Submission to the Queensland Productivity Commission
Inquiry into Services in Indigenous Communities
2 June 2017
Torres Strait Island Regional Council
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<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Executive Summary</td>
<td>6</td>
</tr>
<tr>
<td>2. Governance</td>
<td></td>
</tr>
<tr>
<td>a. Recommendations</td>
<td>8</td>
</tr>
<tr>
<td>b. What’s Not Working</td>
<td>9</td>
</tr>
<tr>
<td>c. What’s Working Well</td>
<td>10</td>
</tr>
<tr>
<td>3. Finance &amp; Reporting</td>
<td></td>
</tr>
<tr>
<td>a. Recommendations</td>
<td>12</td>
</tr>
<tr>
<td>b. What’s Not Working</td>
<td>13</td>
</tr>
<tr>
<td>c. What’s Working Well</td>
<td>16</td>
</tr>
<tr>
<td>4. Service &amp; Infrastructure Delivery</td>
<td></td>
</tr>
<tr>
<td>a. Recommendations</td>
<td>18</td>
</tr>
<tr>
<td>b. What’s Not Working</td>
<td>22</td>
</tr>
<tr>
<td>c. What’s Working Well</td>
<td>30</td>
</tr>
<tr>
<td>5. Evaluation &amp; Reporting</td>
<td></td>
</tr>
<tr>
<td>a. Recommendations</td>
<td>34</td>
</tr>
<tr>
<td>b. What’s Not Working</td>
<td>35</td>
</tr>
<tr>
<td>6. Appendices</td>
<td></td>
</tr>
<tr>
<td>a. History of Governance</td>
<td>37</td>
</tr>
<tr>
<td>b. Financial Sustainability</td>
<td></td>
</tr>
<tr>
<td>c. State Deputations May 2017</td>
<td></td>
</tr>
<tr>
<td>d. Federal Deputations May 2017</td>
<td></td>
</tr>
<tr>
<td>e. Engagement Framework</td>
<td></td>
</tr>
<tr>
<td>f. NPARIH Submission</td>
<td></td>
</tr>
<tr>
<td>g. Local Fare Scheme</td>
<td></td>
</tr>
<tr>
<td>h. Ugar Traditional Boundary Resolution</td>
<td></td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

The Torres Strait Island Regional Council (TSIRC) welcomes the opportunity to contribute to the Queensland Productivity Commission’s Inquiry into Services in Indigenous Communities.

The Torres Strait Region

The Torres Strait Islands are scattered between the tip of Cape York, Australia up to Papua New Guinea’s Western Province. Council is responsible for 15 discrete communities in the ‘outer-islands’ of the Torres Strait region. To provide context, Saibai Island is just 4km, or a 15-minute ride in a dinghy, from Papua New Guinea mainland. Our islands comprise sand cays in the inner cluster, to volcanic rock in the East, to sedimentary deposit in the North.

Some of the Region’s greatest challenges include (but are not limited to):

- Coastal erosion and tidal inundation;
- Reconciling traditional rights and interests of Torres Strait Islander people vis-à-vis Western law;
- Potable water shortages, requiring the use of desalination plants to produce fresh water from the sea, at great expense;
- Public health risks due to proximity to PNG, including multi-drug resistant tuberculosis, Zika virus, and Japanese Encephalitis;
- Cost of living, due to remoteness;
- Cost of freight and transportation, due to remoteness;
- Land tenure complexity due to determination of Native Title in 14 of our 15 communities (with Hammond Island still at Claim stage) and a patchwork of land tenure models implemented over many generations;
- Aging essential-to-life community infrastructure, without sufficient renewal funding;
- Lack of economic development and employment opportunities, driving welfare reliance; and
- Lack of funding for holistic and compliant waste management strategies.

Each of these regional challenges adversely effect, to varying degrees, the service delivery in remote Indigenous communities.
The Torres Strait Island Regional Council

Council services 15 separate communities across 42,000 square kilometres of sea, each with its own unique cultural, linguistic and geographic identity. Being separated by sea inherently brings logistical complexity, increases the cost of providing essential-to-life municipal services, requires duplication of infrastructure to service different discrete communities, and limits economy of scale opportunities.

Our Submission

Our submission to this Inquiry comprises this document, along with its Annexures. The Annexures provide important context to our Submission.

Fundamental changes are needed so that Governments, along with their departments, engage in real partnerships when setting policy, funding, governance, service-delivery, reporting and evaluation targets/arrangements for, and with, Indigenous communities.
Governments persist with fly-in, fly-out models of service delivery and centralised decision making. It is time for this entrenched model to shift. Whole-of-government reforms and key performance indicators must be established to ensure systematic change.

Government must seek to develop a genuine partnership with elected and organisational leadership at the community level to deliver real outcomes that match local needs and priorities. Government must develop policy and procedural strategies that incentivise grassroots outcome-focused service and funding delivery.

The Torres Strait region calls for a positive culture in Government which is solutions-focused and provides appropriate resources, rather than presenting obstacles and defending centrally-managed programs delivered out of Thursday Island, Cairns and Brisbane. This means more investment directly in Local Government and partner organisations on the ground in our communities, enabling and empowering communities to provide timely, proactive, locally appropriate, efficient and effective services in our remote Indigenous communities.

Focus is needed on how to build local employment, skills and capacity, ensuring as many positions as practicable are located in our communities, and work with us to build workforce capacity so more local workers obtain necessary higher level qualifications.

Where a genuine partnership focuses on local solutions in specific programs and departments, we see the difference on the ground. This means real and lasting outcomes, delivered efficiently and effectively, that build better working relationships between partners. Best practice examples are discussed in this submission.

Government must continually adapt their compass to the needs and priorities identified by communities and how community best meets those needs and priorities.

Compliance, regulation, reporting and evaluation can then be shaped in partnership with community to best deliver appropriate, effective and efficient outcomes.

With limited funds available for both services and infrastructure, it is vital that what is provided is spent on our needs and priorities.
We note the positive client-focused workforce strategy being implemented by the Department of Communities, and the whole-of-government open data and transparent government strategies. We look forward to these reforms becoming actively embedded in the grassroots service level, in government departments.

We know what we need, and how to best meet these needs. The days of paternalism should be long past where governments presume to ‘know better’. We are committed to working in partnership with other levels of government, and have positive examples of doing so. We need these leading examples to become a whole of Government approach.

These will deliver effective and efficient government services and programs; deliver value for money; and enable continued development, and increasing sustainability of Local Government.

We draw your attention to the Appendices to this submission, and request that the Inquiry consider the recommendations, observations and learnings.

Cr Fred Gela
Mayor | Torres Strait Island Regional Council

Chris McLaughlin
Acting Chief Executive Officer | Torres Strait Island Regional Council
GOVERNANCE AND POLICY RECOMMENDATIONS

That the Queensland government:

1. Establish a whole-of-government approach to governance, that:
   a. Gives back decision-making, funds-management, service planning and delivery, to the greatest degree possible, to the local TSIRC region.
   b. Embraces a genuine partnership model for delivery of services and infrastructure that:
      i. works to build local capacity to effectively and efficiently deliver services and infrastructure.
      ii. addresses compliance and regulatory issues in a constructive and solution-focused manner.

2. Continue to support and actively facilitate engagement across all three levels of government, to enable leaders in the Torres Strait to progress governance reform.
GOVERNANCE – WHAT’S NOT WORKING

The People of the Torres Strait have sought to have greater measures of self-determination since the ‘Call for Ailan Government’ in 1937, and more recently in 1988 at the Leaders Forum on Thursday Island (see Appendix A). Several models have been proposed, including those outlined in:

- The report to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Torres Strait Islanders: A new deal - A Report on Greater Autonomy for Torres Strait Islanders (August 1997).

- The Greater Autonomy Task Force, initiated by the Torres Strait Regional Authority, which created the Bamaga Accord (October 2001).

Neither have been implemented.

The Torres Strait and the Northern Peninsula Area are currently over governed and serviced under many different arrangements:

- Three Local Government authorities
  1. Torres Strait Island Regional Council (TSIRC)
  2. Torres Shire Council (TSC)
  3. Northern Peninsula Area Regional Council (NPARC)

- Torres Strait Regional Authority (TSRA – Commonwealth Statutory Body)

- Queensland State Government Departments / Agencies

- Federal Government Departments / Agencies

We are overburdened with bureaucracy but still suffer poor levels of vital infrastructure and essential services.

Due to the additional layers of governance and administration, funding directed to the Torres Strait has higher, costly bureaucratic overheads.

The governance reform Coalition Executive, made up of the Mayors of the three Local Governments and the TSRA Chair, has concerns about the level of funding that is being absorbed into the current governance model, and the financial inefficiencies within this same structure.
GOVERNANCE – WHAT’S WORKING WELL

The vision of governance reform is to streamline regional governance arrangements, reduce duplication and address gaps in service delivery. This will result in more funding available to hit the ground, with decisions more coordinated and streamlined.

The aim of governance reform is to develop a model which will absorb the roles, responsibilities and powers of all the Local Governments (TSIRC, Torres Shire Council, Northern Peninsula Area Regional Council) and the Torres Strait Regional Authority.

Table 1: Recent milestones in governance reform

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<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Deputation to Prime Minister Abbott regarding territorial status for the Torres Strait region.</td>
</tr>
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<td>2014</td>
<td>Leaders Forum calls for a new government model.</td>
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<td>2014</td>
<td>Deputation to Prime Minister Abbott regarding governance reform.</td>
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<td>2015</td>
<td>Deputation to Hon Warren Entsch MP and Senator the Hon Nigel Scullion regarding governance reform.</td>
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<td>2015</td>
<td>Minister Scullion confirms support for One Boat governance reform process by letter</td>
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<td>2015</td>
<td>Deputation to Prime Minister Abbott regarding governance reform.</td>
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<tr>
<td>2016</td>
<td>Deputation to Premier Palaszczuk regarding governance reform.</td>
</tr>
</tbody>
</table>
The three Mayors in our region (TSIRC, TSC and NPARC) and Chair of the TSRA board continue to work together and share a commitment to governance reform in the region.

**Changing Partnerships with Government**

Our vision for change is substantial and is a process that takes time to progress. Whilst this higher level process continues, TSIRC is continuing to work with the Queensland government and its departments to establish more effective governance and service delivery arrangements on the ground.

The provision of social housing and the build, upgrade and repair processes are highly complex and often inefficient. TSIRC has persisted in lobbying government regarding these issues and has engaged in ongoing conversations with Ministers and senior bureaucrats in the Local Government, Housing and Indigenous Affairs portfolios at both a Commonwealth and State level, as well as the Queensland Building and Asset Services (BAS).

This ongoing dialogue with, and responsiveness of, the Minister for Housing and senior Departmental staff to considering streamlined funding and administrative arrangements in the provision of new housing, upgrades and maintenance is greatly appreciated. It is taking us toward governance and service delivery arrangements which are more streamlined, fit for purpose and responsive to the needs and conditions on the ground in our communities.

TSIRC engaged in a fruitful partnership with the Department for Infrastructure, Local Government and Planning (DILGP) and Queensland Treasury Corporation (QTC) on a Financial Review of Council (discussed in detail in our Finance section). We appreciate opportunities such as these to work in partnership with government to collaboratively develop better policy and procedures, at both levels of government, and to demonstrate our need.
FINANCE AND REPORTING RECOMMENDATIONS

That the Queensland government address the:

1. **Extreme cost to construct, maintain and renew our assets by:**
   a. Funding Indigenous Local Government to maintain and renew existing assets per Asset Management Plans.

2. **Limited additional revenue-raising capacity of TSIRC, hampered by complex land tenure structures, by:**

3. **Insufficient and complex grant funding by:**
   a. Prioritising funding on a needs basis, considering the strategic planning and Asset Management Plans of Councils in remote Indigenous communities.
   b. Making grant reporting and acquittals uniform across Government agencies, and simplified to the extent practicable.

4. **Unachievable sustainability performance indicators by:**
   a. Excluding consideration of depreciation expense from Indigenous Council’s audit measurements/KPI’s for innovation and operating efficiency. Operating Surplus and Asset Sustainability Ratios should not be used as a measure of Council’s ability to manage its long-term financial sustainability.
   b. Utilising Indigenous Council’s audit results to form the basis of Council’s funding for future years based on need, along with its strategic plans and Asset Management Plans.
FINANCE AND REPORTING – WHAT’S NOT WORKING

Please also see the attached Financial Sustainability submission to the Inquiry by the Infrastructure, Planning and Natural Resources Committee of Queensland parliament for discussion and recommendations regarding the financial sustainability of Council (Appendix B).

In 2016/17, Council’s budgeted revenue-base is $68.1m, expenditure of $66.8m and depreciation of an additional $40.6M resulting in a Net Operating Deficit of $39.3m.

Council has a staggering $1.1b worth of assets (as at 30 June 2016) to support the livelihoods of its roughly 5,000 Torres Strait Islander residents.

Our housing stock (roughly 930 dwellings) comprises 46% of this asset base; roads and transport 18%; and water and sewer infrastructure 22%.

Historically there have been significant issues with how projects submitted under the Major Infrastructure Project (MIP) fund were prioritised and implemented, with insufficient input from TSIRC.

These issues resulted in infrastructure which were not fit for place and purpose and has higher ongoing operational and maintenance costs than preferable alternatives. Council has persisted in raising these issues at the Federal and State levels. We have made some headway with the design consultants to achieve better outcomes.

We are still not actively involved in prioritising the funding for our own communities. Costings estimated by the consultant engaged by MIP are underestimated, relative to contract costs determined on tenders. This has been a persistent problem with the MIP program and results in insufficient funds to deliver MIP projects.

Council values the major State and Federal funding sources – Financial Assistance Grant Scheme (Federal), State Government Financial Aid (State), Major Infrastructure Projects (State and Federal) and Transport Infrastructure Development Scheme (State) – which fund our infrastructure.
However, as our financial overview indicates, these funding sources do not adequately cover the infrastructure needs of our region. The real impact of this underfunding is evident in inadequate maintenance, repairs and upgrades and directly impacts the quality of service Council can provide its residents (see Appendices C and D for details of advocacy efforts regarding infrastructure).

Table 2 (on the following page) gives a snapshot of the varying conditions applied to grants received by TSIRC, including the grant amount and financial reporting requirements. As can be seen, there is no consistency across government in matching levels of reporting, to levels of funding received.

We have classified grants into Low, Medium and High categories with reference to the administrative burden that financial reporting requirements place on Council relative to the grant amount.

Within departments there can be wide variation in the onerousness of grant conditions; with one being a low burden on Council and another high (see Department of Transport and Main Roads, and Department of Infrastructure, Local Government, Infrastructure and Planning examples in Table 2).

These examples demonstrate that current flexibility within Departments to set grant conditions is resulting in inconsistent processes at the delivery level for Council. We are in a position with some grants, such as the Department of Communities, $18,818 HACC grant where the cost and resources required to administer the grant makes the service delivery on the ground, almost negligible.

*That is why Council is calling for consistent grant reporting conditions across government, which matches reporting to funding levels received by Council.*

Council already have in place universal measures of probity and risk, such as our annual external audits by the Queensland Audit Office. These universally-recognised performance and risk measures should be better used when setting reporting requirements.
Consideration should be given to scaling levels of reporting dependent on recipient’s financial standing. Council has had unqualified audits for three consecutive years, an indicator of sound financial management, and low risk within our organisation.
Council has welcomed opportunities to partner with government in reviewing our structures and procedures. These partnerships, with a focus on solutions and addressing settings and practices between Council and Queensland government, are constructive and support transparency and a solutions-focus.

On the advice of Council, the DILGP engaged Queensland Treasury Corporation (QTC) to complete a Strategic Financial Review (the Review) of Council. The Review focused on financial sustainability outcomes and consideration of three key areas:

- Governance and planning
- Financial management
- Infrastructure management

The QTC recognised the impact of funding arrangements on TSIRC’s sustainability and made a number of recommendations to improve financial sustainability for Council. One QTC recommendation was that Council “continue discussions and negotiations with both Building and Asset Services (BAS) and the Torres Strait Regional Authority (TSRA) to ensure funding is spent in the most appropriate area, as determined by Council’s AMPs.”

A key milestone for this Recommendation is for Council to “continue to advocate for direct funding rather than via agency.”

Council has been advocating for direct funding to TSIRC for new builds, upgrades, repairs and maintenance. We have also advocated for infrastructure funding to be aligned to Council’s own regional priorities (as per our Asset Management Plans and Strategic Plans), rather than State priorities.

Council welcomes the recognition by QTC of the importance of negotiating governance and funding arrangements that better meet Council’s needs and more effectively address sustainability of Council going forward.
Other mitigation measures to come from the QTC review include:

1. As per Local Government statutory requirement, Asset Management Plans have been developed and are connected to our 10yr Long-Term Financial Forecast. The plans capture projected asset renewals, along with repairs and maintenance (R&M).

2. TSIRC conduct regular Lobbying and Advocacy to improve lasting relationships with funders, and to identify barriers to financial sustainability. This is done several times a year, at a State and Federal level to ensure represented community interests are being heard.

3. Council is innovative in addressing regional issues with a focus on long-term financial sustainability. Examples of our innovation include:

   I. Charging of Maritime Fees for vessel landings by freight operators under Council’s Local Laws administration. This contributes approximately $1M per annum to Councils consolidated revenue base.

   II. Recoverable works activities are undertaken by Council as principal contractor to the State and Federal government for delivery of Social Housing repairs and maintenance and new construction.

   III. In 2015 El Niño climate patterns resulted in low rainfall resulting in a water crisis for the region. TSIRC resolved a capital renewal problem by investing in Mobile Desalination Plants. These can be moved around as infrastructure fails (due to funding shortfalls for R&M)
SERVICE & INFRASTRUCTURE DELIVERY RECOMMENDATIONS

That the Queensland government:

1. **Conduct a transparent audit** of where funds to the TSIRC region are being spent, so a genuine review of what actually hits the ground can occur.

2. **Decentralise models of service delivery** in the region so there are multiple service hubs rather than the current Thursday Island centralist model.

3. **Incentivise Departmental staff to shift to an outcomes-focused, partnership approach** to the development of policy, planning and service delivery that includes TSIRC from the earliest stages and highest levels in service planning for our region, through mechanisms such as person and role-specific KPI’s.

4. **Ensure effective project management** is in place at departmental levels and that meeting timeliness targets is tied to person and role-specific KPI’s to incentivise good project management.

5. **Shift funds and resources relating to engagement with our region** from departments to TSIRC so that we are the ‘first stop’ for government and service providers seeking to engage in our region.

6. **Build capacity of local workforce and organisations on our islands** to deliver services by:
   - Shifting to a “local first” model of grant funding so that organisations based elsewhere (Thursday Island, Cairns, Brisbane) do not automatically receive funding to deliver services in our region.
   - Working in partnership with TSIRC and local partner organisations to build the skill and knowledge base of local workforce.
   - Identifying barriers (legislative, required skills/knowledge/qualifications) to local employment and developing medium-to-long term strategies with TSIRC and local partner organisations to address such barriers.
7. **Ensure all departments respect and accommodate Native Title in their service planning**, including:

- Allowing sufficient time within grant requirements and project planning for obtaining land use approvals.
- Providing sufficient funding for Council and RNTBCs to engage in land use negotiations and approvals.
- Obtaining all necessary Native Title approvals before bringing plant, equipment and supplies to site.
SPECIFIC BUILDING AND HOUSING RECOMMENDATIONS

That the Queensland government’s response to Remote Indigenous Housing:

1. Provide multi-year funding and delivery cycles (ie. 5-10 years)

2. Take a whole of government approach to the policy, funding and administration of Remote Indigenous Housing which:
   - Continues the Queensland government’s whole of government approach to integrated minor and capital works.
   - Ensures cross-departmental and cross-agency commitments to delivering projects in a coordinated and integrated manner that maximises use of local capacity across time, work sites and projects.
   - Integrates Indigenous Employment Opportunities Program (IEOP) requirements upfront in all tenders and contracts for Federal and State capital works projects for the Torres Strait.

3. Deliver an outcomes-focused policy approach which is driven by local project delivery requirements and needs to:
   - Effectively achieve quality and compliance with a leaner bureaucracy and shorter administrative chain from the Federal to Local Government level.
   - Allocate funds and project management directly to TSIRC to manage the whole build process from design to completion, including tenant, native title and community consultation.

4. Develop an integrated funding model which funds the costs and investments essential to facilitating outcomes, from land availability through to build completion and:
   - Ensure essential services infrastructure funding is available within post-NPARIH funding or is jointly committed through other programs.
   - Ensure build funding is matched by appropriate funding and/or resources (such as worker accommodation) to enable efficient completion of works.
   - Provide real-cost fee for service to
     - TSIRC for the costs of negotiating land use for housing,
     - RNTBCs for the costs of involvement in negotiations.
5. Resolve land tenure issues effectively and efficiently by:

- Ensuring instruments and approaches to tenure are collaboratively developed across Federal, State and Local government to ensure the simplest possible end-user experience for community members, including:
  - Partnership with TSIRC and the Federal government to replace 40 year leases on NPARIH housing with a more effective instrument capable of region-wide application across NPARIH and non-NPARIH housing.
- Prioritising island-by-island traditional boundary mapping to ensure correct Traditional Owners are engaged.
- Implementing an island-by-island ILUA model which:
  - Includes RNTBC fee for service and compensation funding,
  - Includes mandatory inclusion of land allocated for contractors camps (time-limited) in ILUAs/s24JAA notices.

6. Fund and support local, culturally appropriate means for tenants to report maintenance issues with social housing.
SERVICE & INFRASTRUCTURE DELIVERY – WHAT'S NOT WORKING

There is no comprehensive, transparent data and information available on what services across the State are receiving funding to deliver services into the Torres Strait Island Regional Council local government area.

We are therefore reliant on community experience and observational reports on the ground of the low level of services to our communities. Child safety, family violence and women’s support services are consistently mentioned as areas of underservicing in the TSIRC region.

To ensure transparency and the effective use of funds for services in our region, it is vital that there is a comprehensive review of funding allocated to our TSIRC region. As a major stakeholder in our region, and as the body tracking the movement of organisations into our communities, we are in a position to verify or challenge the level of service claimed by organisations funded to provide service to our communities.

The low levels of service experienced on the ground by our communities indicate a discrepancy between what organisations are funded to provide and what is delivered.

We encourage the Inquiry to obtain such data from the Queensland government and play a role in evaluating the actual level of service provided to the TSIRC region.

The issue of underservicing of our region is a result of the centralised, fly-in fly-out models of service delivery. The TSIRC region is branded ‘too hard’ to service, so although organisations are funded to provide service, service levels are so low as to be ineffectual.

The positive impact that well established services on the ground in each community have (such as Health, Education, the TSRA Rangers program and our own TSIRC services) makes the value for money of localised services clear.

**Building and Housing**

There are many areas of duplication and unnecessary steps in the scoping, pricing, approval and final inspecting of housing upgrade works and repairs and maintenance. The
Inefficiencies include:

- **Pricing the works:**
  - BAS prepare tender for housing upgrade and submit to TSIRC for pricing.
  - TSIRC prepare and submit tender to BAS in accordance with our schedule of rates.
  - BAS scrutinise price in accordance with their schedule of rates and if deemed value for money, submit to RAM for approval.
  - RAM sometimes query the pricing and even request BAS to change the scope to fit within their budget.

- **Scoping upgrade works:**
  - Scoping of new works is usually based on the data collected by the Department of Housing using a condition scoring system derived from inspections over a 3-year period for each house.
  - Quite often this information is incorrect as it is not consistently updated to reflect works completed in the intervening period. This can lead to houses being scheduled for upgrades that have recently been upgraded, whilst another houses remain in poor repair.
  - Most years the BAS scoping exercise is completed late and by the time TSIRC price the works and receive approval, the financial year is well advanced, putting us under pressure to complete the program within a short timeframe. This is an additional burden given the constraints of our remote environment.

- **Inspecting the completed works:**
  - Once TSIRC have completed the works, BAS representatives fly to the island and carry out an inspection which is a major cost burden to the State and the program.
  - TSIRC have suitably qualified representatives permanently living on the islands who can verify works are completed.
A more holistic master planning approach to everything BAS do is needed. Whilst BAS staff are on an island, they could consider what other projects need scoping and what houses have completed work that needs inspecting.

**New Housing**

There are numerous areas of delay and unnecessary levels of bureaucracy associated with the management of the New Housing program.

Due to the complex BAS organisational structure, and internal relationships between BAS and RAM, there are delays with approvals for tenders, variations and Requests for Information (RFI).

A current administrative chain can involve the following:
- TSIRC to
- BAS Superintendent Representative (SR) to
- BAS Project Manager (PM) to
- BAS discipline specialists to
- BAS Director of Remote Housing Delivery to
- BAS Principle Project Office to
- BAS Program Manager to
- BAS Superintendent Representative to
- TSIRC.

BAS also undertake a town planning review which adds weeks to the process. We find it necessary to constantly ascertain where the approval status sits in this long chain and regularly need to contact them directly to find out what is going on. This is another burden on constrained resources.

BAS should have a single representative that takes responsibility for the management and tracking of each tender. For clarity and transparency, a Gantt chart should be produced and issued to all the parties involved to ensure timeframes are met and all parties are informed.
TSIRC are issued the tender documents for the design and construction of new houses in accordance with the latest set of New Housing design guidelines. Normally in the building industry, the design and construct contractor would engage a suitably-qualified design team; design the houses in accordance with the guidelines, then commence construction without delay.

BAS, however, request to review the completed design drawings prior to construction commencing. This design review process takes many weeks as the Guidelines are open to interpretation and subjective assessment. Different people within BAS review the plans so there can be varying directives to adjust plans. TSIRC have sought to manage and minimise this issue by utilising a single architect who has developed expertise in the Design Guidelines and BAS processes.

The design and construct contractor should be able to submit a certification from their architect confirming that the completed design complies with the New Housing Design Guidelines and the Town Plan, and start building.

**Reporting Maintenance**

The principle means of reporting maintenance issues for social housing is via “Blue Phones” in each community which connect directly to a BAS call centre in South East Queensland.

Call centre staff frequently lack awareness of the existence, location and culture of the Torres Strait. When this lack of cultural awareness is combined with the fact that English is the 2\textsuperscript{nd} or 3\textsuperscript{rd} language of many callers, it makes the system very difficult for community members to navigate.

There is a call centre in Cairns and staff include Torres Strait Islander People and those who work consistently with Aboriginal and Torres Strait Islander social housing clients, in the Cairns area. It has been observed that the Cairns team have a greater geographic and cultural knowledge of the Torres Strait. This would be a far more preferable and suitable arrangement.
The inefficiencies previously mentioned in project management and use of effective systems for managing work flows in BAS also impact tenancies. Tenants frequently report having made multiple reports of maintenance requirements with no feedback or work completed. This in turn impacts on rental collection rates, as tenants cease paying rent with the belief that they are not required to pay rent until maintenance is completed.

Land Tenure and Native Title

Land tenure and the processes involved in seeking approvals relating to Native Title and cultural heritage can be very complex. Allowing sufficient time within grant requirements and project planning for obtaining land use approvals is vital, and often underestimated. In the 10 year NPARIH new housing program for instance, it took 3 years before builds could commence to obtain approvals from Native Title holders.

Because of this complexity, and the importance of proper processes to the clarity and durability of agreements, it is critical that sufficient funding is provided for Council and Registered Native Title Body Corporates (RNTBCs) to engage in land use negotiations and approvals.

We already have complex land tenure arrangements in the Torres Strait, and history has shown (as with the unresolved ‘Katter’ Land Holding Act leases) that insufficient processes leave a divisive legacy which can have significant impacts on community wellbeing.

It is vital that departments, and their contractors, obtain all necessary Native Title approvals before bringing plant, equipment and supplies to sites. Too often this fails to occur, resulting in breaches of requirements under cultural heritage and Native Title legislation, and causes understandable anger and distress for affected community members (and adverse impacts on Council’s relationships).

Departments should ensure their staff and contractors are fully aware of the nature and requirements of Native Title and cultural heritage in the Torres Strait and set in place role and person-specific strategies to ensure compliance.
Compliance Actions - Department of Environment and Heritage Protection

TSIRC have failing sewerage infrastructure on a number of its 15 islands due principally to a lack of funding to maintain/renew its 1.1B asset base. The Department of Environment and Heritage Protection (DEHP) Compliance section has issued compliance notices to TSIRC to fix issues in line with legislative requirements. These letters threaten fines and require TSIRC to respond to them.

This pattern of writing letters backwards and forwards is counter-productive, consuming staff time and resources which would be better spent sourcing funding and delivering projects to rectify infrastructure issues outside TSIRC’s control. TSIRC only has a small engineering team, so it can take 16 hours to research correct information across our communities, write, review and submit a lengthy response letter to the DEHP. This results in 16 hours lost, which could have been spent working directly on solutions. **Issue of compliance notices do not assist Council to resolve its issues.**

Staff within DEHP Compliance seem to lack understanding regarding how long it takes to source funding and deliver projects to rectify issues, expecting faster resolution of issues than what is physically possible given TSIRC’s small engineering team, remote environment, and a lack of funding.

A solution would be for DEHP to assist with sourcing funding to rectify issues with infrastructure and provide on the ground training to upskill sewer operators. Nothing will be resolved without funding to take the necessary remedial actions, therefore this is the first step.

**Engagement Lead in the TSIRC Region**

Please see attached our Engagement Framework and Strategy (Appendix E).

Currently DATSIP have a formal role within government to lead engagement into the TSIRC region. However we can capably engage direct with departments on project-delivery in our region. The current arrangement produces yet another layer of bureaucracy and time lag.
Funds can be better spent by directly funding TSIRC to resource this work. The government engagement lead, DATSIP, still need to engage with us to progress engagement. It would be best to simply engage directly and fund us adequately to support this work.

This is not only more culturally appropriate, but it also provides opportunities for meaningful local employment, where technical skills can be added to a wealth of expertise, that already exists.

**Limited Powers of Community-Based Officers**

Although there are Torres Strait Islander Police Support Officers (TSIPSO’s) employed by the Queensland Police Service (QPS) based in our communities, their powers are so limited that they are perceived by community members to be ‘toothless tigers’ without the powers to effectively intervene and act in policing matters that arise.

At the Federal level, there is a similar challenge with the community based Movement Monitoring Officers (MMO’s) engaged to monitor treaty movements in the region. They do not have the powers to apprehend and so have to wait on officers to arrive from Thursday Island or beyond to action breaches of Treaty conditions, which is often too late given the tyranny of distance.

To support effective servicing and protection of our communities and to strengthen local employment opportunities and empower our people, Council would like to see commitment from both State and Federal agencies with a presence in our region to medium to long-term plans for building full-capability workforces on each of our islands.

We acknowledge the ongoing conversations with QPS in this regard and the shared vision to work towards a decentralised hub model of policing for the TSIRC region.
Economic Development

There is insufficient funding and training available in the Torres Strait region to support small businesses. TSIRC has a divestment program for many of its community assets, but few community members have demonstrated the capability to successfully take on assets.

People lack the necessary financial and business literacy to navigate accessing finance and establishing the business structures necessary to obtain, manage and utilise assets.

Furthermore, land tenure is a fundamental burden to economic development in the Torres Strait given the lack of availability of ordinary Freehold parcels of land, permitting mortgage as security for advancement of start-up costs.

Hands-on locally available training that begins with the basics of financial literacy, including how to build and manage a credit history; taxation requirements; business structure options; and accessing credit and capital is essential. Thursday Island and Cairns are distant, expensive and therefore inaccessible locations for many residents, and online resources are insufficient.

The Indigenous Employment Opportunities Project (IEOP) associated with our building of homes has been highly successful, with Council exceeding some targets by over 400% (see Appendix F). We would like to see IEOP’s taken up across government to expand local employment targets and strategy across all capital works programs in our region.
SERVICE & INFRASTRUCTURE DELIVERY – WHAT’S WORKING WELL

Three major services which provide a consistent and valued service to our communities outside of TSIRC are Health, Education and the TSRA Rangers Program. All have staff and facilities on the ground in each community. All are integrated well into their communities and play a positive role in facilitating other services into communities. All are staffed by people living in the communities.

Local Fare Scheme

Please see Appendix G for further details. The Local Fare Scheme is a well-targeted subsidy which makes a real difference to people’s capacity to travel to the mainland for family, social and cultural reasons.

Partnering to Build Capacity

1. TSIRC Engineering and Tropical Public Health Service

Council willingly cooperated with the Department for Energy and Water Supply (DEWS), Tropical Public Health Service (TPHS) and a Water Specialist Engineers/Scientists who travelled to every island to review drinking water infrastructure, processes, systems and competencies of the operators. Council has met regularly with DEWS and TPHS both during and following the trip to discuss key findings and resolution of issues.

The comprehensive report for each island is being utilised by Council. All recommendations, which typically relate to training, infrastructure and procedures, are being entered into a spreadsheet so that Council can comprehensively and accurately price the cost of implementation and seek funding to do so.

The data provided by DEWS from the assessment of drinking water infrastructure and practices has been valuable. Council would also appreciate DEWS moving beyond compliance actions to directly lobbying for training and infrastructure within and across state departments.
Although the DEWS data will help build a stronger case for funding, alone it does not solve TSIRC’s problems. Only sufficient funds to support timely and adequate maintenance and replacement of infrastructure, improvements to monitoring and dosing technology, and additional positions to mentor and support engineering operations staff can sustainably address our water quality issues over time.

TPHS are currently running a pilot water operations project on Hammond and Warraber Islands. The main components of the pilot program involve theoretical and practical training on the daily duties of a water officer (largely relating to monitoring and maintaining water quality), installation of more advanced chlorine dosing and monitoring systems, and introducing technology to record key water operations data.

Council values the active commitment of TPHS who have allocated both infrastructure funding and staff services to assist Council to build capacity of our community based workers.

TPHS staff spend time on site working directly with Council staff to build understanding of their role in protecting our environment and community. This has more benefit than regulatory bodies threatening financial and incarceration penalties, which TSIRC’s remote operations staff don’t adequately understand and appreciate.

TPHS are going back frequently, week on week, getting staff to implement methods and experience hands on learning, giving regular reinforcement of procedures and developing a mentoring relationship where mutual trust is built. This partnership, relationship-focused approach is what will assist to achieve change, rather than arms length compliance via fines or the threat of fines.

Sufficient funding for Council’s Engineering services would enable Council to employ enough Technical Officers to mentor and train staff within Council on an ongoing basis. We simply do not have enough capacity, human or capital, at present to provide this much needed service.
2. TSIRC Engineering and Department of Infrastructure, Local Government and Planning

TSIRC Engineering department have also worked with DILGP to provide them with asset renewal funding shortfalls over the next 8 years for water and wastewater assets. These funding shortfalls amount to $30m over the next 4 years and over $40m in shortfalls over the next 8 years.

DILGP staff sent consultants to look at infrastructure on five of TSIRCs 15 island communities. The consultants met with Engineering team members in Cairns to go through our funding shortfall data and prepared and submitted a briefing to the Minister.

We appreciate this active internal advocacy within government and are hopeful that the increased awareness of issues via the data provided translates to further infrastructure renewals funding to assist TSIRC in providing more reliable and compliant water and wastewater services.

Council further acknowledges and appreciates the flagship Works for Queensland investment of the current Labor Government which has brought about 1.875M repairs and maintenance funding for TSIRC which will assist us to ensure water security and essential to life infrastructure continuance. Council calls upon this Inquiry to seek to recommend extension of this program over future years.

3. Land Tenure and Boundaries

Council appreciates the long-term commitment of the Queensland government through DATSIP to the negotiation of a Regional ILUA, and the Moa ILUA and tenure resolution project. The complexity of such negotiations means long term commitments by all parties are critical for achieving effective outcomes.

The Ugar traditional boundary resolution project (co-designed with community) is a positive example of collaborative work between multiple stakeholders to assist community in effectively resolving land-related issues. It has assisted in resolving conflicts and paved the way for future opportunities to develop infrastructure, leases and other future acts on Ugar (see Appendix H for further details)
4. Tenancy Management

Council is partnering with the DPHW to strengthen Council’s capacity to sustainably deliver tenancy management. We have engaged in thorough discussions with the DPHW regarding the possibility of the Department taking on the role of tenancy manager under an agency appointment.

This arrangement would have seen the Department manage properties across all Divisions of Council and remit rental collections back to Council. The Department is still considering this proposal, including the challenges of building the relationships and logistical resources required to do this.

Council is also discussing alternative models with the Department including:

- The provision of staff with experience in tenancy management to build capacity in our Housing Officers.
- Provision of tenancy management software.
- Resources to engage additional staff to transition data from Council’s current systems across to a standardised tenancy management system.
- DPHW funding to TSIRC to ensure we remain cost-neutral.

This is a positive forward-looking development in the relationship between Council and the Department which has involved constructive recognition on both sides of the challenges and limitations of preceding capacity and systems within our respective organisations.
EVALUATION AND REPORTING RECOMMENDATIONS

That the Queensland government:

1. Work in partnership with TSIRC to conduct evaluation and compliance reporting relevant to our needs and priorities.

2. Establish adaptive reporting structures for grant streams that are:
   - Broad enough to allow for adaptation to our local needs and priorities.
   - Based on best practice for reporting and evaluation (both broadly and specific to the service type) in Indigenous communities.
   - Appropriately resourced for the level of staff and community input required so that service capacity is not compromised by time and resource burdens of reporting and evaluation activities.
EVALUATION AND REPORTING - WHAT’S NOT WORKING

In our Department of Community Services, the lack of communication and coordination between Federal and State departmental programs creates a heavy reporting burden, with two sets of reporting requirements in areas such as Home and Community Care (HACC), Aged Care and Child Care.

Where dual funding occurs across State and Federal programs, it would produce far better outcomes on the ground if the State and Federal governments invested up-front in working together to develop and streamline reporting requirements. The failure to do so has significant impacts on productivity and service delivery on the ground.

Community services staff report that relative to Federal sources of funding, the Queensland government provides proportionally low funding and sets higher reporting requirements.

These difficulties are compounded by remoteness and the increased logistics and resource demands of meeting compliance and reporting requirements in our dispersed island environment. These factors compound reporting burdens and impact significantly on the level of service provided to communities.

Compliance Reporting

TSIRC have fifteen sets of infrastructure to supply drinking water to our fifteen communities. Drinking Water Quality Management Plans are required for each individual system. The result is that we, as a small remote Council of 5000 residents, are completing almost 8 times the reporting of a large well-resourced Councils such as Cairns Regional Council.

This reporting is not of much benefit to TSIRC as it is too cumbersome to keep up to date and doesn’t add value to service provision or asset management. Our limited staff and engineering consultants are spending valuable time reviewing, auditing and updating drinking water quality management plans which could be better spent solving problems with operations and writing grant applications for much-needed funds.
Because TSIRC face fines if these reports are not submitted in a timely manner, we are forced to put resources to completing them. This in turn means that there is not that human resource focused on resolving the issues on the ground. We then need to hire engineering consultants to assist in completing compliance reports, at considerable cost.

A shift in the approach to compliance in Departments such as DEWS and DEHP is essential. The one-size-fits-all, inflexible and punitive response does not work to achieve outcomes for TSIRC’s communities and it is not solution-oriented.

There needs to be a shift away from lengthy reporting requirements and ongoing exchange of letters, towards working partnerships between departments which are focussed on resolving compliance issues, building the knowledge and skills of operations staff, and acquiring funding to upgrade the quality of infrastructure and to renew failing assets.

This approach and its findings can then be used to better shape Departmental policy and procedural responses, including assisting with internal advocacy for better policy and procedural settings, human resource and capacity building support, and more appropriate funding levels.

We see these positive responses occurring in the preceding examples of our partnership with TPHS and DILGP, and it is such positive responses that help sustainably resolve the underlying issues which lead to compliance failures.

END.