

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2012-13 Budget Estimates Hearings

Outcome Number: 7

Question No: 210

Topic: Remote Indigenous Housing

Hansard Page: 01/06/2012 - CA56

Senator Scullion asked:

Does the Government have a view on whether the high administration costs, which appear to be inherent with this Alliance model, have been the cause behind the incomplete refurbishments and the issues regarding the standard of work being done?

Answer:

The ANAO Performance Audit Report No.12 2011-12 *Implementation of the National Partnership Agreement on Remote Indigenous Housing in the Northern Territory* confirmed that from a slow start, solid improvements have been made resulting in housing targets being exceeded and capital works accelerated.

Specifically, the ANAO found that the construction costs in the NT are broadly comparable to general industry standards and that the indirect, or administrative, costs for running the program are around 17 per cent and are based upon the usual fees and corporate overheads for previous comparable projects. The ANAO Report acknowledged there are additional costs incurred in the Northern Territory due to the large scale and pace of construction.

It is incorrect to infer that refurbishments are incomplete. Refurbishment work is scoped to the value required to achieve priority functional outcomes to meet the requirements of the NT *Residential Tenancies Act*. Refurbishments are functional, not cosmetic.