



## Appropriation (Northern Territory National Emergency Response) Bill (No. 1) 2007-2008

## Appropriation (Northern Territory National Emergency Response) Bill (No. 2) 2007-2008

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Economics and Social Policy Sections

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## Appropriation (Northern Territory National Emergency Response) Bill (No. 1) 2007-2008

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**Date introduced:** 7 August 2007

**House:** House of Representatives

**Portfolio:** Finance and Administration

**Commencement:** In the case of both Bills, on Royal Assent

**Links:**

[Appropriation \(Northern Territory National Emergency Response\) Bill \(No. 1\) 2007-2008](#)

[Appropriation \(Northern Territory National Emergency Response\) Bill \(No. 2\) 2007-2008](#)

(There are no Explanatory Memoranda for appropriation Bills.)

When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

## Purpose

To appropriate money from the Consolidated Revenue Fund for various measures under the Government's national emergency response to protect Aboriginal children in the Northern Territory.

## Background

The Appropriation (Northern Territory National Emergency Response) Bill (No. 1) 2007-2008—hereafter Bill (No. 1)—and the Appropriation (Northern Territory National Emergency Response) Bill (No. 2) 2007-2008—hereafter Bill (No. 2)—appropriate funds for the Government's response to *Ampe Akelyernemane Meke Mekarle* “*Little Children are Sacred*”: *The Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse*, authored by Pat Anderson and Rex Wild.<sup>1</sup> These Bills are two of several introduced to implement the response.

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1. [http://www.nt.gov.au/dcm/inquirysaac/pdf/bipacsa\\_final\\_report.pdf](http://www.nt.gov.au/dcm/inquirysaac/pdf/bipacsa_final_report.pdf).

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The legal distinction between the two Bills is that Bill (No. 1) appropriates funds for services deemed to be for the 'ordinary annual services' of the government, while Bill (No. 2) appropriates funds for other purposes, notably, capital purposes and grants to the Northern Territory under section 96 of the Constitution. The Senate is empowered, under s. 53 of the Constitution, to amend Bill (No. 2) but not Bill (No. 1).

On 21 June 2007, the Hon. Mal Brough, Minister for Families, Community Services and Indigenous Affairs, announced the emergency response measures and a three-phase strategy of 'stabilisation', 'normalisation' and 'exit'.<sup>2</sup> At a joint press conference, the Prime Minister stated there was no estimate of the total cost but said:

It will be some tens of millions of dollars. It's not huge but there could be some costs in relation to the extra police. There'll be costs in relation to the medical examinations of children, that is [a] very extensive task.<sup>3</sup>

Public debate on the cost of the response followed the announcement, with estimates of up to \$5 billion to meet the costs of unmet demand in health, housing, education and employment.<sup>4</sup> Although the Minister for Finance disputed such estimates, the Treasurer was reported as saying the extra intervention will be costly:

It's having people on the ground, it's having law enforcement officers on the ground, it's having medical specialists on the ground and over a long period of time, it will be a very substantial cost.<sup>5</sup>

The dispute over costs is largely explained by different estimates for needs of the short-term 'stabilisation' phase or the longer-term 'normalisation' phase, and failure to define what the term cost means.<sup>6</sup>

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2. Quoted in Tim Colebatch, 'Learning a purpose in life', *The Age*, 26 June 2007.
  3. The Hon. J. Howard (Prime Minister), *Joint Press Conference with the Hon. Mal Brough, (Minister for Families, Community Services and Indigenous Affairs)*, transcript, 21 June 2007, <http://www.pm.gov.au/media/Interview/2007/Interview24380.cfm>.
  4. Lenore Taylor 'Crisis plan could cost \$5bn', *The Australian Financial Review*, 27 June 2007.
  5. '[Minchin rejects costs of NT intervention](http://www.abc.net.au/news/stories/2007/06/27/1963664.htm)' ABC news, 27 June 2007; <http://www.abc.net.au/news/stories/2007/06/27/1963664.htm>. 'AFP team arrives in NT for Indigenous plan', ABC news, 27 June 2007, <http://www.abc.net.au/news/stories/2007/06/27/1963744.htm>.
  6. There are at least three concepts of cost. First, there is the addition to government spending resulting from the response. The opportunity cost is what could be done with the resources devoted to the response. Finally, there is what might be called the cost-accounting measure, which seeks to measure the total cost of resources used, directly and indirectly (for example, overhead costs), to implement the response.

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The total amount sought under Bill (No. 1) and Bill (No. 2) is \$587.3 million, which the Minister described as ‘money required in 2007-08 for the stabilisation phase of the response’.<sup>7</sup>

More than half of the total appropriation—\$320.8 million—is departmental expenditure and capital expenses to meet the costs of increased personnel, staff accommodation, infrastructure upgrades and improved IT capacity across a number of agencies. Major costs are:

- \$15.5 million in logistics support (Defence)
- \$7.4 million for police deployment (Australian Federal Police)
- \$13.9 million for staff housing (FaCSIA)
- \$34.3 million for short-term staff accommodation (FaCSIA)
- \$25.7 million for police deployments, police stations and houses (FaCSIA)
- \$71.4 million for the Northern Territory Emergency Response Taskforce Operations Centre, Business Managers and volunteers (FaCSIA)
- \$25.9 million for infrastructure upgrades (FaCSIA)
- \$14.5 million for child-protection workers (FaCSIA)
- \$41.9 million for outback stores (Indigenous Business Australia)
- \$10.1 million for staff deployment (Centrelink) and
- \$14.3 million for improved IT capacity (Centrelink).<sup>8</sup>

A total of \$266.4 million is administered expenses largely to implement the welfare payments measures (\$52.2 million), child-health-check teams, follow-up medical teams and drug and alcohol response teams (\$72.7 million), improve childhood support services and fund alcohol diversionary programmes (\$91.2 million), improve teacher workforce capacity and increase the number of classrooms (\$16 million) and fund extra legal services and night patrols (\$10.7 million).

There is, as yet, no commitment to funding beyond 2007–08, nor is there any forecast of what time the ‘stabilisation’ phase might require. Although the appropriations are largely directed at the immediate need to fund the personnel and infrastructure requirements of the

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7. Hon. M. Brough (Minister for Families, Community Services and Indigenous Affairs), ‘Second reading speech: Northern Territory National Emergency Response Bill 2007’, House of Representatives, *Debates*, 7 August 2007, p. 11.
  8. All amounts are sourced from the Minister’s second reading speeches for Bill (No. 1) and Bill (No. 2) and the second reading speech for Bill (No.1) circulated by the House of Representatives Table Office with the Bill.

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child-protection measures, significant amounts are appropriated for implementing and managing the welfare-payment reforms such as the Income Management Regime, removal of all Remote Area Exemptions, Community Development Employment Projects transition payments, Government Business Managers and providing new or upgraded outback stores. These measures might be seen as longer-lasting and flowing on to a ‘normalisation’ phase.

Although there is some funding aimed at achieving long-lasting outcomes—such as funding for new classrooms, initiatives to retain teachers, community health assessments, night patrols, ongoing jobs and training—a greater funding commitment might be required to achieve ‘normalisation’ and ongoing improvements in outcomes in education, housing, health and employment for Aboriginal peoples in the Northern Territory. Estimates include \$1.4 billion to provide housing, at seven persons per house, (some communities now average 15 or 16 people per house, a family per bedroom);<sup>9</sup> \$460 million extra over five years for health; \$690 million over five years for remote community schools and teachers, and \$1.4 billion over five years for converting CDEP jobs to ‘proper’ jobs.<sup>10</sup>

Additional background to the Bills can be found in the [interim Bills Digest](#) for the Northern Territory national emergency response Bills 2007,<sup>11</sup> and in the final Bills Digests to be published in relation to those Bills.

## Financial implications

### Appropriation (Northern Territory National Emergency Response) Bill (No. 1) 2007-2008

Bill (No. 1) appropriates a total of almost \$502 million across eight portfolios as set out in **Schedule 1** of the Bill. The main recipient is the Families, Community Services and Indigenous Affairs portfolio—which will receive more than \$212 million—followed by the Employment and Workplace Relations portfolio, which will receive more than \$115

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9. In the 2007–08 Budget the Government committed \$293.6 million over four years to start up the new Australian Remote Indigenous Accommodation (ARIA) Programme, additional to funding of \$380 million per year for Indigenous housing. This is not, however, committed specifically to the Northern Territory.
  10. J.C. Altman, ‘Stabilise, normalise and exit = \$4billion. Cheap at the price?’, Centre for Aboriginal Economic Policy Research, ANU, Topical Issue No. 8/2007, 29 June 2007, [http://www.anu.edu.au/caepr/Publications/topical/Altman\\_Costing.pdf](http://www.anu.edu.au/caepr/Publications/topical/Altman_Costing.pdf).
  11. Law and Bills Digest Section and Social Policy Section, ‘Northern Territory national emergency response Bills 2007—interim Bills Digest’, *Bills Digest*, no. 18, Parliamentary Library, Canberra, 2007–08, <http://www.aph.gov.au/library/pubs/bd/2007-08/08bd018.pdf>

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million. Schedule 1 also lists the individual agencies, the amount each agency will receive, and the outcomes for which funds are appropriated.

## Appropriation (Northern Territory National Emergency Response) Bill (No. 2) 2007-2008

Bill (No. 2) appropriates a total of more than \$85 million. As with Bill (No. 1), the main recipients are the Families, Community Services and Indigenous Affairs portfolio (almost \$49 million) and the Employment and Workplace Relations portfolio (more than \$21 million).

## Information on programs

As with other Appropriation Bills, Bill (No. 1) and Bill (No.2) lack details of the programs on which funds are to be spent. The Minister, in his second reading speeches, mentioned some of these programs. More information is contained in the Portfolio Supplementary Estimates Statements, which can be found on the [Budget website](#). The following are links to the Portfolio Supplementary Estimates Statements:

[Attorney-General's](#)

[Defence](#)

[Education, Science and Training](#)

[Employment and Workplace Relations](#)

[Families, Community Services and Indigenous Affairs](#)

[Health and Ageing](#)

[Human Services](#)

[Prime Minister and Cabinet.](#)

## Main provisions

### Appropriation (Northern Territory National Emergency Response) Bill (No. 1) 2007-2008

The provisions of Bill (No. 1) are virtually identical to the provisions in the main 'ordinary annual services' appropriation Bill for 2007-08, namely Appropriation Bill (No. 1) 2007-

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2008 ([Bills Digest](#)). The following focuses on differences between Bill (No. 1) and Appropriation Bill (No. 1) 2007-2008.

**Proposed section 3** contains a ‘standard’ definition of Portfolio Supplementary Estimates Statements, defining them as the documents tabled in the Senate or House of Representatives in relation to the Bill.

**Proposed section 6** deals with basic appropriations, and appropriates \$501,999,000 as set out in **Schedule 1**. Note 1 in this **proposed section 6** refers to section 12 of the *Appropriation Act (No. 1) 2007-2008* and to **proposed section 10**, both of which deal with Comcover receipts. In essence, section 12 provides that when a Comcare payment is made on behalf of an agency, the funds available to the agency must be increased by the amount of the payment so that its funding level is not reduced. The effect of **proposed section 10** is to apply Comcare payments to increasing the funding in **Schedule 1** of Bill (No. 1) and to **Schedule 2** of Bill (No. 2).

Appropriation (Northern Territory National Emergency Response) Bill (No. 2) 2007-2008

Similar to Bill (No. 1), the provisions of Bill (No. 2) are virtually identical to the provisions in the main annual appropriation Bill for ‘other’ services for 2007-08, namely *Appropriation Bill (No. 2) 2007-2008* ([Bills Digest](#)). The following focuses on differences between Bill (No. 2) and Appropriation Bill (No. 2) 2007-2008.

**Proposed section 3** contains a ‘standard’ definition of Portfolio Supplementary Estimates Statements, defining them as the documents tabled in the Senate or House of Representatives in relation to the Bill.

**Proposed section 6** deals with basic appropriations, and appropriates \$85,337,000 as set out in **Schedule 2**.

Similar to Bill (No. 1), Note 1 in **proposed section 6** of Bill (No. 2) refers to section 12 of *Appropriation Act (No. 1) 2007-2008* and to **proposed section 10** of Bill (No. 1). As with Bill (No. 1), Note 1 of Bill (No. 2) deals with Comcover receipts. And as with Bill (No. 1), **proposed section 6** of Bill (No. 2) provides, in essence, that when a Comcare payment is made on behalf of an agency, the funds available to the agency must be increased by the amount of the payment so that its funding level is not reduced. The effect is to apply Comcare payments to increasing the funding in **Schedule 2** of Bill (No. 2).

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