide input to this inquiry. I'd like also to acknowledge the traditional owners of the land we're meeting on today. The central point, when considering issues of regional equality, is to acknowledge historical and structural inequality that Indigenous people experience collectively in this country, and that has various expressions of jurisdictional, regional and local levels.

Colonisation, dispossession and displacement of traditional lands impacts on culture, with the separation of families through past government policies, high levels of incarceration and ongoing discrimination and racism. They have all contributed to continuing disadvantage, poor health and poor social outcomes for many Aboriginal people. These impacts are experienced in the shortened life expectancy of Aboriginal adults and the rapidly expanding younger age structure of the Aboriginal population. More than half of the Northern Territory's Aboriginal population is under 25. Many Aboriginal people in the Northern Territory are disadvantaged, with unacceptable rates of poverty, overcrowding, exposure to domestic violence, alcohol abuse and incarceration of family members.

These inequities are some of the main drivers of the gap between Aboriginal and mainstream Australian society. They have been deeply entrenched by intergenerational disadvantage, characterised by the generational layering of disadvantage upon disadvantage, low income, limited education, low job skills, long-term unemployment and increased involvement with the criminal justice system driven by ongoing systemic discrimination and racism.

In the Territory, a number of structural factors contribute to the inequality experienced by Aboriginal communities. These include the small size of the population, the revenue base of the Northern Territory and its reliance on Commonwealth funding. For a high proportion of Aboriginal people—comprising about 30 per cent of the population, and the remote and very remote distribution of around 80 per cent of the Aboriginal population—the fiscal policies of governments over a very long period have resulted in systemic gross underfunding of housing, community infrastructure and services for their communities.

The impact of this, in terms of generating inequality, cannot be overstated. Housing provides a relevant example. Legacy issues of inadequate housing are generally accepted as a major contributing factor to the high rates of homelessness, with an estimated 81 per cent of homelessness in the Northern Territory being caused by severely overcrowded dwellings. There are, simply, not enough houses. This is across the board—regional, remote communities, town camps, homelands and outstations.

Data from the ABS, from the 2016 census, revealed that the Northern Territory has a homelessness rate that is approximate 12 times higher than the national average. Aboriginal communities also struggle to achieve the basic

level of environmental health enjoyed by the rest of the population. But the most recent *Overcoming Indigenous disadvantage* report is showing no improvements in access to clean water, functional sewerage and electricity services. Environmental factors contribute to the incidents of chronic diseases, including rheumatic heart disease and kidney disease—with an alarming 67 per cent increase in end-stage kidney disease for Aboriginal Territorians. If we went through other major determinants of health and wellbeing such as early childhood programs, education and employment, we would find the same story.

Looking beyond the obvious lack of funding to further crippling factors that are dragging us down, entrenching rather than reversing inequality, this is the nature of the policies governments continue to pursue to address disadvantage and inequality. In the seemingly intractable lack of coordination between governments and delivering policies the first is the continuing top down, paternalistic, bureaucratic and often punitive policies that governments insist on inflicting upon our communities. These do nothing but undermine and disempower and are more likely to result in a disengagement than behavioural change.

Billions of dollars were wasted with the NT intervention policies. Evidence has shown the intervention to have been an utter failure, but the government did not listen and they weren't keen to learn from the Aboriginal leadership. They just kept on serving up more of the same, because we can't be trusted to take responsibility with our own solutions to run our own services.

Take the Community Development Program, or CDP, which my counterpart Mr Ross alluded to. This discriminatory, mainly Aboriginal, Work for the Dole scheme has been resulting in breaches and penalties for noncompliance at a rate around 30 times of the mainstream jobactive program. It is causing significant harm, hardship and distress to CDP participants and their families, and deepening poverty in communities.

The Aboriginal peak organisation and a coalition of Aboriginal providers and national peaks have developed an alternative program that is tailored to the needs and capacity of Aboriginal organisations and enterprises, and it is community directed and Aboriginal governed. But we can't get a look in. Instead the government at this moment is seeking to apply the mainstream targeted compliance framework to CDP participants despite modelling indicating that this will result in an increase in serious penalties and people being exited from the scheme.

I will briefly mention the second crippling factor, the lack of coordination by governments in policy delivery. What we experience are fragmented, siloed, uncoordinated policies and associated duplication through multiple providers, multiple departments and governments, which can be seen as a dog's breakfast. One example is a community of about 400 people in Central Australia that has been serviced by 16 different providers of social and emotional wellbeing services.

Our message is clear: stop the top down, paternalistic, one-size-fits-all policies. Stop the punitive approaches that this empowers and stigmatises. Stop the siloed, fragmented approach to the service delivery and start acting on evidence. Invest in us, in our organisations and in our communities. This would be the strongest regional development policy approach you could have.

This is how you can build human capital. This is how you can enhance local workforce. We know this works. We in the Aboriginal community control the health sector. We have proven that we can do it. In the Northern Territory we provide over 60 per cent of the primary health care to Aboriginal communities. Our services are between \$20 to \$40 million enterprises and we lead the way in quality service provision. We are also the biggest employer of Aboriginal people. There are hopeful signs that the current Northern Territory government is following a policy of local decision-making and has embarked on a treaty process. In relation to the reforms from the recent Northern Territory royal commission, we are seeing a better-coordinated, collaborative approach from government, but it is early days and we will need to see sustained commitment.

If I was going to add anything further, I'd say to government: invest genuinely in cultural competency and cultural security in the way you do business, because if you do you'll see a significant improvement in the quality of engagement and resulting outcomes. I want to add that the Aboriginal Peak Organisations comprises the Central Land Council, Northern Land Council and the Aboriginal Medical Services Alliance Northern Territory. Thank you.

ACTING CHAIR: Thank you, Mr Paterson. We'll go to Senator Macdonald.

Senator IAN MACDONALD: Thanks, gentlemen, for your attendance today and for your contribution. As you know, this is an inquiry across Australia into the disadvantages of living in the regions, as opposed to, I always say, Sydney and Melbourne, which lead, some think, a very privileged life, with schools on every corner and commuter trains and competition football games at every park, the sorts of things that we in regional Australia don't have. I might say, the Tiwi Land Council's submission talks about fuel and airfares, which are

some of the real problems of regional Australia. How we address that, I don't really know. Perhaps I'll come back to that with them later.

I understand issues with Indigenous people. That's not particularly what this is inquiry is about. It's about regional Australia. I treat Indigenous people like every other Australian and better than most, or at least equal to every other Australian. There are problems in the Indigenous area, but this is not perhaps the time and the place to go into those. What I asked of the previous witness, which I'll ask all of you, is: in the big picture, what can be done to address in a permanent way the issues so that there isn't poverty, there isn't homelessness and there isn't a lack of opportunity? If we could find the magic wand to do that, that's what we need to address. If I might be specific with Mr Ross from the CLC: you mentioned education and training wasn't working, but is the problem education and training, or is the problem: once you are educated and trained, what do you do? Is that the issue? If you had a perfect education and training system in your area, what happens then when the young people are educated and trained?

Mr Ross: Let's just take it back a bit. Prior to the government bringing in the intervention, a few years ago we had things called community government councils in the Northern Territory, which were put in place after the land rights act. Aboriginal people were basically running their own communities. There were 73 main communities in the Territory, doing a lot of the work themselves. They were involved in there and things of that nature. We also had a CDEP program operating in conjunction with that, where a lot more people were employed and had the skills and ability to do a lot of that work. I don't know how many communities, but certainly there were a few that were also engaged with outside business in providing tourism opportunities and things of that nature. When the Northern Territory government decided at that time that they would go to a shires operation rather than keep on keeping on with the community government scheme, that coincided around the same time as the intervention. So we didn't just have the intervention coming in; there was this triple whammy that took place at that time. It was the Commonwealth government then taking control of communities—

Senator IAN MACDONALD: Yes, but—sorry to interrupt, Mr Ross. I appreciate all that, and you've raised all those things. But if you have kids educated to grade 12 and trained to be motor mechanics or airline mechanics or whatever, what then happens? How do we give them meaningful work? How do we allow communities in regional Australia—and, as I said, this doesn't just apply to Aboriginal communities; it applies to regional communities everywhere—to create realistic employment that makes those communities self-sustainable in these remote areas right across Australia? That's the thing I'm struggling with. What do we do?

Mr Ross: You're looking at it through the eyes of a white man, you see. It's a very simplistic view of the world—of this is how you operate. You have to get out of your mindset and get into the mindset of Aboriginal people—how they actually want to live and to run their communities—

Senator IAN MACDONALD: Do they want to live on welfare for the rest of their lives? They don't; I know.

Mr Ross: They don't have to, if you would hear out what I was saying. There was a triple whammy that took place with the government coming in and putting in place an intervention. Then there was the loss of the community government councils, which they basically operated themselves in conjunction with the Northern Territory government. And there was the Community Development Employment Program, which was operating quite well—

Senator IAN MACDONALD: Which was government welfare.

Mr Ross: Yes, it might be welfare, but, as I said, there were a number of people who were then moving on and getting involved with business. They were then operating the tourism and other projects. There weren't a lot, but they were starting to move down that track. They were getting involved with private enterprise and the opportunities that come from there.

Senator IAN MACDONALD: Look, I accept what you're saying—I don't argue with any of that. But how do we then make sure that there are more tourist activities and more mining or whatever activities that actually give the young people an incentive to educate themselves, or to be educated?

Mr Ross: You don't look at the long-term view; you're looking at the short term, where you want—

Senator IAN MACDONALD: Sorry, I am looking at the long-term view! I'm looking at a view—

Mr Ross: Yes, it's the long term, but you want to do it in the short term—bang, bang!—just flip your fingers and make it happen. It doesn't work that way. People need to have opportunities and do things where they can see—

Senator IAN MACDONALD: Yes, how do we do that?

Mr Ross: That all comes with time, and it also comes back to having the people who run these schools et cetera working in with the community and doing things of that nature. You have to look at it from that point of view. We get too many principals and people of that nature who come in and want to dictate how the school works et cetera. Then people buck up and don't work within that school system. You have to look at the broader picture, rather than the short term, 'Okay, let's just get everyone educated and then they can take on these jobs.' The jobs have to be there.

Senator IAN MACDONALD: The point I'm asking you about is, 'Where are the jobs?' But thanks very much for that. I will now go to Mr Mayger—

ACTING CHAIR: Sorry, before you go on from Mr Ross. In your opening statement, Mr Ross, you mentioned that we need to reverse these trends urgently in relation to how governments work with First Nations people. You made six points, and I'm just wondering about point No. 3. Could you just repeat what that was?

Mr Ross: Ensuring that government initiatives supporting Aboriginal enterprise respond to the unique conditions of remote communities, including the remoteness, the high-risk lending conditions and the necessity for Aboriginal people to maintain their connection to country. I think the Tiwis gave you a couple of prime examples of what those things were, in paying \$2.40 a litre for fuel for the last 10 years. When fuel has been at the lowest price anywhere else in the country, and probably in most of the world, they have been paying \$2.40 over the last 10 years. Who's having a lend of who in this system? It's things of that nature, plus the infrastructure that's never been put in place in the communities in the first place. Remember who set up these communities. Were they set up in a way that delivered everything that people needed to live in these remote areas? They were set up by government originally. You've got to remember that these things were only short-changed when they were first handed over. All of these things need to be looked at and dealt with properly.

ACTING CHAIR: Thanks. I acknowledge that we have the chair of the Tiwi Land Council here now. Good morning.

Mr Illortamini: Sorry I'm late. I am also a traditional owner of Mantiyupwi land at Wurrumiyanga and on Melville. I've been chairman for seven years.

ACTING CHAIR: Good to have you here. Senator Macdonald?

Senator IAN MACDONALD: Thanks, Mr Illortamini. Mr Mayger made a very good submission on your behalf before your arrival. I know you've all contributed to this. You mentioned the price of the airfares. Is there any solution to that?

Mr Illortamini: It's only 30 minutes away from the mainland. The price has gone too high. People on the island can't afford it because, like Mr Ross said, all of our young people are on CDP. They aren't getting much money. We've got a lot of infrastructure and development happening on the island. Most of my young people never went to that schooling level, because a lot of them dropped out. Education failed big-time.

Senator IAN MACDONALD: I fondly remember the last time I was on the Tiwi Islands, which was, unfortunately, five to 10 years ago, I think. I forget exactly when. But there were some wonderful schools there. The difficulty is—and this is where I've been trying to look at the bigger picture for the future—what happens to those children when they're educated to grade 12, which is I think what the schools on Tiwi go to. What happens to them? As I recall, that was an issue, because they were educated, but what is there to do? I was fisheries minister at the time, and I was very impressed with the barramundi farm, but I understand that all collapsed, unfortunately. Is there economic activity on the island that will allow these young people, who are quite well educated these days, to get a decent job there and stay and build the community?

Mr Illortamini: I've been involved with forestry all my life. When the Northern Territory government was here, I worked for 11½ years with the government. Suddenly the government pulled out. We were left with all them trees. The elders before my time said, 'We need to harvest them trees.' We had a company that went belly up—Great Southern. That went belly up. We were left with all the trees. Luckily we've got Midway on board now. They'll be employing about 26 Tiwis. They're getting all their tickets for machinery through the Tiwi Islands Training & Employment Board. We are targeting guys who are doing year 12 now. We're getting a lot of young people involved with using a Lucas Mill to make timber and make furniture.

Senator IAN MACDONALD: Are they replanting so that it's a sustainable industry into the future?

Mr Illortamini: Yes. Luckily Midway are coming on board. We're going to do a second rotation, but we're going to plant different species.

Senator IAN MACDONALD: I was also forestry minister when I was on the Tiwi Islands—it was fisheries and forestry—so I remember that they were having a lot of problems, but I'm pleased to hear Midway have been there. So forestry is perhaps the main commercial enterprise on the Tiwi Islands?

Mr Illortamini: Yes, it is the main commercial enterprise. Nearly 16 or 17 ships came in and got all the woodchip. Now we're harvesting the pine logs.

Senator IAN MACDONALD: That's exported, is it?

Mr Illortamini: It's exported to China and Japan.

Senator IAN MACDONALD: Great. Does the income from that activity circulate around the community?

Mr Illortamini: Yes; we distribute it to the eight landowning groups. We put money aside for education and health. We've got a lot of people on dialysis and a lot of people have got heart problems, so we allocate some money for health. They go to Adelaide for operations. There are funds there. Kids are going away for sport. Any money we collect from the revenue from the land resource goes back to the community. We've got eight landowning groups, and each group says: 'We've got health problems. We need to fix the health problems.'

Senator IAN MACDONALD: You're touching on some of the problems that are experienced everywhere in regional Australia. I well relate to your fresh-food point and the cost of fuel and the cost of airfares. It costs me \$500 to fly from Townsville to Mount Isa. If you double that, you can almost fly to London and back. It's just ridiculous, I agree. How do we address that? The airlines say that that's what it costs them to run short flights with small amounts of passengers. That really does need ongoing government subsidy, I guess, and government—

Mr Illortamini: We've got a ferry going across three times a week from Cullen Bay. A lot of our people jump on the ferry because it's a lot cheaper. People go back and forth; they buy their groceries in Darwin on a Sunday and take them back.

Senator IAN MACDONALD: How long does the ferry take?

Mr Illortamini: It takes about two hours on the ferry.

Senator IAN MACDONALD: In what way does the fuel come across?

Mr Illortamini: It comes in a barge—on Sea Swift and Barge Express. They come over and drop off the fuel.

Senator IAN MACDONALD: The cost of fuel and the cost of airfares are the things—if you live in Sydney, you can slip down the road and see your favourite football game. You have a good football team, as I remember, on TV.

Mr Illortamini: The worst thing we've got is communication.

Senator IAN MACDONALD: Yes. Who runs the communication on TV?

Mr Illortamini: Telstra plays it, and the chopper picks up all the antennas. We've got a lot of lightning going on, and it knocks out all the communication systems.

Senator IAN MACDONALD: Finally from me—there are more questions I might have, but I appreciate time is getting on: Mr Mayger, you mentioned the birth defects with renal failure. I'm sure the answer is yes, but has there been any long-term research into what the genetic difficulty is there, or the genetic problem?

Mr Illortamini: I can answer that. I've been involved with the Menzies School of Health Research and Professor Wendy Hoy. I see Simon put his name here. They took a DNA sample from our people from the dialysis. There has been research, but they haven't found any cure. So we took this mob down to Brisbane, to Menzies, because we need the information to come back so that we can store it somewhere with Menzies. They've done the research, but they couldn't find any cure.

Senator IAN MACDONALD: This is not necessarily a regional problem, but I'm just interested that, when you say it's not a result of diet or lifestyle over the years, it's a genetic—

Mr Mayger: It's just within the DNA structure there, starting off with a lower filtering. This leads to the problems. It's not the dietary or environmental lifestyle matters.

Senator IAN MACDONALD: I'll follow that through. Thank you very much for that.

ACTING CHAIR: I might go to you first, Mr Ross, before I go to Mr Paterson. Can I go back to those six points that you outlined in your opening statement. You raised the need to prioritise the remote housing sector not only in terms of housing generally for people who need housing but also in terms of employment. Can you expand a bit on that?

Mr Ross: If people are involved in their housing then there are opportunities there for them to be involved in employment. If people had control of their own housing set-ups within their community then that would be a huge opportunity for people.

ACTING CHAIR: When you say involved in their housing, do you mean involved in the design, the establishment and the conversation around all of those things as well as the actual involvement in constructing it?

Dr Douglas: In terms of involvement in housing, it would be involvement in things like property management and tenancy management, where it's locally based and locally controlled. Offshoots of that would be employment opportunities for community members to be involved in doing the repairs and maintenance. Certainly a lot of the CLC constituents are saying, 'In the past, when we had our Indigenous community housing organisation, we were involved in delivering repairs and maintenance at the community level, whereas the system that we've got now, which is the result of the intervention, is delivered through the NT government, who contracts out tenancy management and property management.' Those services could be being provided and contracts won by local Aboriginal organisations. However, over the last decade or so the community housing sector has been diminished. Where we are at now is a phase of having the need to rebuild the community housing sector.

ACTING CHAIR: I will take that, Dr Douglas, and I will go to another point that you raised, Mr Ross, in terms of the CLC and APONT to work in relation to Closing the Gap framework. Do you want to expand on what you meant in that section?

Dr Douglas: If it's okay with you, I will provide the answer on behalf of the Central Land Council. The worry that we have with the Closing the Gap framework is that there is more emphasis being placed on jurisdictions to fund targets. The situation that we have in the Northern Territory is that we are a small territory, and it will be very hard to meet those financial commitments, so it's certainly something of concern. A second point in relation to Closing the Gap is that we're worried that the National Indigenous Reform Agreement, the NIRA, is not part of the current Closing the Gap framework. That was an overarching agreement between the Commonwealth and states and territories which provided a framework for a whole range of matters within Aboriginal affairs. That seems to be not part of the current discussion. John Paterson and David Cooper may have more to add on the COAG point.

ACTING CHAIR: I might, on that note, go to you, Mr Paterson. Could you expand on that and the policies surrounding NIRA and other things in relation to Closing the Gap?

Mr Paterson: I might start and make some comments around the national structure. I might pick up on comments made by my colleague at—

ACTING CHAIR: Sorry, Mr Paterson, with this committee in particular, because we are looking at policies and the linkages or non-linkages, if you like, can you give us some indication of where you can see those kinds of things improved as part of the terms of reference in your answer?

Mr Paterson: Sure. If we're going to see an improvement in terms of policy development, I think the Commonwealth government needs to revisit the national First Nations governance structure. I'm a former ATSIC commissioner and I believe, personally, that ATSIC back in the day was the model of getting services and programs and addressing all those other social determinants that we've just spoken about acted upon. It was a model where governments could have—ATSIC was the fundholder and fund allocator. It had regional structures right around the country, it had a national structure and it had jurisdictional structures, where Mr Farmer and I were part of regional councils in the Northern Territory and commissioners. They took on the responsibility of making sure that appropriate structures, government structures, service providers and employment programs for Aboriginal people in the communities were actually being designed and developed with the Aboriginal leadership at that local community level. At the moment, we've got a top-down model of service delivery that's coming out of Canberra. It's uncoordinated. It's unplanned. There's no consultation whatsoever. We've got a group of leaders, like Mr Farmer and others, right around the nation who are calling out for a change in the way government does their business. The current structure just ain't working, to be honest and quite blunt.

From our perspective, we call on governments—there's an urgent need to look at the national service delivery structure, because we've got programs scattered all over government departments. The left hand doesn't know what the right hand is doing. There is duplication of services—as I've indicated, 60 service providers providing a very similar service to one community in Central Australia. People are falling over themselves. There are no outcomes and no opportunities for our local mob to get the jobs, because we've got all these others that are competing with the Aboriginal programs' dollars and bringing in their FIFO workforce, a fly-in fly-out workforce. Where is that getting us? Nowhere. The corporate knowledge is not staying within the community. Until we start addressing some of those local systematic governance structures and service delivery structures, I don't think

we're going to have any chance of getting any outcomes, apart from the ones that are locally driven by our Aboriginal community owned and controlled organisations. We've proven it. The Aboriginal community controlled sector and the Northern Land Council have proven it. If you build capacity in the organisations and you build capacity in the Aboriginal leadership, you will get the outcomes that everybody is seeking and looking for. At the moment, it has been scattered and dispersed. Funding has been dispersed to every other funder and service provider, and we're just not getting the outcomes that we're looking for.

ACTING CHAIR: Mr Paterson, can I take you to your opening statement, where you made reference to the community controlled health sector across the Northern Territory. You use that as an example of the regions and the success of those health sectors. Can you give us some more information in relation to that, please?

Mr Paterson: The structure of AMSANT: we have a board of 10; eight of those are from our Aboriginal medical services that are on the ground at the local level and two non-member directors, who are appointed by the board. We have a full board of 10. We have over 26 members that are providing full-time comprehensive primary healthcare services throughout the Northern Territory for Aboriginal and Torres Strait Islander people. Tiwi Islands have their own health service that's funded by the Northern Territory government. The Aboriginal medical service member organisations are predominantly funded by the Commonwealth. Ninety per cent of the funding that comes from the Aboriginal community controlled health sector comes from the Commonwealth. The Territory government makes a small contribution, but because of all the stress on their global budget there's very little that they can offer. We meet regularly, so there's good strong governance—over 40 years. The Central Australian Aboriginal Congress is going on about 45 years old now, so you can't debate the track record in delivering those services; you can't question that.

ACTING CHAIR: What about the linkages between the differences in the departments. You've got the Territory's health department and you've the Commonwealth funding agency that you come under. Referring to our terms of reference, is there coordination at those levels?

Mr Paterson: Yes, absolutely. To ensure that we're not duplicating services here in the Northern Territory, we have what we call the Northern Territory Aboriginal Health Forum. That comprises the Territory's health department, the Commonwealth, AMSANT, and Prime Minister and Cabinet. Why Prime Minister and Cabinet? Because, again, related to my example, they get funding for alcohol and other drugs and mental health, which we totally oppose, and we call on governments to get that back into the health bucket so we can have it all in the one bucket. The other one is the Primary Health Network Northern Territory—the primary healthcare networks that are set up around the country. So they're the partners, and we meet on a regular basis, quarterly.

ACTING CHAIR: Would you say that that is a coordination that does work—

Mr Paterson: Absolutely.

ACTING CHAIR: and should be done again in other departmental exchanges?

Mr Paterson: Absolutely, and we've just set up a similar forum, a tripartite forum, to address the royal commission into child detention and youth justice that we recently had. Again, the partners there are DSS and Prime Minister and Cabinet. From the Territory level, it's Territory Families and Department of the Chief Minister, and we have APONT, Aboriginal Peak Organisations Northern Territory, along with the North Australian Aboriginal Justice Agency. Again, we meet on a regular basis. We're determining and co-designing policy. We're having input into how services are being delivered and all the other issues that are fronting those portfolio areas. The Aboriginal leadership has a genuine opportunity now to have a seat at the table, where we can assist in the direction and in making sure that the needs of community, families and all those are addressed as well.

Senator IAN MACDONALD: Mr Paterson, you said 60 separate programs in a community are being delivered by all different people. Would you, on notice, be able to give us a list of those? This is a worrying concern you raise.

Mr Paterson: Absolutely.

Senator IAN MACDONALD: I hadn't been aware of it, obviously, and it's not directly germane to this inquiry, but it is something that I think we should follow up.

ACTING CHAIR: I had 16, not 60.

Mr Paterson: Sorry, 16. Yes. It was 16.

Senator IAN MACDONALD: So it's my hearing! But anyhow, 16 is too many.

Mr Paterson: Yes. We've raised it now and it has been dealt with. I think we've—

Mr Cooper: To some degree.

Mr Paterson: To some degree.

ACTING CHAIR: But could you take that as a question on notice, Mr Paterson?

Mr Paterson: Yes.

Senator IAN MACDONALD: Can you give us some detail so we can go along to the ministers and say, 'Hey, this is stupid.'

ACTING CHAIR: We're just about to conclude, and I just want to ask each of you: is there anything that you want to add that you feel you haven't had an opportunity to say yet? Mr Ross.

Mr Ross: No, I'm all good, thanks.

ACTING CHAIR: On that note, I'd like to thank the Central Land Council, the Tiwi Land Council and APONT for appearing here today.

TAPSELL, Mr Tony Francis, Chief Executive Officer, Local Government Association of the Northern Territory

[10:14]

ACTING CHAIR: Welcome. Thank you for appearing before the committee today. I invite you to make a brief opening statement, should you wish to do so.

Mr Tapsell: I think the thrust of our submission is largely around infrastructure. We see the provision of infrastructure, particularly in remote communities, as being of vital importance to address inequality in the regions. We give lots of examples in our submission. We think that particularly housing and essential public infrastructure are getting to dangerous levels at the moment. At the moment, there are something like seven towns, as I understand it from the Northern Territory government, that are at capacity in terms of water, sewerage and electricity—water and sewerage in particular.

ACTING CHAIR: Are you able to identify those seven places?

Mr Tapsell: I know at least three: Milingimbi, Yuendumu and Yuelamu.

ACTING CHAIR: The NT government will be appearing before us later, so we will be able to ask them about it.

Mr Tapsell: They might have improved on that, but my understanding is they can't have any more housing and things like that until such time as that is fixed.

ACTING CHAIR: In terms of the water?

Mr Tapsell: In particular, yes. We've got growing towns. We have 60 to 70 towns outside the major centres, and their populations are generally growing. They're not receding. Some are, but most are growing. And we're not keeping up with the infrastructure that one would normally need to have in place. For example—this might surprise you too, Senator—I wasn't aware that Maningrida is probably our largest Indigenous community now.

ACTING CHAIR: I thought it was between Maningrida and Wadeye, actually.

Mr Tapsell: I know Wadeye always was, but now it's Maningrida, I understand. It's that kind of population growth that we're not matching, and of course we're getting all the other issues that you would have heard about this morning, no doubt. I guess one of our main concerns is that there needs to be a level of infrastructure funding, particularly from the Commonwealth. There is a very small amount that comes from the Northern Territory for local governments—about \$5 million—which you can use on infrastructure. The Building Better Regions Fund is highly competitive throughout Australia, and I can understand why, because regions would go for it like anything. It probably needs to be a much greater amount, in fact, so that smaller regions can get access to it. We have to try and keep up with the level of growth that these towns are having. Certainly our local governments are finding that that is a big challenge. I'll leave it at that.

ACTING CHAIR: Thanks. I might pick up on the points you made about the Building Better Regions Fund and it being highly competitive. Are you aware of how many local government shires or councils here have received funding through that?

Mr Tapsell: No, not at the moment.

ACTING CHAIR: Could you take that question on notice? I think it would be good for the committee to be aware of that, given that you raised it in your opening statement as an important point. I would ask you to take on notice questions surrounding who has been successful, how recently and what those projects were.

Mr Tapsell: Okay.

Senator IAN MACDONALD: G'day, Mr Tapsell—if I might call you Tony—long time no see. You have it in your submission, but can you summarise for me what LGANT is? Do you represent everybody?

Mr Tapsell: Yes. There are 17 councils in the Northern Territory. They are made up of five municipal councils, which are the major centres in the Northern Territory: Darwin, Palmerston, Litchfield, Katherine and Alice Springs. Outside of that, covering most of the Northern Territory, are the nine regional councils and three shire councils. Most of the population of the Northern Territory is in the municipal areas. About 170,000 out of 245,000 or 250,000 are in those five major centres. The one that's growing the most is Darwin, and all the rest are pretty much flatlining or declining.

Last time I spoke with you there had been a recent change with the regional and shire councils, as I recall. This is going back several years. Does LGANT have a policy on whether that has worked? Do you have the right system of local government in the Northern Territory now? I ask this in the context of regional disadvantage. Are

the councils best placed to act as the spokesman for that community and try to ameliorate some of the disadvantages that we all suffer in regional Australia?

Mr Tapsell: They certainly can. Councils are required under law to have local authorities, which is another form of having a local committee. Through those local committees they're required to show budgets, show plans, get community engagement—all that sort of thing. Under law they're required to do that. When we had the community government councils we virtually had one council for every small town. So a lot of the money was going in administration, and the government, in its wisdom at the time, decided on amalgamations. We went from about 63 councils down to 16.

Senator IAN MACDONALD: Has it worked, though?

Mr Tapsell: It has to date. It started off very badly. We made lots of mistakes, but I guess we've made up for them. We believe the move was the right move, and those councils now have a lot more capacity than they would have had in the past.

Senator IAN MACDONALD: Can I refer to the recommendations in your submission:

LGANT recommends that the Commonwealth Government examines ways of 'fast tracking' and increasing the quantum of grants for economic and social infrastructure investments:

- with the Northern Territory Government and with local government
- for regional and remote areas ...

What you mean by that?

Mr Tapsell: I think we've got to have a program where we can get greater access. Governments pay for infrastructure generally. There's a bit of private enterprise investment in the major cities, but out in the regions it's nearly always government. It's either local government or state or territory government and/or the Commonwealth government over the top. I guess what we're asking for there is about the quantum of money—it could be the Building Better Regions Fund, or whatever you want to call it. But we've got to get a greater level of investment in remote areas if we're going to be able to do a lot of these investments.

Senator IAN MACDONALD: The FAGs are the principal source of funding for many councils. Are those grants properly disbursed, do you think, by the commission, which is supposed to take into account things like remoteness and disadvantage?

Mr Tapsell: I think the local grants commission, yes, does a good job in terms of making those allocations.

Senator IAN MACDONALD: There's not enough money, you're saying?

Mr Tapsell: No, not really—whether it comes through FAGs or specific infrastructure grants.

Senator IAN MACDONALD: If it's FAGs, everybody gets it. If it's the Building Better Regions Fund, it depends very often on the skill of the application writer.

Mr Tapsell: Yes, there's that.

Senator IAN MACDONALD: You mentioned something about National Disaster Relief and Recovery Arrangements so that they can access funding to assist gravel roads being upgraded. Is that not being looked at?

Mr Tapsell: Yes, it is not. We will be able to restore gravel roads back to their previous levels. We still won't be able to bring them up to a higher standard. For example, if you've got a creek crossing which could be fixed if you put a culvert in, you can't do that under NDRRA—you still can't do it.

Senator IAN MACDONALD: You can't put a bridge in where a culvert will take—

Mr Tapsell: Betterment is still not allowed.

Senator IAN MACDONALD: There's talk about that, but it hasn't eventuated?

Mr Tapsell: No, but there are improvements. I don't know all the fine details, but I read it again this morning and I realised that, yes, there have been some changes. They only just recently announced them.

Senator IAN MACDONALD: I'm interested in your next recommendation, 3.4, which suggests that somehow you get the service delivery people who fly in and fly out, I assume, to actually live in communities. Is that what you're suggesting there?

Mr Tapsell: Why do people come to the Northern Territory? I think if we can increase the level of infrastructure in a lot of these places and make them more attractive, largely through infrastructure, then there's more of an incentive to get the types of people that we're going to need in the future to come and want to stay in these places.

Senator IAN MACDONALD: Are you saying, hypothetically, that an engineer from the council, rather than flying in and flying out from Darwin or Alice Springs, should live in town? But they won't do that unless they've got a decent house, a decent pub or a decent sporting field that they can—

Mr Tapsell: That's right. I've given an example on page 5 of our submission: the Victoria Daly Regional Council are having a lot of difficulty trying to find housing for aged care, child care, Centrelink, night patrol, sport and recreation.

Senator IAN MACDONALD: These are the people who run those programs?

Mr Tapsell: Yes. They're saying that the Commonwealth won't fund housing under those programs. It says it's not ours; it's somebody else's. But the councils are having difficulty saying: how do we get these houses when we've got to have a childcare worker or an aged-care worker and those sorts of things?

Senator IAN MACDONALD: Just let me clarify that: funding's provided for a childcare worker, but the childcare worker's got nowhere to live in that community, so they have to fly in and fly out?

Mr Tapsell: Yes, they do.

Senator IAN MACDONALD: Or drive in and drive out from somewhere.

Mr Tapsell: Or they've got substandard accommodation, and somehow the council's got to find ways of funding that type of infrastructure for their workers.

Senator IAN MACDONALD: Are the salaries for those sorts of people fixed fairly much across the state and, perhaps, across the Commonwealth?

Mr Tapsell: Our councils probably follow pretty similar salary levels for those kinds of services elsewhere.

Senator IAN MACDONALD: Do I have to pay more to get people to remoter areas?

Mr Tapsell: I don't know that for sure, but I imagine there is an element of that. For example, in housing, a lot of councils subsidise the rent. If you're posted out there, you're not going to pay Katherine or Darwin rents; you'll pay a lot less. There are some incentives like that, but that is a hurdle that at least one counsellor has told us is a problem.

Senator IAN MACDONALD: You'd be familiar with the zone tax rebate scheme that was introduced in 1945 and has only been indexed a couple of times since. It's grossly inadequate. Do you think it would help if that were updated? My calculations are in the Northern Territory. From memory, if that had been indexed since 1945, it would be worth a rebate of some \$15,000 or something in that order; don't take me on the figure. Would it make any difference in the local government area—regarding whom you could attract to places like that—if people, when they paid their tax, got a rebate of something in the order of \$15,000?

Mr Tapsell: Yes; anything like that would be extremely helpful. We have quite a high turnover of staff. Even in a place like Tennant Creek, it is becoming extremely hard to keep good, qualified staff. We are doing, for example, a lot of the processing, such as financial transactions, in Darwin because we can't attract the level of people. We have very few qualified engineers. We have a lot of work supervisors and things like that. This is what I think was good in the reforms: they did put the head offices of all those councils in the major centres simply because they knew that getting an engineer to live at Lajamanu or somewhere remote was going to be extremely difficult. The major centres do employ the senior officers who go out, but you still have to have other officers out there on the ground.

Senator IAN MACDONALD: Is the difficulty in housing and infrastructure, the amenities in the towns, or is it money, or is it both?

Mr Tapsell: Both, I suppose. We have to try to improve the amenities in the towns. Some of the amenities in some of the towns are woeful. We need to address that.

Senator IAN MACDONALD: I'm hopeful that the government may do an in-depth inquiry into the zone tax rebate scheme, so, if it does come about, could you keep an eye out for it and make sure you make a submission?

Mr Tapsell: I've made a note of that. Thank you.

Senator IAN MACDONALD: Those things only work if you get submissions from people who experience the difficulties in attracting people to these remote places.

ACTING CHAIR: I'd like to take this opportunity to thank you, Mr Tapsell, for appearing before the committee this morning. Your submission is quite comprehensive and your recommendations will certainly assist the inquiry, so thank you.

Mr Tapsell: I believe we are seeing you on Thursday night.

ACTING CHAIR: Absolutely. I'll be there.

Mr Tapsell: Sorry; I was going to give you one thing. I forgot to mention it. I have copies of it. I don't know whether you've seen it. It is a report: *Fixing the hole in Australia's heartland: how government needs to work in remote Australia*.

ACTING CHAIR: Would you like to table the report for the committee?

Mr Tapsell: Yes. I haven't given you the report. I've only given you the—

ACTING CHAIR: We can find it. That's okay. Thank you.

Senator IAN MACDONALD: Who did that?

Mr Tapsell: Desert Knowledge. I only bring it to your attention because it is one report that, I think, has detailed how people in regions feel. I think they have that right in this report. What they didn't get right, I believe, were their recommendations at the end where they say: 'Let's establish an outback commission. That'll take everything from the state governments and that'll run it.' I didn't think that was very practical or sensible. But I would refer you to what they say in this report about the many examples of how regional people think they're being treated by governments. At LGANT, I get it a lot. You would have seen the roadworks that have been done over here on the Barneson Boulevard, costing \$100 million or something like that. Regional people say to me: 'Yes, they can give Darwin \$100 million like that—never any problem. We can't even get half a million dollars to fix up the bloody creek,' or something like that.

Senator IAN MACDONALD: I live in regional Queensland. I know exactly what you're saying.

Mr Tapsell: That comes out very strongly in this. This isn't just in the Northern Territory either; it's right across Australia. I think they got it right in terms of knowing what people's perceptions are. I thought that was useful for you.

ACTING CHAIR: Thank you, Mr Tapsell.

Proceedings suspended from 10:36 to 10:53

McMILLAN, Mr Peter, Executive Officer, Northern Territory Shelter Inc.

ACTING CHAIR: I welcome Mr Peter McMillan from Northern Territory Shelter. Thank you for appearing before the committee today. I invite you to make a brief opening statement, should you wish to do so.

Mr McMillan: Thank you for the opportunity to appear before the committee. NT Shelter is the peak body for affordable housing and homelessness in the Northern Territory. We receive operational funding from the Northern Territory government, but we are an independent, member based organisation. Our members provide a range of housing and specialist homelessness services for low- to moderate-income Territorians. I'd like to acknowledge the Larrakia people, the traditional custodians of the land on which this hearing takes place today, and to pay my respects to elders past, present and emerging and to other Aboriginal persons present. I also acknowledge the importance of this hearing to Larrakia people and other Aboriginal people across the NT, for whom access to safe, appropriate and affordable housing remains elusive.

The committee will be aware that equitable access to housing for all Australians is a fundamental human right. Article 25 of the Universal Declaration of Human Rights and Article 11 of the International Covenant on Economic, Social and Cultural Rights stipulate that everyone has the right to a standard of living that is adequate for the health and wellbeing of them and of their family, including food, clothing and housing. Despite this, the reality, according to the Australian Bureau of Statistics, is that an estimated 13,705 Territorians do not have access to housing or to housing that is of a standard that is adequate for the health and wellbeing of them and of their families. This needs to be put in context relative to the other states and the ACT. There are 32 people homeless per 10,000 in Tasmania, 36 in Western Australia, 37 in South Australia, 40 in the ACT, 42 in Victoria, 46 in Queensland and 50 in New South Wales. In the Northern Territory there are 599 per 10,000. That is 12 times the rate of homelessness experienced in other states.

In addition to this number, the Australian Bureau of Statistics housing occupancy data reveals that approximately 24.3 per cent of low-income rental households in the Northern Territory are in rental stress. Rental stress is where people are paying more than 30 per cent of their income in rent. This means that rents are of such a level that they negatively impact on a household's ability to pay for other primary needs such as food, medical requirements and education. Many households that are experiencing rental stress find it increasingly difficult to meet rent payments and meet a range of financial and other supports to maintain their tenancy or risk entering into homelessness. In its submission, the Northern Territory government refers to higher rental costs across the Northern Territory's regions due to cyclical projects, fluctuating local economies and inherently greater property investment risks.

More broadly in the Northern Territory there is a lack of safe, affordable and appropriate housing across the entire housing continuum, from emergency accommodation at one end of the spectrum to home ownership at the other. There are chronic gaps in infrastructure and available services in emergency accommodation, transitional accommodation, social housing and affordable housing. In the Northern Territory 80.8 per cent of homeless persons live in severely overcrowded dwellings, 88.4 per cent identify as Aboriginal persons and 87 per cent live in what the Australian Bureau of Statistics refers to as outback NT—or, more precisely, remote and very remote communities. With only 40 per cent of the Territory's population living in the same communities, this is clearly a disproportionate and unequal distribution of homelessness.

I'd like to make the connection between housing and homelessness to regional inequality, which is the subject of this inquiry. Most of Australia's population lives in cities. When funding formulas direct specific-purpose payments or national partnership agreements based on population share, funding is invariably distributed to the states with the largest population. Based on settlement patterns, it is driven primarily by city and inner-region demographics. Depending on the purpose for the funding, this can be entirely logical and appropriate or it can be illogical and detrimental to regional communities. Where the same or greater challenges than these are experienced in the regions, per capita distributions perpetuate regional inequality.

Our contention is that this is the case in respect of Commonwealth funding to the states and territories for affordable housing and homelessness. I welcome the opportunity at today's hearing to expand on these opening remarks to demonstrate how the distribution of funding under the National Housing and Homelessness Agreement and predecessor agreements exacerbates regional inequality in respect of housing and homelessness outcomes in the Northern Territory. In doing so I'd like to tender three documents to illustrate the operation and effect of the current funding framework. I also propose to expand on Commonwealth responses and measures appropriate to address regional disadvantage in terms of funding for remote Indigenous housing, the importance of including housing as a key indicator as part of the Closing the Gap Refresh process and the importance of securing additional supply of affordable housing. I'll also endeavour to answer any questions from committee members in relation to these matters.

ACTING CHAIR: Are you tabling those documents now?

Mr McMillan: If I may, that would be terrific.

ACTING CHAIR: I might go to a general question while we're going through your documents. In relation to our terms of reference on improved coordination of federal, state and local government policies, could you provide to the committee your views on those issues? You spoke about 13,500 people in the Northern Territory who do not have adequate housing. Would you care to share with the committee your views on the coordination?

Mr McMillan: There's a pressing need for coordination between all levels of government, in respect of addressing housing and homelessness in the Northern Territory. There is a significant deficit of housing in remote communities but there are also very significant challenges with town camps in urban and regional areas. This enormous challenge that needs to be met by government in the Northern Territory cannot be done by the Northern Territory government alone. As I'll come to later, the *Remote Housing Review*, the expert panel's report, refers to the extent of housing that needs to be built to address severe overcrowding in communities, more than half of which are in the Northern Territory. This is the jurisdiction with the least fiscal capacity to meet the challenge, so it's imperative that there be whole-of-government coordination, in terms of continued investment in remote housing and collaboration around funding for homelessness services and affordable housing more generally.

If I can take you through some of those statistics now, they will hopefully illustrate some of the effects of the regional nature in the Northern Territory of homelessness and housing challenges. I'll refer to table GA.1. The Commonwealth government has provided funding to the states and territories on the National Affordable Housing Agreement, the NAHA. That is an agreement by the Council of Australian Governments that commenced in 2009. It initiated a whole-of-government approach in tackling the problem of housing affordability. It goes to the question of whole-of-government interest in this matter of housing and homelessness.

There has been a new agreement, the National Housing and Homelessness Agreement, the NHHA, which combines funding from previous provisions under the national affordable housing specific purpose payment and the National Partnership Agreement on Homelessness. That will provide around \$1½ billion of Commonwealth funding per annum to state and territory governments from 2018-19. I might add that each of the states and territories has entered into bilateral agreements to support the outcomes and objectives of the agreement.

Table GA.1 in the *Report on government services 2018* sets out, in the intergovernmental agreement, how funding to the states and territories is allocated in respect of national purpose payments. The former NAHA specific purpose payment is determined by the various states' and territories' share of population. The Northern Territory has approximately one per cent of Australia's population, which accounts for the payment of \$13.5 million of the total \$1.34 billion expenditure for affordable housing and homelessness. That's in the first row, of the 2016-17 Northern Territory share, in the right-hand column. As for the National Partnership Agreement on Homelessness, which is the next line, the Commonwealth government provides a maximum financial contribution of about \$215 million per year to the states and territories.

Under agreement, the territories and states are required to match funding, which is broadly in line with their share of the homelessness populations estimated by the ABS in the 2006 census. In the Northern Territory's case, this equates to \$5.3 million in 2016-17. When combined, the NT receives \$18.8 million out of \$1.44 billion from the Commonwealth, or 1.3 per cent of the total allocation. I'd like to—

Senator IAN MACDONALD: What's the bottom line, there?

Mr McMillan: The bottom line is that if you combine the funding for the NAHA specific purpose payment of \$13.5 million and the national partnership agreement, which is in support of that agreement on homelessness, it's a further \$5.3 million. So the sum of those first two rows, in the Northern Territory's case, is \$18.8 million—

Senator IAN MACDONALD: But you've got \$164.7 million of the—

Mr McMillan: Yes.

Senator IAN MACDONALD: So what's that?

Mr McMillan: That is additional funding for the former National Partnership Agreement on Remote Indigenous Housing.

Senator IAN MACDONALD: Sorry to interrupt, but I am just trying to understand. Most of that national partnership agreement is not distributed on a per capita basis; it's distributed on the basis that you're calling for, which is the number of homeless.

Mr McMillan: I'm not denying that there is a significant payment. There's been around \$5.4 billion over the last 10 years spent on the National Partnership Agreement on Remote Indigenous Housing, and the Northern Territory government has received a significant portion of that to address the backlog of housing in remote

communities. What I am saying is that under the NAHA, which is for affordable housing and homelessness, on a like-for-like basis, when we take into account the extent of need and the size of the population, the Northern Territory receives \$18.8 million out of the first two rows, which are \$1.4 billion.

Senator IAN MACDONALD: You're saying the first two rows, the NAHA specific purpose payment and the partnership payment, should be assessed on the basis that total Australian government expenditure related to NAHA is assessed—is that what you're saying?

Mr McMillan: I'll come to make some arguments that the current method for calculation of payments to the states for affordable housing and homelessness is driven largely by a per capita share, which isn't cognisant of need.

Senator IAN MACDONALD: But the one in bold type is done on the basis of homelessness, not per capita.

Mr McMillan: The total in bold type is the sum of all of the different programs, some of which are per capita and some of which aren't per capita.

Senator IAN MACDONALD: Most of which aren't, according to that, because that's the second or third highest. I'm sorry to interrupt you again, but I'm just saying: you're more or less saying that the first two lines should be assessed on the basis of the fifth line.

Mr McMillan: You're correct. We need to take into account the total payments from the Commonwealth to the states and territories in respect of housing, so that's correct—the total line in bold represents all of the funding to the Northern Territory, which was \$164.7 million in 2016-17. What I'm specifically referring to is how funding for homelessness is allocated to the states and territories, not how funding for remote housing is allocated. I'm referring to the first two lines.

Senator IAN MACDONALD: Okay. I'm with you.

Mr McMillan: I'll turn, if I may, to the second item in the exhibit. NT Shelter wrote to the former Treasurer, the Hon. Scott Morrison, in April of this year, referring to the funding arrangements under the National Affordable Housing Agreement specific purpose payment. We made some arguments to advocate for a level of funding from the Commonwealth commensurate with need. Some of the arguments and statistics in support of that position are outlined on the reverse of that page, under the heading 'Why the Northern Territory needs to secure a greater allocation of Commonwealth homelessness funding'. I'll mention just a couple of facts to the committee.

The demand for homelessness services is soaring in the Northern Territory. In 2016-17 there were 9,178 people across the NT who sought the assistance of specialist homelessness service providers, a 13 per cent rise on the prior year. That compares with a national increase of three per cent. The per capita rate of demand for services is three times that of the other states and territories. In the Northern Territory the client demand for services is 374 clients per 10,000 of population, whereas the national average is 117 per 10,000. So it's three times the rate.

Nationally, specialist homelessness service providers are able to assist 2.74 clients for every homeless person. In contrast, the providers across the NT don't have the capacity to assist all homeless persons, let alone those at risk of losing their tenancy. They are able to assist only 0.6 clients per single homelessness person in the NT. That is 4½ times less capacity to assist those in need, compared to the situation nationally.

What we do know is that clients living in public or community housing who seek assistance to maintain their tenancy can maintain their tenancy nine times out of 10 when they are able to get support from specialist services. So it's critical that there is a sector that is adequately funded to meet the demand of people who are at risk of homelessness as well as to help people maintain their tenancy. We also noted that services aren't able to keep up with demand, with the level of unmet demand representing 45.3 per cent of total client demand in the NT, compared to 23 per cent nationally.

The Territory's share of the total Commonwealth government funding of that \$1.44 billion is \$18.8 million. We believe that it's overwhelmingly inadequate and inequitable given the affordable housing and homelessness challenges that are unique to the Northern Territory. Pleasingly, if I may continue, we received correspondence back from Treasurer Morrison in May 2018 thanking us for our correspondence and outlines in respect of the NAHA. On the second page, the Treasurer indicates that he agrees that it is appropriate to review the distribution of homelessness funding, including the use of 2006 census data. That will be considered as part of the first review of the NAHA by the Productivity Commission. We are heartened by that response. We feel that there is a pressing need to secure increased allocation of funding from the Commonwealth for affordable housing and homelessness, so additional appropriation and recognition of that overwhelming level of need is one aspect of regional inequality we'd like to refer to today.

ACTING CHAIR: Thank you. Senator Macdonald.

Senator IAN MACDONALD: I understand very much the case you make. As you point out, as the then Treasurer's letter seems to suggest, this is going to be considered by the Productivity Commission. As the Productivity Commission is an independent organisation, I'm sure the views of the current Prime Minister in relation to distribution of homelessness funding will be taken into account. You've very clearly made the case; I don't really have a lot of questions. Let's draw a line under your submission and the argument, which even the Prime Minister agrees with, so who am I to disagree with you—not that I wanted to.

Do you see a wider problem with why people are not able to afford their own houses? The answer is pretty obvious, but I'm trying to look in the broader, longer-term picture where we get to the ideal world where governments don't need to subsidise anyone for housing, because people are working, happy and getting meaningful jobs where they want to live. Do you see in the future any way that we can address the underlying cause? With what you were talking about, I accept that you were addressing the problem, which has to be done, but how do we eliminate, if it were ever possible, the need for such huge government subsidies?

Mr McMillan: We believe that the answer to homelessness is housing, and the answer to Aboriginal homelessness in the Northern Territory is adequate housing in communities where people can have the same opportunities for educational outcomes, health outcomes, employment et cetera. So there needs to be an element of housing built. I don't think there's any escaping that. In the Northern Territory, 42 per cent of all Territorians are renters. They're not homeowners. The national average is 30 per cent, so we have a higher proportion of renters in the NT. Rental affordability is a very important issue. A lot of the narrative in Australia when we talk about affordability is Sydney and Melbourne—capital city—affordability. People equate that with the prices of buying a house or buying a unit in the CBD and having to live farther away from the city. That is relevant, but we suggest that equally if not more importantly is the ability for people to afford rental.

Rents come down, and in the Northern Territory we're seeing some significant rent reductions, but the problem is that the prices in the Northern Territory are still the second highest nationally for rentals. According to the ABS 2016 census, the rent paid by private renter households in the NT for a three-bedroom house is \$477, compared to the national average of \$429. It is true that the Northern Territory has the second-highest median income, at \$871, so the question is: why is affordability such an issue in the Northern Territory? The problem, as research from organisations such as the Australian Housing and Urban Research Institute point out, is that there's a bifurcated housing market. In regional economies there's a strong impact on price from mining and other activities—and government in the Northern Territory as well—which drive higher average wages and higher median wages. For the people who are low-to-moderate income earners, in the NT 24 per cent of them pay 30 per cent or more of their income on rent. According to the Australian Bureau of Statistics, that's rental stress; people need to start making sacrifices around other core needs.

One thing that has been working well is the National Rental Affordability Scheme. Of course, there would be people who make submissions on the efficacy of that scheme and whether it's had the desired results, but there have been some 34,000 additional affordable houses introduced across Australia in the 10 years since 2008 and 1,007 dwellings in the Northern Territory as well. These are houses that are provided at a discount to market rent—typically 20 to 25 per cent below market rent—and are more affordable for people on low-to-moderate incomes. So we say that schemes such as that have an important part to play in leveraging private sector investment to build new affordable housing.

Senator IAN MACDONALD: There was a time some years ago—I'm not sure whether this is still the case—that, in Darwin in particular but in the territory generally, there was not enough land being released for development purposes to enable housing. That was one of the reasons four or five years ago that the cost of housing was so high and therefore rental rates were so high. Is that still the case in Darwin? Is there plenty of land available to develop new housing?

Mr McMillan: There are opportunities in Darwin. There was an announcement in the media last week about a new development near the waterfront in the central business district. That is looking at accommodating an additional 5,000 people, which is terrific news for a jurisdiction that's struggling with population increases and needs jobs and economic growth. That's a terrific opportunity, if we can get the balance right, to have a proportion of that development affordable for people—key workers, for example; not just people who are really on struggle street but also key workers who struggle to meet market rents but are essential for the functioning of our cities and regions. So there is a place to play in that respect.

Senator IAN MACDONALD: So lack of land is not an issue these days?

Mr McMillan: There's actually a vacancy rate in Darwin of around eight per cent at the present time, so there is a lot of stock available. I don't think it's insufficiency. In Alice Springs it's different; there is a very low vacancy rate, and there are very high yields on property in Alice Springs. But in Darwin there's quite a high vacancy rate. Organisations that work in the property sector are concerned about additional supply coming onto the market, because there are already falling prices. Prices in the Darwin suburbs—the northern suburbs, for example—have fallen around 20 to 25 per cent from previous highs over the last couple of years.

Senator IAN MACDONALD: A taxi driver was telling me he was looking at a one-bedroom unit for \$180,000 that the seller had paid \$340,000 for a few years ago.

Mr McMillan: That's right. A lot of people across Australia have a view on property, and everybody has said to me since I arrived in Darwin last year that it's a great time to buy in Darwin because prices have fallen so much. So I don't think there's a question of supply or stock; it's a question of pricing. In effect, there are two housing markets: there's affordability for people on median incomes or above, and there's the issue of affordability for people who aren't. As the researchers say, it's a bifurcated market.

Senator IAN MACDONALD: Yes. Thanks for that.

ACTING CHAIR: Mr McMillan, can I just take you across the Northern Territory with your statistics. I refer back to where you said that we are 12 times as high as other states and territories in terms of homelessness. You've given us a picture about Darwin, but what about the regions? You've talked about rental affordability. Could you share with the committee the issues of that in the regions—particularly remote areas but also Tennant and Katherine.

Mr McMillan: Sure. If I can turn to that first, in remote communities there's generally not a housing market, and this is one of the biggest barriers for leveraging private sector investment in remote housing, because there's no ability to purchase and sell stock. There are significant differences between the cost of servicing and provisioning housing and the rental returns that can be secured. For example, in remote communities it's estimated that only 16 per cent of recurrent costs can be recovered through rent. So private investment in remote regions is very risky and very difficult. For the same reason, in the absence of a rental—

ACTING CHAIR: I beg your pardon. You're saying that, for private enterprise to build houses, the risk is higher in receiving rents? Is that correct?

Mr McMillan: No, what I'm saying is that the risk for investors in remote housing—building and getting behind construction in remote regions—is difficult, because there's not a housing market, so they can't get a return on their rent or capital appreciation. In the regional towns such as Tennant Creek, my understanding is that one in five people are officially homeless. Katherine has 30 times the national rate of homelessness. Because these are relatively small communities, there is not a significant turnover of stock in terms of residential transactions, so prices can be very high in some cases. Each housing market is different.

What we also haven't seen is a sufficient supply of public housing stock. The Northern Territory government are basically seeing 3,970 households on public housing wait lists, equating to 9,700 people. Earlier this year, in estimates in the Northern Territory parliament, the housing minister remarked that the situation with respect to the public housing wait list numbers was very challenging.

ACTING CHAIR: How long is the wait list?

Mr McMillan: It can be six to eight years depending on household composition and location. So there is clearly a lack of social housing across the Northern Territory. There's definitely a lack of sufficient suitable housing in the town camps. In respect of town camps, there was a review done by Deloitte Access Economics which was released by the Territory government earlier this year, and I believe that figure was in the order of \$225 million of expenditure required in infrastructure to bring housing up to an acceptable standard. So there are a lot of gaps and challenges and not a lot of affordable housing. I hope that answers your question.

ACTING CHAIR: Thanks, Mr McMillan. I know you've given us your case about where you'd like the committee to go in relation to the formula of funding, but can I just take you to another area of our terms of reference, on housing manufacturing and any other related matters. Would you care to provide any information to the committee in relation to that around the area of housing?

Mr McMillan: I don't have any other specific details on those matters.

ACTING CHAIR: You can also take that question on notice, because I think it would be good for us to have a better understanding. We certainly have had some substantial evidence from you in relation to the rental situation, the importance of dealing with homelessness, fiscal policies and improved coordination. So if you want to take the question on manufacturing on notice and provide that—

Mr McMillan: I'd be happy to do that.

ACTING CHAIR: Thank you very much. On that note, Mr McMillan, thank you for your evidence this morning.

BICKNELL, Mr Greg, Chief Executive Officer, Chamber of Commerce Northern Territory

[11:25]

ACTING CHAIR: Welcome. Thank you for appearing before the committee today. I invite you to make a brief opening statement, should you wish to do so. We are recording across Australia live on the parliamentary website.

Mr Bicknell: Thanks for the opportunity to appear here today. I will just give you a very quick background to our organisation. We have a membership of 1,250 companies across the Northern Territory. We have a slightly different structure to chambers of commerce in other states where we have one chamber for the whole of the Territory. So we have members in Darwin and members in Uluru. We have members that go right across the Territory. Each of those is equal under the eyes of our chamber's constitution.

It's a very interesting area that I work in. In each of the regional centres we have a branch committee made up of between six and 12 local business representatives who are elected each year. They are in Gove, Tennant Creek, Alice Springs, Katherine and Darwin, as well as an overriding board. We also have a manufacturers council and an international business council that sit under the chamber and provide representation for the companies in those particular sectors.

As to the situation in the Northern Territory, I am sure both senators are well aware of some of the issues that face us. We've had some very buoyant economic times in the Top End in recent years on the back of the massive Ichthys project, the construction of which is nearing completion. The first gas was shipped a couple of weeks ago. In a very small economy, that has had a massive impact. We are still seeing the impacts of that as it slows down. That is the same right across the Northern Territory. We have very large projects and our economy tends to be very cyclical—boom and bust—as mines and other projects are developed. The construction phase of those is very good for industry and the ongoing operations is generally pretty good government in terms of royalties, as we will see from the Ichthys project and which we are already seeing from Darwin LNG and other offshore oil and gas projects.

Contrast that with a place such as Gove, which was developed as a mining town. Rio Tinto is virtually exiting and we will see them out of that market within 10 years. That presents some real challenges for those communities in that we have existing infrastructure that could potentially be used but not necessarily the industry to support it. We are seeing the same thing in Jabiru, which, fortunately, is in the middle of a World Heritage listed area and does provide some potential for economic development in the future.

The issues that surround those sorts of developments are for business. As we have seen, the majority of businesses in the Northern Territory are small. A lot of them are family businesses, so we've got people with homes mortgaged against their businesses. That cyclical nature of the business makes it very tough to operate, and the economies of scale in the Northern Territory also make it very difficult to operate because you're trying to average income across a full year when it is very patchy. It's a tough environment to do business in. Those people who are involved in running businesses in the Northern Territory have my admiration for their tenacity.

A couple of the key areas of the issues of doing business in the Northern Territory that our membership continually respond to us about are around employment matters and access to skilled staff. Part of that is driven by the cyclical nature and the ability to attract staff to the Northern Territory. The other area is around the general cost of doing business. Part of that is the patchy nature of business, but also it's the cost of doing business in the Northern Territory. I'm happy to touch on a few examples of those as we go through.

I'd like to say at this stage that we didn't give a written submission. We had a very close look at the Northern Territory government's submission and Regional Development Australia's submission. The chamber don't have any issues with the points they have made in their submissions. I think we can take a reasonable amount of what they've covered as being a true reflection, from a business perspective, of what's happening in the Northern Territory.

Population growth is something that has been very much at the front and centre of attention for both government and business in the Northern Territory. We're now seeing a drain on population as the up to 12,000 people working on the LNG project here in Darwin will no longer be here. In a population the size of Darwin, that's a very, very significant part of the workforce. Their spend is spread right throughout the community—the schools, airlines, taxis and housing. We're going to continue to see impacts on our housing market in the Top End over the coming year.

That's reflected in Alice Springs, as we heard. The witness from NT Shelter talked about quite a vibrant economy there. That wasn't the case several years ago. At that stage they were experiencing very similar housing markets to what we expect to see in the Top End. Their economy has bounced back on the back of some mining,

oil and gas operations in the centre of Australia and a strong tourism sector. They are in a position where they're finding it difficult to attract people because of the high cost of housing and the availability of housing. Talking to members in Alice Springs about that issue, there are examples of companies that have two to three vacancies—these are small companies with fewer than 10 staff—that they just can't fill because people don't have access to reasonable housing in those locations.

The markets are so thin. If you look at somewhere like Katherine, where there have been houses recently constructed out at RAAF Tindal, that has impacted on the private sector investment into the housing sector in Katherine itself. The demand suddenly dropped pretty dramatically on what is not a high number of houses. But, in a small community, they are the impacts that can occur from what was welcomed in terms of defence industry infrastructure build. There tends to always be a downside in small markets like that.

Senator IAN MACDONALD: You're saying the Commonwealth defence department constructed housing at Tindal, and that meant—

Mr Bicknell: There were members living in Katherine township itself who then were able to move onto base, and that softened demand in Katherine itself. We expect that to bounce back, but it does have temporary impacts. I was talking to a developer the other day who was bemoaning his fate at this particular time when things are also soft in Darwin. It is an issue, but they are very small economies and it doesn't take much to have that impact.

I'd like to, perhaps, join the other submissions that you've had from the Northern Territory government and RDA and mention briefly the zone tax rebate as a mechanism that's not currently used to attract more population to Northern Australia and the Northern Territory. We've raised this matter over several years as part of the Northern Australian development plan. We often hear the pushback that it's unconstitutional to have specific tax arrangements in some jurisdictions and not others in Australia, but this is a mechanism that's been in place since the 1940s, and certainly there's been no pushback about that. We've just seen the value of that defrayed. It hasn't risen in value for 25-odd years. I'm sure I'm not telling you anything new there, but I would just like to stress that the business community is concerned about that.

Attracting people to come to the Northern Territory to work is very difficult. If someone arrives in Darwin at this time of the year—and I notice a couple of people wearing suits; it's very brave of you—they'll find it's certainly not conducive to people from southern climes living here, so we believe that we need those additional incentives to encourage population growth. At the moment, our population doesn't support a domestic economy, so we rely very heavily on mining and other types of projects to drive population growth, and then we see that drop off. Obviously, the best way to make a stable economy here is to have the population growth that would support a regular economy operating.

In terms of infrastructure, we've made submissions and had discussions as part of the Northern Australian development plan. We're very keen to see infrastructure that will drive continued development rather than boom-and-bust type development, so we've certainly welcomed the Commonwealth's investment in Beef Roads. The pastoral sector is a very important industry right across the Northern Territory. For a lot of small businesses who are our members, the supply and service to the pastoral sector is very much their bread and butter. We saw the impacts of the live export ban when it occurred. It took a couple of years for that recovery to occur in the industry, which was then felt in the centres that were providing those services.

The other area is population growth. The Northern Territory has had a Designated Area Migration Agreement in place for four or five years now. That originally sprang out of an agreement between the Commonwealth and the then Labor government in the Northern Territory. It took a while to come to fruition but it was signed off five years ago. It's currently being renegotiated. That has very strong support from the business community in the Northern Territory.

Senator IAN MACDONALD: What exactly is that?

Mr Bicknell: The Designated Area Migration Agreement is a mechanism available to any jurisdiction that wishes to apply to the Commonwealth to have a special labour agreement in place for their jurisdiction. At the moment, the extension of it is currently under discussion. In the past, it's provided a mechanism to broaden the number of occupations that people can come into Australia under. In certain areas, say Uluru, it's very difficult to get people as restaurant managers, or even store people. It's almost a labour issue rather than a skills issue. But the migration agreement's been a mechanism where employers in the Northern Territory are able to access skilled staff. All of the research that's been conducted around population growth in the Northern Territory shows that, while we are able to attract interstate migrants during good times, as soon as times get a bit tougher we lose them, whereas those people who migrate from offshore into the Northern Territory stick around for a lot longer than those coming from interstate.

A labour agreement basically allows access to what was the 457 visa, with some more open access in terms of occupations and skill levels. What we've seen with the introduction of the 482 visa system, in April this year, is that access to permanent residency for lower skilled occupations is no longer available. In some of the regional areas of the Northern Territory, the possibility to transition to permanent residency has been the major attraction to draw people to the Northern Territory, and that has helped support businesses in regional centres. To be honest, the appeal, for someone from offshore, of going to a place like Tennant Creek—it's a lovely place, but it's tough when they have a look on a Google map at what's in Tennant Creek. There's not a lot there. But I talk to members who are involved in running businesses down there, and one in particular, who is a member of our board, speaks very strongly about the need to have access to skilled migrants to be able to continue to deliver training programs for Aboriginal people in Tennant Creek. Without those people who come from other parts, generally from South and South-East Asia—it's critical that they have access to those skills in the local area, to be able to pass those on. Prior to employers being able to get people from offshore, it had been very difficult to provide that sort of support.

ACTING CHAIR: Is hospitality one of the key areas that has a great deal of difficulty with recruiting people, in terms of the Chamber of Commerce and the many businesses that you have? Or is that just one of many?

Mr Bicknell: It's one of many. The AHA are now called something else—Hospitality NT. That's their core membership. We work closely with them. We have members who are in that field, but they're not overly represented amongst our membership. Our membership tends to be the retailers, the commercial service providers. The instance I gave you was actually someone in the hospitality sector. We're the only employer or industry association that's really active in any of those regional centres, in Tennant Creek. They're either a member of the chamber or they don't get too much support.

ACTING CHAIR: We've got the NT government's submission, and you said that you agree with much of what's in there. You heard NT Shelter's evidence beforehand. Is housing, or the lack thereof, an area that is quite critical for your businesses?

Mr Bicknell: Yes. I need to point out that our membership is largely urban based, so I can't really speak on behalf of employers in remote areas.

ACTING CHAIR: But you can speak for Katherine and Tennant and Alice?

Mr Bicknell: Yes. Availability and affordability of housing are a key issue. Often the skills that are missing are for people in trade areas. Many of the professionals who come into the Northern Territory are employed by government rather than the private sector. The feedback we get is generally in those trade areas. Housing is such a critical component of that in terms of attracting new staff.

ACTING CHAIR: When we looked at your example with INPEX, I think you mentioned there are up to 12,000 people who are working on the project over time. Obviously that will now scale back considerably with just the day-to-day processing of gas. At that time, and even from my own experiences, anecdotally, listening to general residents around Darwin, it was obviously a good time—you talk about the boom and bust—where the electricians, plumbers et cetera who owned their businesses were doing enormously well. Do you see now that those smaller businesses have had to leave or downsize so much that it's made a major impact? I want to better understand where we're at now.

Mr Bicknell: The project was of such a size that it attracted a lot of competition from both interstate and other parts of the world, so there weren't too many local businesses. There were some who, as you say, made an absolutely killing on the project. It was a very competitive process to win work. What we've tended to see is those companies that came in from other parts of Australia close up shop and relocate back to wherever they came from. But we are seeing local businesses doing it very tough. It's a very competitive market. As times are tough, we're seeing large companies push down into areas that traditionally would have been where smaller companies operated.

ACTING CHAIR: So did our small business here benefit?

Mr Bicknell: Yes, I believe every business benefited, certainly in the Top End and in other parts of the Territory. There was metal fabrication work being done in Alice Springs for the project. There was metal fabrication being done in Newcastle and being sent up here to be galvanised. So it provided opportunities right across the Northern Territory. Certainly in Darwin itself it did provide a lot of opportunities. There was an expectation prior to the project starting that virtually all the work was going to come to Darwin companies. That belief was ill founded because it was a very competitive situation. The Northern Territory, like most jurisdictions, welcomes investment at any level—if companies come to the Northern Territory to set up, they are welcome with open arms—so that made it a much more competitive process.

ACTING CHAIR: What are the lessons we can learn in a positive way going forward for any future major projects?

Mr Bicknell: Most business people are pretty realistic. I think it was just the scale of the Ichthys project that took people a little by surprise, in terms of the number of competitors that they suddenly had. And that's spread right throughout the economy. In the Top End itself we've seen the development of a couple of new shopping centres and a lot more commercial space. Now in the Darwin CBD the estimated commercial vacancy is up around 40 per cent. It's pretty horrendous for a new economy to have that around their central business district. But it's a fact of life that it's suddenly relatively easy to attract investment into those new developments, but then it's a very, very cutthroat process to attract tenants.

ACTING CHAIR: You almost need to have an exit strategy proposal as much as a major project proposal taking into consideration what we're experiencing now.

Mr Bicknell: One of the things that companies have learnt is that they need to have their business structured in such a way that, as times do unfortunately become tougher, they can change the shape of their workforce and the size of their workforce to meet the demand that exists. We've seen companies become more nimble in managing that. That's just a fact of life—when you're in a boom-and-bust situation, you need to be able to attract people during the boom to work for you, but it's just as important that, when things are a lot tougher, you're able to position yourself better going forward. That normally means shedding staff, and that's what we've been seeing.

ACTING CHAIR: You said that Alice Springs is now almost the reverse of Darwin. Where are things at with Alice? There was an incredible decrease in the economy there and that impacted on the regions surrounding Alice Springs, which all rely on it as a major centre. What is it that's changed now for Alice?

Mr Bicknell: It's a couple of things. As the economy was doing it tough, we did see businesses close, so there was a bit of settling in terms of that. Then, as business opportunities have picked up, that has certainly made it a lot more profitable for the companies that rode out the tough times.

ACTING CHAIR: Do you see that as a result of good coordination between Northern Territory and Commonwealth agencies, or do you see it as just something that was on a private business level?

Mr Bicknell: I think that the Northern Territory government has worked closely with the South Australian government and the federal government to try to ensure they have policies in place to handle this. Some of the junior mining company exploration has been very useful. We've seen more prospects being explored, particularly in that part of the world. We've seen some operations with petroleum and gas companies. So there has been quite a deal of activity. There is the underlying strength of the economy. As the gentleman from NT Shelter talked about, there is a considerable public sector in that part of the world. There is quite a strong Defence presence, with Pine Gap down the road, that underpins the economy. And they haven't experienced that large expansion that we've seen in other centres such as Darwin.

Senator IAN MACDONALD: Thanks, Mr Bicknell, for your help to the committee. The Northern Territory government's submission suggests a number of Commonwealth government agencies that could be transferred to the Territory and, broadly speaking, I agree with most of those, although they don't seem to mention Defence. How big a part of the Northern Territory economy is the Defence department? Do you know that, either in detail or—

Mr Bicknell: I would have to take that on notice.

Senator IAN MACDONALD: Your impression?

Mr Bicknell: Our understanding of the Top End economy in particular is that it was around 10 per cent, but I would have to take that on notice and then I would be able to get the latest figures for you.

Senator IAN MACDONALD: Are you aware—again, anecdotally—of any increase or decrease in the Defence department uniformed personnel numbers?

Mr Bicknell: The relocation of the 2nd Cavalry Regiment to southern Australia was certainly felt as an impact. It occurred during the INPEX project, so it probably went a little more under the radar than it would do if it happened now. It would be very noticeable now.

Senator IAN MACDONALD: It came to Townsville—or some of it came to Townsville and some to Adelaide, I think—so I can't really complain! But do you know if there was any objection raised from the Territory at the time?

Mr Bicknell: At what sort of level? At government level or—

Senator IAN MACDONALD: Any sort of—

Mr Bicknell: We had media discussions about it at the time. I'm unaware of whether the Northern Territory government made formal representations to Defence or to the federal government.

Senator IAN MACDONALD: Is there an increased naval presence up here anticipated?

Mr Bicknell: That certainly is anticipated, and there is work due to start shortly on the Larrakeyah Barracks here, on the edge of the CBD, that will include some increased maritime facilities. The Northern Territory government is looking to invest in a ship-lift facility, which would be located next to East Arm Wharf, and there are currently discussions about the size of that and exactly what it would be able to handle in terms of the smaller vessels that use Darwin Port regularly.

Senator IAN MACDONALD: How important to the local economy is the American training here?

Mr Bicknell: Well—

Senator IAN MACDONALD: Or don't you see them? Doesn't the business community see them at all?

Mr Bicknell: The business community sees them, but the contracts to supply and service the US forces while they are here are generally done through ADF existing contracts, so it's quite difficult for local companies to break into that market. The US were very keen to engage with the local business but the arrangements were that the ADF were supposed to facilitate all of their procurement.

Senator IAN MACDONALD: Perhaps that's something we might mention in the report, Mr Secretary. I have a couple of other quick things. The former secretary of the Treasury at estimates a year or so ago indicated to me that he was trying to get taxation department graduates to Darwin and he simply could not get anyone to volunteer. Where were the headlines on that! Can you guess or give an opinion on why that might be?

Mr Bicknell: Probably the most relevant example I could give is ConocoPhillips, with Darwin LNG, had basically headquartered their engineers in the Northern Territory and that decision was reversed after two to three years. The issue generally—and this is anecdotal—was that the partners of the people working for ConocoPhillips were not comfortable residing in Darwin.

Senator IAN MACDONALD: That, to a degree, brings on the zone tax rebate scheme, which you mentioned. Do you know what rebates you get at the present time?

Mr Bicknell: Three hundred and thirty-eight dollars. I've been getting that amount since I first got here in 1985.

Senator IAN MACDONALD: If that had been indexed since 1945, it would be worth about \$20,000 now. Do you think that would help attract even the partners of the professionals? Could they make do, with the extra money?

Mr Bicknell: I think it would be a very useful incentive. One of the issues with partners is that they lose that instant connectivity with their family networks, and there is the cost of travel out of northern Australia. When we made representations to the northern Australia development committee, we talked about cabotage and allowing foreign carriers to come into northern Australia and carry domestic. We didn't have too much success with that, but it's something that we still hold near and dear to our hearts as a way of breaking down the high-cost fares in northern Australia.

ACTING CHAIR: Mr Bicknell, we still actually have an inquiry underway on that. That was certainly something that came up quite a bit with our regional aviation inquiry with Senator O'Sullivan and Senator Sterle, so keep an eye on that.

Mr Bicknell: Unfortunately, there are some powerful foes arrayed against us. In terms of people recognising that as some way of keeping them in touch with family and not being such a cost to them, I think it would be very valuable.

Senator IAN MACDONALD: You mention the constitutional issues, but, as you rightly say, it's been going 80 years and there has been no constitutional challenge yet. My argument is that you still pay the same tax as everywhere else in Australia; it's just that in certain areas you get a rebate on the tax you pay. So I don't think the constitutional issue, in spite of it having been used by governments for decades as an excuse, is a valid one. You may be aware that the Commonwealth government is looking at some sort of inquiry into the zone tax rebate scheme, and, if it does, I would very much urge you to make a—

Mr Bicknell: I wasn't aware of that, but we certainly will.

Senator IAN MACDONALD: That leads me to the next issue, of migration. You touched upon it in temporary migration. As I understand it—and I'm not as familiar with this as perhaps I should be—the government is looking at doing something, though I'm not sure what, and I think one of the problems is that not

too many people know what, but some way of getting the continuous influx of new arrivals into Melbourne and Sydney out of Melbourne and Sydney and into Townsville and Cairns, and Darwin and Katherine and Alice Springs even. Do you have any thoughts on that? Is that something that has exercised the members of your organisation at all?

Mr Bicknell: It certainly has, and we would welcome that. Certainly something such as an attractive-zone tax rebate would be useful in terms of that, because people who recently arrived in Australia haven't settled, haven't put down roots, and are far more receptive to settling long term in other parts of Australia. So, we'd certainly welcome that. The migration agreement I talked about obviously is not relevant to that. But in terms of attracting people, our contention has always been that if you have jobs you can attract people. If those jobs are available, and if there is some additional incentive to encourage people to move to this part of the world, and other parts where it's really difficult to get staff, out in regional and remote Northern Territory, then I think those sorts of incentives are very worthwhile.

Senator IAN MACDONALD: I'm not an economist, but they claim that the explosion of construction in Sydney and Melbourne is a result of the influx of new arrivals—and if they were coming into Darwin, Katherine, Townsville or Cairns then perhaps you'd have the same sort of explosion of—

Mr Bicknell: One of the biggest barriers—and we've worked closely with the Northern Territory government over at least a decade on trying to attract people to the Northern Territory to work—has been the cost of housing. We've now seen that drop away, certainly in the Top End. Unfortunately that's because the job opportunities have perhaps dropped off just as dramatically. But there are still plenty of opportunities within government ranks for professional people, particularly in the health sector right across the Northern Territory and the education sector right across the Northern Territory. So, anything that we can do to bring those people here—and certainly talking to people who are in those professions, when we were travelling around the rest of Australia, they said that housing was their major challenge.

Senator IAN MACDONALD: You mentioned junior miners and exploration. Does your organisation have any thought or statistics or comment on the fact that there was a flow-through of losses for junior explorers? It was in for a few years but never really seemed to work. As I understand it, it's been upgraded recently. I should be aware of it, but I'm not. But do you have any knowledge, facts or thoughts on attracting usually junior explorers into remote parts in a way that, as I understand it, the losses that they inevitably incur, unless they strike an oil well, can flow through to their shareholders?

Mr Bicknell: I'd have to take that on notice. Certainly we've seen a lot of interest from junior explorers, and there were some incentive arrangements through the Commonwealth. That finished at the end of the last financial year, I believe. But we have seen a range of junior explorers right across the Territory.

Senator IAN MACDONALD: Do you have any junior explorers as members of your organisation, off the top of your head?

Mr Bicknell: Yes. We have a couple. Core Exploration are about to start a lithium mine just outside of Darwin. That's due to commence next dry season. They've taken over an existing mine that's been there for 80-odd years.

Senator IAN MACDONALD: If you were able to talk to some of your members about that and to make a useful point to the committee on the worth or otherwise of that sort of program and what it might do to—

ACTING CHAIR: Just take that question on notice, Mr Bicknell, and by all means get in touch with the secretariat in relation to further questions around that for Senator Macdonald. On that note, Mr Bicknell, thank you very much for your evidence to the committee this morning.

BOWDEN, Mr Joel, General Secretary, Unions Northern Territory

[12:04]

ACTING CHAIR: Welcome. Thank you for appearing before the committee today. Mr Bowden, would you like to make an opening statement for the committee?

Mr Bowden: Yes, please. Thank you for the opportunity to appear today. I suppose an introductory remark about inequality in Australia is that it's continuing to grow. In the sense of the recent analysis of wealth distribution, the top one per cent continue to increase their wealth, now to 23 per cent of Australia's wealth, and that's owning more than 70 per cent of all Australians. Regional inequality in the Northern Territory is exacerbated by a number of issues. There are a couple I'd like to touch on today and one is the tyranny of distance. From top to bottom it's about 15,000 kilometres from east to west. It depends which way you go and which road you're on. It could be more than that and it could be less than that. It could be inaccessible in the wet because you just simply can't get through in a car.

We've also got some regions and areas that have infrastructure that is underdeveloped—some essential services. For instance, there's no Telstra coverage or telephone coverage in different regions across the Territory. In some of the communities out bush they don't have basic services, which makes it difficult. Inequality of income and employment is strongly correlated to inequality. In some of our poorest communities in Central Australia, where I grew up, life expectancy is still 10 years less than the national average. Indigenous communities are subjected to—we know it as the CDP program—the Community Development Program, and it's somewhat arbitrary and punitive.

Today I'd like to look at three different areas of what is a really complex and multifaceted set of issues. They are the tyranny of distance; unemployment, especially in remote and regional Northern Territory; and infrastructure and those essential and basic services. The traditional perception of Australia and the Northern Territory from how I see it was that there was a focus on the outback, the landscapes and small regional towns, and that's probably true across Australia as well somewhat. Back in the sixties, I think it was, three out of five Australians were living in a city, so there were lots of people living rurally. But by 2008, and continuing today, it was two out of three living in a city.

I think we're seeing a bit of an issue in the Territory. We've got net negative migration at the moment out of the Territory, which I would only guess is to the capital cities. What's continuing to occur is a shift of productive work to the cities away from the regions, rural towns and agricultural manufacturing. The biggest industries of the 20th century are decreasing, but they were in the regions. They required cheap and abundant land. The decline of these industries has seen a steady shift towards the cities as a dominant economic force in Australia. And, again, our net migration is negative this year.

Some examples I'd like to cite are government offices moving away from the Territory and Darwin. The Australian Taxation Office has recently moved away. The Australian Electoral Commission has moved away. It comes back from time to time when there's an election. I think they're offering five- or six-month contracts at the moment to get people in to set up the booths et cetera. And most recently the Bureau of Meteorology is looking at relocating. I think the proposal at this point in time is Brisbane. We have 22 forecasters, as I understand it, in the Northern Territory, which will see not just 22 people depart the Territory but 22 people potentially with families, and the multiplier effect is not just one.

This is partly to do with the service industry going up, seeing it go to the cities. The BOM is going to Brisbane to try to centralise forecasts. It's slightly difficult if you're trying to forecast a cyclone from Brisbane if you're just looking at it on the map. We had one last year which was fun. People didn't expect it to form, but it did, and then it came straight through Darwin. Unfortunately, we see the services industry now at about 80 per cent and manufacturing below 10 per cent, so there's a migration to the cities. The issue we have in the Territory is our remoteness and our vast expanses. I would also like to add the Kimberley region of WA and Queensland as well. It seems that the north of Australia is really remote and the tyranny of distance works across it.

We can't look at inequality without understanding and having just a quick look, if that's okay, at Indigenous Australians. I don't mean to bring up anything that's not on the public record or known but I just want to make the point that only around three per cent of the total population are Aboriginal people, but 45 per cent of that population are in rural and remote regions. This means any discussion about regional inequality requires us to examine that and understand it and probably look further into the experiences of Indigenous Australians in remote Australia.

Also, income inequality has remained persistently high for Indigenous Australians, and the gap has actually grown. We're hoping that, with some modelling, it might—with the average of 60c on the dollar to the median gross income for non-Indigenous counterparts—come back to parity at some stage.

ACTING CHAIR: Sorry, Mr Bowden. What was the figure?

Mr Bowden: Indigenous Australians earn, on average, 66c on the dollar in comparison to the median gross income of non-Indigenous Australians, and the current trend looks at potentially coming back to parity in 2060, which is quite a way off.

That leads me to my two final points. One is on the Community Development Program, the CDP. My father ran it in Alice Springs with Tangentyere Council many, many years ago, when it was called the CDEP. Today it's 25 hours a week at about \$11.20 an hour, and some would say that that's a form of slave labour, with people in Aboriginal communities being forced to work these hours. The minimum wage is \$18.93 an hour. It's not generating employment, because it's replacing existing jobs. It's creating work without protections—without the work health and safety or OHS laws or superannuation. They miss out on those things, and it's actually causing hardship in communities. Our view is that it should be scrapped, and the government should be working with Aboriginal communities to help them self-determine what industries would suit their communities and for opportunities in training, education and employment for the long-term running of their communities.

My final point would be on work health and safety. We currently have a WorkSafe NT review going on. The tyranny of distance is really a major issue for us. It's difficult to manage work health and safety issues outside the major urban centres—Darwin, Alice Springs and Katherine. The distances that need to be covered to enforce compliance with work health and safety laws put workers' safety at risk.

I will just give, if it's okay, a quick example. We had an issue in Kalkarindji recently. If the roads are good and dry and you can get there, it might take 10 hours to get down there. I'm not sure of the quality of accommodation if you get there. For probably about five or six hours on that journey, there is no phone coverage. If you broke down, you'd want to have a lot of water and a sat phone and maybe some food. So we know that our work health and safety officers are reluctant to travel these vast distances. Unfortunately, when businesses are out bush, they can take shortcuts, exploit workers and just get the job done without the oversight of the work health and safety officers.

These unsafe work practices are actually injuring people. Most recently there was some data released showing that the Territory again tops the charts with the highest rate of work accidents. There are some debates about the figures, but the Territory was 300 per cent worse than the next worst, which was Tasmania. The ACT has 0.4—

ACTING CHAIR: Three hundred per cent?

Mr Bowden: Three hundred per cent. I can get you the exact figures.

ACTING CHAIR: If you could provide those figures on notice for the committee, that would be good. Thank you, Mr Bowden.

Mr Bowden: That was compared to the next worst, which was in Tasmania. I think ours was 5.8 workers per 100,000. The ACT, which was the best, has 0.4 workers per 100,000. But I'll provide those figures on notice if that's okay. The attitudes seem to be somewhat culturally entrenched with employers, putting profit before safety and knowing they can get away with it. We certainly feel that the work health and safety issues are compounded by the remoteness and the tyranny of distance. It's used as an excuse but it should never be, and we would never allow it to be used as an excuse where a worker can't go home the same way they arrived at work. Thank you.

ACTING CHAIR: Thank you, Mr Bowden.

Senator IAN MACDONALD: Thanks, Mr Bowden, for coming along and helping the committee with its deliberations. You say the tax office has gone from Darwin.

Mr Bowden: It relocated a number of different jobs—not completely. From 2010 to 2018, there was a 45 per cent decrease in APS jobs in Darwin. In 2010, there were 2,349 APS jobs and, as at the last count, in 2018, there were 1,287.

Senator IAN MACDONALD: Are they all at the tax office?

Mr Bowden: No; there have been reductions across the board. There have been reductions in the DHS, Centrelink, the AEC and the ATO, and they are looking at the BOM. That is the total number for the APS jobs.

Senator IAN MACDONALD: You mentioned the Electoral Commission. Have they gone or just reduced?

Mr Bowden: Reduced and then they come in when there's an upcoming federal election. In recent times they've been advertising roles for AEC officers to set up for the next election.

Senator IAN MACDONALD: They tell me that the same thing is happening with the Bureau of Meteorology in Townsville and Cairns—that they do everything from Brisbane by satellite now, so you don't need people locally. I agree with your submission, but the bureau chiefs will always say that they don't need to be on the spot. But the other ones are a concern.

You might have heard me say before that I questioned the Secretary of the Treasury about this at estimates a year or so ago. He said that he agreed that there should be Treasury graduates up here but that he simply could not get anyone to volunteer. Would you hazard a guess as to why that might be?

Mr Bowden: I can give you a personal opinion. I grew up in Alice Springs and moved to Melbourne and then came back to the Territory four years ago. Unfortunately, the Christmas period, which we are leading into, is the hottest time and the most difficult time to live and enjoy yourself. When you go visiting family and friends, although it might be hot in that other area, you get the feeling of family and friends and celebration and then you come back to Darwin and it is really, really hot and it is really, really hard. It is also mightily expensive to fly. You don't want to drive. I've driven from Alice Springs to Melbourne plenty of times and, over the last four years, I have driven three times from Darwin to Melbourne.

Senator IAN MACDONALD: I thought I was doing well going from Townsville to Brisbane, but that beats that.

Mr Bowden: The reason we do that as a family is I have four young children and we can't afford to fly six people. We also like to bunny hop our way down. So we go to Alice and see family, we go to Adelaide and see friends and we go over to Melbourne and see friends. After a while—and I am not going anywhere—I can see why people then decide, 'Okay; I've been to the Territory and I've done the job I came up for or had the experience I wanted and now I've decided to go home.'

Senator IAN MACDONALD: Again, you may have heard me ask the previous question: if you had an extra \$15,000 in your pay packet, would that help you fly to Melbourne rather than having to drive?

Mr Bowden: Absolutely. It's a decision that you would take. I might personally—because I don't have family in Melbourne—stay and spend it on a holiday here. We like to travel within the Territory.

Senator IAN MACDONALD: Again, you may have heard me say this, but the government is considering an in-depth inquiry into the zone tax rebate scheme, which started off in 1945, as you know, with 20 and 40 pounds. If that had been indexed it would now be worth something like \$15,000 to \$20,000 in Darwin—as I understand the calculation. Do you have a view on that tax scheme? There are a lot of people who don't like it, for different reasons—the constitutional argument is one I disregard. Do you have any comments?

Mr Bowden: I don't have a view on that, no.

Senator IAN MACDONALD: Would it be useful to your members generally? I guess it would be if there were—

Mr Bowden: I think it would be. I'd have to take that on notice and look into it further.

ACTING CHAIR: Would you like to take it on notice and then consult with your members?

Mr Bowden: Yes, please.

ACTING CHAIR: That would be good for our inquiry—to have an official report from—

Senator IAN MACDONALD: I'd appreciate it if you did do that, because if this inquiry does happen, from someone independent—perhaps the ACCC or someone—it would be important for people like yourselves and your members to have a view on it. I always say to my colleagues in the finance areas that it wouldn't cost a hell of a lot, because there are, regrettably, so few Australians who would be eligible. I'd very much appreciate that. Your distance from anywhere is obvious, and I can't see a solution, except some sort of subsidy or perhaps a zone tax thing that was meaningful. You mentioned unemployment. It's the age-old problem of, 'You won't go anywhere unless you've got a job.' And how do you get a job? Something's happening. Do you have any thoughts on how generally in the longer term anyone at government level could assist in encouraging business activity or job-creating programs in the Territory?

Mr Bowden: It probably goes back to the centralisation into the capital cities. If there were departments that were to remain or then grow in the Territory, that would be advantageous. My other view is that we need to make the Territory aspirational in its job opportunities, and I've said this before. In a forum about growing up in Alice Springs, the aspiration was to leave. Me and my school friends aspired to go to either Adelaide or Melbourne, essentially—some went to Brisbane—but we need to somehow progress industries. They may be ones that I have very little experience in—technology, cybersecurity. We continue to hear over and over again that the Territory, Darwin or Alice Springs is becoming the hub of that industry. Cybersecurity couldn't be more important in Alice

Springs in some respects. I know Pine Gap runs on its own systems and everything, but it might be the hook or the way to frame cybersecurity as the centre in Alice Springs or in the Top End—

ACTING CHAIR: Or Tennant Creek.

Mr Bowden: We need to find an innovative industry that is located in the Territory.

Senator IAN MACDONALD: And that doesn't need to be located in Melbourne these days. That's a good thought.

ACTING CHAIR: I just want to go to a couple of points. In relation to our terms of reference, we're looking at improved coordination of federal, state and local government policies, and you've made reference to those departments who are losing positions here. Is there anything else that you might want to expand on in relation to coordination at a Territory and federal level in terms of your membership and any issues that are raised with you?

Mr Bowden: I'd like to take that on notice, if possible, and canvass our affiliates and members to come back to you with a more—

ACTING CHAIR: All right—take a few of these on notice, if you like, in the interest of time. The other area was: we heard quite a bit of evidence today not only around housing or the lack of housing, in particular for businesses who need to recruit people in the regions, but also around the example of the NT Shelter and homelessness. Is that an area that comes up again with your members? Please take it on notice if it's something—

Mr Bowden: I will make a couple of comments and then I can take it on notice. A number of our affiliate unions have workers in the regions, and one of the big issues they have is housing—finding suitable housing, not just for an individual but where a family might be comfortable to live in.

I was thinking about this and my family, and I should say that I lived out there as well. In the early eighties I lived out bush in the Anangu Pitjantjatjara lands at Ernabella. On reflection, we had a really lovely house. It was three bedrooms, it had a garage and it had a yard, and for us—a family with five kids—that was what we needed. Otherwise, how could we possibly go to live out bush? If a family of two, three, four or five is looking to relocate to the remote Northern Territory there needs to be quality housing. If there isn't—well, we hear stories back from members about the insufficiency, or lack, of quality housing in the bush and also in different regions. If it's a teacher who has a job and who is working, say, even in Tennant Creek—I'd have to revisit that—the issue is about them not having appropriate and available housing for them to move there and be comfortable.

ACTING CHAIR: You raised the issue of employment. Is the CDP the major concern of your members when you look at employment in the regions? You said that CDEP worked—

Mr Bowden: No. Dad ran that many years ago and I was just a boy. I remember it from all those years ago. But we believe that the current CDP should be scrapped. There needs to be an initiative where government works with the local people, finding out what works. And they should be getting paid the right rate per hour, just under \$19.

Senator IAN MACDONALD: What do they get paid now, do you know?

Mr Bowden: Our calculations are that it's about \$11.20, without any of the other—

ACTING CHAIR: Long service, superannuation—

Mr Bowden: Long service, OH&S et cetera. And if for some reason you miss then you can't work for a period of time. We don't think it's working.

ACTING CHAIR: Okay. Mr Bowden, thank you for your evidence this morning. The committee appreciates your time and we look forward to receiving those responses to our questions on notice. Thank you.

COOKE, Mr Doug, Senior Director, Digital Policy and Telecommunications, Department of Corporate and Information Services, Northern Territory Government

KIRKMAN, Mr Andrew, Chief Executive Officer, Department of Infrastructure, Planning and Logistics, Northern Territory Government

McCORMICK, Ms Louise, General Manager, Transport and Civil Services, Department of Infrastructure, Planning and Logistics, Northern Territory Government

ROBINSON, Ms Kathleen, Chief Executive, Department of Corporate and Information Services, Northern Territory Government

[12:28]

ACTING CHAIR: I now call representatives of the Northern Territory government. I have some formalities to say here. I remind officials that the Senate has resolved that an officer of a department of the Commonwealth or of a state or territory shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

Thank you all for appearing before the committee today. I invite you to make a brief opening statement, should you wish to do so.

Mr Kirkman: Thank you for the opportunity to present to this Senate inquiry on the indicators of impacts of regional inequality in Australia. The Northern Territory government is represented by me, the Chief Executive Officer of the Department of Infrastructure, Planning and Logistics; Kathleen Robinson, the Chief Executive of the Department of Corporate and Information Services; Doug Cooke, who is a senior director for Digital Policy and Telecommunications with DCIS; and Louise McCormick, who is General Manager of Transport and Civil Services at the Department of Infrastructure, Planning and Logistics.

Our departments have responsibility for a range of government services and infrastructure, including telecommunications and transport, and we're happy to address the impact of regional inequality as it pertains to these portfolios in the Northern Territory. Any other questions you have for the Northern Territory government, we'll endeavour to answer. We may have to take some on notice if they're outside our portfolio responsibilities.

One of the key issues facing development in regional and remote areas is the cost of investing and maintaining infrastructure. Investing and maintaining infrastructure in the remote and regional parts of Australia and the Northern Territory is more expensive than urban areas and needs to be targeted to the challenging conditions we have. Most Territory, regional and remote areas have a sparse population and a dispersed industry, making it more difficult to deliver quality infrastructure services. The ability to fund the cost of quality infrastructure is even more problematic for the Territory. We have a low revenue base, given the small population and a developing economy—hence, we are heavily reliant on Commonwealth support. Our funding must be wisely allocated to support several regional centres over 90 remote Aboriginal communities and hundreds of remote Aboriginal homelands, pastoral properties and tourism and resource destinations.

Infrastructure and investment decisions need to be based on an understanding of current service levels, community expectations and the infrastructure investments that are equitable and affordable across the many competing priorities. To this end, the Northern Territory government has recently revised its 10 Year Infrastructure Plan, which sets out an appropriate pipeline of infrastructure works that can be delivered by the three tiers of government and the private sector over the next decade. The plan does rely on a collective will by all parties.

A key priority for the Northern Territory government is access to appropriate housing. Housing is essential to support people to participate in employment and education, and underpins health outcomes for children and adults. The Northern Territory government is committed to improving housing in remote communities through an investment of \$1.1 billion over 10 years, under the Our Community. Our Future. Our Homes. program. This investment includes a focus on local participation to deliver the work, promote local economic development and develop local skills.

Remote and regional areas of the Northern Territory are faced with significant inequality and limited accessibility as the result of transport, telecommunications and other infrastructure disadvantage. Passenger and freight services are critical for the Territory's economic and social-wellbeing growth and are vital to support efforts to close the gap on Aboriginal disadvantage for remote Territorians. With a number of the Territory's remote communities isolated by floodwaters and river levels for a number of months every year, the reliance of

local residents on community infrastructure is critical. During these times, air services are relied on to transport people and essential freight. For the Territory's inland communities, air services are relied on year round to transport people and barge services are relied on year round for transport of freight.

Only 25 per cent of the Northern Territory's vast 36,000-kilometre road network is sealed. The condition of many roads means that any improvement works need to start from a very low infrastructure base. Work to improve the quality of the road network is required to improve accessibility for remote and regional areas and to enable them to receive a more equitable level of service, to that received by others in the nation. Like roads, telecommunications are imperative for service delivery, social cohesion and safety in the NT. In our remote communities, the impacts of a lack of telecommunication services are highly and significantly magnified, due to the isolation and inability to access alternative solutions. Conversely, the benefits of delivering reliable telecommunication services for remote residents and businesses will be even greater than that experienced in urban communities.

Given the challenges and logistics of delivering infrastructure and supporting transport services, the Northern Territory government is heavily reliant on its continued partnership with the Australian government to fund programs to provide equitable access for remote Territorians. There is a critical need for wider social benefits to be considered, when assessing infrastructure investment, to ensure remote and regional projects are not disadvantaged. Traditional economic cost-benefit analysis greatly disadvantages the Northern Territory's efforts to improve critical infrastructure, particularly when our projects are competing for funding against high-population urban areas. A revised investment model that takes into account the nature of regional and remote challenges and the developing nature of north Australian economies has been recognised as an important step for the development of the north.

We welcome this inquiry and the opportunity it provides to highlight the very real challenges faced by regional and remote Territory businesses and residents, and to identify ways that the inequality can be addressed. Thank you.

ACTING CHAIR: Thank you, Mr Kirkman. I'll go to Senator Macdonald.

Senator IAN MACDONALD: Mr Kirkman, you talked about the development of the north and how the investment approach needs to be different, which you mentioned towards the end of your contribution. Could you elaborate on that: what exactly do you mean by that?

Mr Kirkman: Traditional cost-benefit analyses look at productivity benefits. Certainly, they rely generally on a large scale to deliver productivity benefits. For us that is really hard to work with and to get to stack up. For example, at the moment Infrastructure Australia look at generally a productivity of greater than one, which is the number that gets generated by the model. On occasions we can get infrastructure to stack up under that model but, by and large, the model doesn't take into account many of the social benefits that could be provided by a piece of infrastructure. We're working with the Australian government on how we can revise that to make sure that, say, if we're building a piece of road, it not only looks at the benefit for the pastoral industry and the resource industry, which can be quantified—

Senator IAN MACDONALD: And the motorist.

Mr Kirkman: and the motorist—to a degree but also needs to take into account that it could be opening up educational, health and work opportunities for remote or regional Territorians who might be living on that road or using that road.

Senator IAN MACDONALD: So you're saying in a cost-benefit analysis it shouldn't be just economic benefit; it should be social benefit.

Mr Kirkman: That's right. Just to finish: there's an element of the social. There's also an element of—as has been done in the past in every area of Australia—build it, because infrastructure is required to continue to develop. Quantifying that future development opportunity again is something that the cost-benefit ratio doesn't do well at the moment. Both the social and the future economic development benefits need to be working.

Senator IAN MACDONALD: In my state of Queensland—and I suspect in the Territory too—when you're building a road and it does a cost benefit, it does it on what you're talking about. However, the biggest benefit in Queensland—and I suspect here—is that local councils can get the work and that keeps their workforce there, which has ongoing benefits for smaller regional communities. I'm interested—you say you're talking about that with the Commonwealth government?

Mr Kirkman: That's right. We're talking about it in a number of areas. One is directly with Infrastructure Australia in terms of how they look at modelling projects to put forward as priority projects—and Louise McCormick and her team have been doing a lot of work with Infrastructure Australia. Similarly, they've been

working with the Department of Infrastructure, Regional Development and Cities around our next national partnership agreement on land transport to ensure those aspects are considered. As we work forward—again, on a transport perspective around a future potential road-pricing model—we're clear that, in the Territory, if we're going to a road-pricing model that looks at the user paying then there needs to be a significant community service obligation element in that model, otherwise our roads will continue to suffer against others.

Senator IAN MACDONALD: Ms McCormick can perhaps suggest to us what this committee would say in its report that might assist what you're doing in your negotiations. I don't know how far advanced you are or how secret those negotiations are, but is there something this committee could usefully say in its report that would help the concept, which I think is very valid? It wouldn't apply to Brisbane and perhaps not even Townsville or Cairns. Perhaps not Darwin—I won't get into that. It would certainly apply to Katherine, Tennant Creek, Alice Springs or Borroloola—places like that. Is there something you think we could usefully say that would support—

Ms McCormick: I think there are a couple of things in the work that we have been doing that could be usefully reinforced. Firstly, we've looked at some of the bigger strategic links, because we have such a deficit in infrastructure—some of our highways aren't even sealed. Recognising that it's a longer term goal and a partnership that has to be done over time is something that recently the federal government have agreed to—10-year rolling programs to seal the Tanami Road, for example, rather than looking at it as a massive project in one hit.

Senator IAN MACDONALD: Is the Tanami Road a done deal?

Ms McCormick: No, not at all.

ACTING CHAIR: No, because I keep asking questions at Senate estimates on the Tanami to our counterparts down there.

Senator IAN MACDONALD: There is interest in the Tanami, I have to say, that hasn't been there for a while. But it's making small steps.

Ms McCormick: It's a very good example of where cost-benefit analysis, as the one and only tool, does not work, because it is teetering on that one. Economists argue either side of that magic one value, but, if you break that big project down into smaller sized pieces, as a rolling program, and recognise that over a period of time—and we are getting to that stage with our counterparts in the Department of Infrastructure and Regional Development—it not only gets that massive piece of infrastructure built over time; it also provides benefits for a known pipeline of work, so the people living on the ground also have a known job pipeline at the same time. It's a different way of looking at delivering that infrastructure and looking at that infrastructure.

The other way that we have advocated—and I think the Australian government have taken it on board—is to actually not assess us against projects like a tunnel in Melbourne or Sydney, for example, and to have a separate northern Australian bucket of money so that it's a fairer playing field and we're not having to compete with things that aren't apples and apples.

Senator IAN MACDONALD: That's happening, as you know—and the Roads of Strategic Importance, I think, were up here during the week.

Ms McCormick: Absolutely.

Senator IAN MACDONALD: I just want to get this on the record before I finish. About a decade ago, I had some truckers in to see me, talking about the Tanami Road. It was pretty remote then, and I said to them, 'We can make it a toll road and charge you \$1,000 for your toll,' thinking that that would bring outrage and objection. They said: 'That's a good idea. We'd welcome that.' I said: 'What? I was only joking really.' They said: 'We go along the road with these huge semitrailers. You blow four or five tyres, and it costs you far more than \$1,000. If we could get a bitumen road for 1,000 bucks a trip, that would be well worth it to us.' It's another way of looking at the cost-benefit. It's not just the normal approach. There are other ways of doing it too.

ACTING CHAIR: I'll go to your submission in relation to a number of areas. Perhaps I'll go to you first, Mr Kirkman—or anyone could answer, I guess. Under infrastructure, you've given an example of inequality with a large pastoral property approximately 160 kilometres north of Alice Springs that has access to only satellite broadband because of its location. You've also said that the change in retail service provider in that area did little to alleviate the issues impacting on the region. Then you go on with the fish farm example. What is it specifically that you want this committee to be aware of here? Is that about the coordination with the Commonwealth in terms of policy? What specifically are you asking us look at there?

Mr Kirkman: I'll pass to Ms Robinson.

Ms Robinson: What we're trying to do there is highlight some examples of very real situations that are occurring out in our remote areas of the Northern Territory. We're trying to run really significant businesses or have families do all of their education via the NBN satellite service, but it simply doesn't provide the level of reliability and the quantum of downloads and speeds and things that are needed to sustain those types of operations. It leaves people that are already receiving disadvantage through their location significantly more disadvantaged. We've had quite a number of examples brought to our attention through the Isolated Children's Parents' Association around the difficulties with educating children and being able to do their assignments and other things through the internet speeds that they have.

ACTING CHAIR: Is that a case of raising with the inquiry that when there are initiatives such as this to improve communications there needs to be consideration given to making sure they actually work—

Ms Robinson: Yes.

ACTING CHAIR: to a required level that keeps people in those regions informed?

Ms Robinson: That's correct. We've been running a series of submissions through different Senate inquiries and other things through the federal government around the matter of telecommunications. It fits also into this remote inequality consideration here. Our profile when it comes to the NBN in particular—if we just look at the NBN—is vastly different to other parts of the nation, and that creates a raft of issues for us.

ACTING CHAIR: Excuse me, Ms Robinson, do you want to explain for the committee what that difference is for the Northern Territory?

Ms Robinson: Thank you, Senator, I will. I think it was in our submission. We identified that, in relation to the sort of footprint that's going to apply across the nation for NBN, our fixed wireless is around about the same percentage as the population of the rest of Australia. But when you look at our satellite service, nationally the rate is three per cent of the population to get satellite, and in the NT it's 29 per cent. That's pushing close to a third of our population who are going to rely totally on a satellite service for their NBN, to get downloads, to be able to run businesses, to educate children, like I said before—to do all of the things through their telecommunications services that other people across Australia take for granted.

ACTING CHAIR: You go into it with your submission here, saying 39 remote Territory communities have optic fibre connections. When you look at the figure of 29 per cent compared to three per cent, how do you get to that figure for the Northern Territory?

Ms Robinson: Do you want to explain that, Doug?

Mr Cooke: Under the NBN program, those 39 communities that are currently connected by optic fibre will only receive NBN via satellite despite the fact that the optic fibre is connected into the community.

Ms Robinson: Fibre is not used for NBN in those communities.

Senator IAN MACDONALD: What explanation do they give for that?

Ms Robinson: NBN Co has given a number of advices over the years. One is that they require redundant fibre—they require two sets of fibre to go into all of those communities. As you can appreciate, the cost of putting fibre in is quite significant for a relatively small community. The opportunity to go and do a second fibre trench in there is really cost prohibitive. They also refer to their requirements around standards of fibre. The latest advice is that if the Northern Territory government wants to, it can lodge a request to get fibre connected, which means you put a form in to say, 'We want to connect fibre'—

Senator IAN MACDONALD: And you'll pay for it.

Ms Robinson: and NBN will tell you the cost. But it's our understanding that that's starting from the beginning and relaying two sets of fibre into those communities. We haven't put that form in because we think that would be a cost prohibitive number.

ACTING CHAIR: Would they do that elsewhere in Australia?

Mr Cooke: There have been cases in Tasmania where a local government council did pay for their network extension.

Senator IAN MACDONALD: Julia Creek was a place in Queensland where we had this argument. We had the argument five years ago, I think it was. Can I just understand: when you say another fibre, is that off the main line around the town or does it mean the whole trunk line, if I can wrongly describe it as that?

Mr Cooke: It's the whole trunk. They're looking for a completely redundant system to guarantee service.

Senator IAN MACDONALD: So where does it go now in this instance you're talking about? It goes from Darwin to Alice, does it?

Mr Cooke: There's substantial fibre optic cable throughout the Territory. For example, there is a connection between Darwin and Nhulunbuy via Jabiru, and NBN currently provides services in Nhulunbuy. But if you go to a more remote community—Kintore, for example—there is no fibre in that community.

Senator IAN MACDONALD: Is that on the way between Nhulunbuy and—

Mr Cooke: No, this is on the Western Australian border.

Senator IAN MACDONALD: Okay, but take Darwin to Nhulunbuy. If someone wants to hook into that, what's the issue with that between here and Nhulunbuy?

Mr Cooke: It's possible if there is a junction already in place. Virtually every community on the path between Darwin and Nhulunbuy has an exchange, so hooking into that exchange is quite possible. But, under NBN's program, it means that the individual or the community would pay for that extension.

Ms Robinson: With dual fibre.

Senator IAN MACDONALD: Dual fibre within the town or to get to—

Mr Cooke: No, from the network point of interconnect to the community itself.

Senator IAN MACDONALD: Yes, from what I'm calling the trunk line.

Ms Robinson: Back to the main line, yes.

Senator IAN MACDONALD: Okay. Sorry, Chair. I was just trying to—

ACTING CHAIR: No, it's important. This sounds like an enormous cost.

Mr Cooke: The costs are very large. The other cost with NBN is that, when the original program was put in place, there was no finance allocated to the Northern Territory to use that infrastructure that was already in place, so to do that now would require NBN to lease that optic fibre cable from Telstra to be able to use it. Those costs are substantial.

ACTING CHAIR: I think we'll take that one on board, Senator Macdonald, and see what we can look at, eh?

Senator IAN MACDONALD: Yes.

ACTING CHAIR: Thank you for explaining that, Mr Cooke and Ms Robinson. We probably didn't appreciate the extent to which that difficulty was out there, so thank you. I will just go to decentralisation. You've raised the reduction of Commonwealth employees in your submission, and that has been raised quite a number of times in evidence today as well. Just how great is the impact of that reduction here for the Northern Territory?

Mr Kirkman: Thank you for the question. Certainly we've seen a number of reductions compared to years gone by, particularly, I guess, during the intervention years, when there were quite a number of Commonwealth officers based out of the NT. At that time, you can probably recall, we had direct flights to Canberra.

ACTING CHAIR: I do.

Mr Kirkman: That gives you some indication of the number of public servants travelling to and from Darwin. So there's certainly been a reduction. What we've been working through at a City Deal level—and I'm talking about Darwin here—is looking to get some commitment for some further basing of the Australian Public Service in Darwin, so we hope to see some movement there. Part of it is certainly that we've got a clear population strategy where we need to grow that base, and part of it is to get to a sustainable point with our funding model. The other part is around ensuring that, when Commonwealth public servants are dealing with regional and remote matters, they're in situ in a region that really has these matters facing it front and centre every day, as opposed to being based, say, in Canberra, flying in and out and being on teleconferences and the like. Certainly my experience when I was delivering remote housing a few years ago, when we had a number of Commonwealth public servants based in the Territory and working very closely with us on that particular portfolio, was that it was very useful to get to a common understanding of what was required. If fewer people base themselves in a regional or remote area, there's less of an understanding of what the reality is on the ground. Ms Robinson, do you want to add anything to that?

Ms Robinson: No, I was going to pick up on that second point. I think it's really important to have an understanding of the environment and the context in which you're working. You see that firsthand when you live in a community and work there.

ACTING CHAIR: That takes me to the next question, which is in relation to your opening statement as well, Mr Kirkman. In terms of the \$1.1 billion over 10 years for housing, a consistent issue we've heard raised with the committee is around the lack of housing not only in homelessness and social housing but also, importantly, for businesses and being able to have employees in the region. Do you want to give us some further understanding of where that housing initiative is for the \$1.1 billion over 10 years?

Mr Kirkman: Yes, we can certainly detail some of that. The \$1.1 billion is broken into a number of segments, with some delivered by the Department of Infrastructure, Planning and Logistics. A large element is the new house element, which is a couple of hundred million of that over the 10 years. There's an element around government employee housing. Part of that government employee housing element is also targeting local Aboriginal people who live in community and currently have to, I guess, compete for public housing houses with the rest of the community. This is recognising that they'll have an opportunity to get a house under the government employee housing program. That's being worked through. Another new element is the Room to Breathe program, which has been really successful and well received by communities across the Northern Territory. That's adding additional living spaces or improving current living spaces within each community. It's very much targeted at a local decision basis, where there are discussions with local community and individual households about what would better their actual living circumstances.

ACTING CHAIR: Is that in the \$1.1 billion?

Mr Kirkman: It is. That's right. The other element is, obviously, working through property management and tenancy management. We are very keen for the Australian government to continue to work with us on remote public housing. A large part of their commitment in the past has been around supporting our remote housing and property management staff. We would be looking to continued funding from the Australian government for those purposes and to add to the new house build and infrastructure, the delivery build, because every house we build in remote communities also needs a significant land servicing cost. Once you get to a certain scale, there are some large headworks costs from power, water and sewerage, for example.

ACTING CHAIR: So the \$1.1 billion is not in relation to the Commonwealth's recent announcement?

Mr Kirkman: No, the recent announcement was matching—

ACTING CHAIR: With the remote housing?

Mr Kirkman: That's right, it was matching the NT's commitment over the next five years. \$550 million is what I understand.

ACTING CHAIR: Are you able to give us an update on that?

Mr Kirkman: There are still discussions underway. That's being done with the Department of Housing and Community Development and the Department of the Chief Minister with the Australian government. I'm not directly involved in those discussions, but I understand they're still continuing those discussions about how that funding could be used.

ACTING CHAIR: Would you be able to take on notice for the Northern Territory government to provide the details to the Senate inquiry?

Mr Kirkman: Yes.

Senator IAN MACDONALD: You may have heard me ask other witnesses about the same tax rebate. I could ask all of you, 'How would you feel with another \$15,000 in your pockets?' if that were the figure. Is that something that you're conscious of? Do you think it would make a difference?

Forget the figure. It might be \$5,000. It might be nothing, of course. I'm hopeful that the Commonwealth government may be doing a serious inquiry into what, in 1945, was a very good scheme. Do you have any comment on that at all?

Mr Kirkman: It's certainly would be very useful for the Australian government to consider what would help grow its north in particular. We've got a focus, obviously, on northern Australia, but there are also its regional and remote centres. We've got a population strategy that was released recently and we are looking to incentivise people coming to the Northern Territory. Certainly, if the zone tax rebate were increased sufficiently to incentivise people to come and live, then that would be an absolute benefit to regional centres of Australia, including the Northern Territory.

Senator IAN MACDONALD: The original concept of the zone tax rebate was exactly that: it would enable people to live here and not be financially penalised by having to fly to Brisbane for a concert, to see rellies or whatever—problems that people who live in Newcastle, Wollongong or the Sunshine Coast don't experience. Anyhow, if it does come up, I urge your government to keep an eye on it and make a very forceful submission on it. It certainly would apply in more remote parts of the Northern Territory, but you do think it's needed in Darwin as opposed to Alice Springs, Tennant Creek or Nhulunbuy?

Mr Kirkman: Absolutely. It would be very beneficial for our population growth strategy to have that extra support. As I mentioned before, we have a really low population base, not just in remote and regional centres but in Darwin as well. We need to grow that population base so that we're able to effectively fund more initiatives and

be more sustainable from our own sourced revenue as opposed to relying on Commonwealth support to the lengths we do. Any support in that regard would be very useful, and we'll continue to lobby for that.

Senator IAN MACDONALD: Is there an arguable case for saying that, whatever it is, zone tax A gets it, but Darwin, because it has medical specialists and theatres that they don't have in Nhulunbuy, might not? Perhaps you wouldn't want to answer this now. Perhaps you'll take it on notice and put it in a submission. Should the allowance for Darwin, which does have some services but you're still 2,000 kilometres away from relatives in Brisbane, Sydney or Melbourne, be at the same rate as somewhere like Tennant Creek, Alice Springs or many other communities which are more remote?

Mr Kirkman: Yes, we'll probably respond to this more fully in a submission. Certainly in Darwin, probably more so than in some of the other regional centres, there is not a growing population base. We're very much reliant on our birthing rate for increases in the population, whereas, in days gone by, interstate and overseas inward migration was a big number in our population growth. At the moment, we're not seeing that. We haven't seen it for a while and the future is looking difficult unless we can bring in more from interstate and overseas. I think we would come back to say that the greater known also needs to be incentivised, but certainly the rest of the Northern Territory needs that support as well.

Senator IAN MACDONALD: On notice, could you give some thought to this proposition. Some people say to me, 'That's a good scheme, but it only helps those people in employment,' because it is a rebate on the tax you pay, and therefore it's unfair to people who are not in employment or are on forms of welfare—the age pension or whatever. Could you think about that? The obvious answer is to say, 'Yes, give it to everyone,' but then the cost goes up. Perhaps there is some way that something could be done. I don't have the ideas; I'm just picking your brains to help me answer another argument that is made against upgrading the current zone tax rebate regime.

Mr Kirkman: Our population strategy is certainly looking at incentivising people to come to the Territory. It's primarily incentivising key workers to come to the Territory. Part of our strategy will always be thinking about how we can get really good employment opportunities in the Northern Territory. Certainly, there are a lot of social services provided in the Northern Territory. A large part of what we do here is provide those social services, but we'd always ideally like to target incentives for people to work.

Senator IAN MACDONALD: Thanks.

ACTING CHAIR: I take this opportunity to thank representatives from the Northern Territory government for providing evidence to us. I also thank you for the submission. A few questions have been taken on notice, so we look forward to your responses to those questions. That concludes today's hearing. On behalf of the committee, I thank all those who made submissions and sent representatives here today for their cooperation in this inquiry.

Committee adjourned at 13:06