

The Estimates Committee convened at 08.30 am.

**Madam CHAIR:** Good morning to everyone listening at home or at work. Thank you for joining us for day two of the estimates hearings. We are joined this morning by the Chief Minister.

Chief Minister, would you like to introduce the officials accompanying you this morning?

**Mr GILES:** Thank you very much, Madam Chair, it is good to be back at estimates this year. I congratulate the Leader of the Opposition, Michael Gunner, for his appointment to that position. I hope he has a good estimates process, and hopefully it is a little more tasteful than last year.

## CHIEF MINISTER'S PORTFOLIOS

### AUDITOR-GENERAL'S OFFICE

**Madam CHAIR:** Could you introduce the Auditor-General and then I will make a short speech before you do your introduction.

**Mr GILES:** With me is the Auditor-General, Julie Crisp.

**Madam CHAIR:** Yes, thank you.

Chief Minister, I will invite you to make an opening statement of no more than five minutes. I will then call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal strategy-related questions before moving on to output specific questions, and finally non-output specific budget-related questions.

I will invite the shadow minister to ask questions, first followed by committee members. Finally, other participating members may ask their questions. The committee has agreed that other members may join in on a line of questioning pursued by a shadow rather than waiting for the end of the questions of that output.

Chief Minister, please feel free to make your opening statement.

**Mr GILES:** I would like to make a short statement on this output. With me is the Auditor-General, Julie Crisp. The Auditor-General's Office is a statutory office established by the legislative committee in the *Audit Act*. The role of the Auditor-General can be viewed as a safeguard intended to maintain the financial integrity of the Northern Territory's parliamentary system of government.

The Auditor-General audits the public and other accounts, taking into account recognised professional standards and practices; carries out audits directed by the minister; conducts audits of performance management systems; conducts audits of public sector entities, including whole-of-government accounts; and reports to the Legislative Assembly on audits mentioned previously.

The office's work for the year has included 128 audits and reviews during 2014-15, compared to 123 in the prior year. The 2015-16 year plan is for the delivery of 152 audits and reviews. The increase is designed to achieve sufficient audit work in order to form an opinion on the Treasurer's Annual Financial Report and statements. The increased program will be met by changes to the model for recovery of audit costs within the public sector.

It is estimated that the office will end the 2014-15 year largely on budget. The 2015-16 audit program will see an increase in performance management system audits as well as reviews and compliance audits. The use of whole-of-government data when conducting reviews of expenditure is likely to increase with the objective of adding value to agencies by reporting trends and aberrations in data.

I will now hand over to the Auditor-General to answer any questions the committee may have.

**Madam CHAIR:** Thank you, Chief Minister. Are there any questions relating to the Chief Minister's statement?

**Mr GUNNER:** Auditor-General, could you please take us through your staff, the resources available to you, how you deploy them and whether they are adequate for you to perform your statutory responsibilities?

**Ms CRISP:** Certainly. The office has five full-time staff. There are two administrative positions and three executive positions, my own and those of the two principal auditors. One principal auditor is largely responsible for managing the audit contracts and the outsourced audit program, and the other takes responsibility for the delivery of performance management system audits within the office.

In relation to resources, we outsource the majority of the audit work apart from a small proportion which is undertaken in house. The contract for sourcing those audit services is a three-year contract. The current contract came into place on 1 January this year. It was the outcome of a tenure process that was conducted and decided immediately before I was appointed to the position. Five audit firms are contracted to provide services under that.

The funding model for the Auditor-General's Office has changed somewhat this year. Previously there was a range of statutory audits that we undertook, the costs of which were recovered. We would advise Treasury of the recovery of costs and they would then recover those costs from the various agencies. This year the funding model has changed to allow us to recover those costs in house. That has freed up out appropriation funds for application to additional audit work, in order to provide an opinion on the Treasurer's annual financial statements.

Agencies are not subject to financial statement audit; they are audited in the consolidated form within the Treasurer's annual financial statement, so it is important that we undertake sufficient compliance audit work in the agencies to have confidence over the Treasurer's annual financial statements. We are comfortable with the changed cost recovery methodology that we have sufficient resources to undertake the program and to form an opinion on the Treasurer's annual financial statements.

**Mr GUNNER:** That flows into my next question around the cost recovery model, which is good news. Can you provide some details about the model and whether there are potential downsides from the cost recovery arrangements?

**Ms CRISP:** The recovery of costs is dependent on what audits are undertaken. The audits of statutory entities that enable us to recover costs, if there are more or less statutory entities, would affect what we recover as well as what we pay out. It is a good model in that sense; it means that our costs are covered for the work that is performed and provides us with a capacity to do additional work.

I do not perceive a downside at this point in time. It enables us to do more of the work that is covered under appropriation, which is a good thing.

**Mr GUNNER:** From your audits, are there any recurring findings or process deficits that point to whole-of-government systemic weaknesses that could be addressed sector-wide?

**Madam CHAIR:** Sorry, Auditor-General, just before you answer. Opposition Leader, the questions must go to the Chief Minister. Chief Minister, if you are happy for the Auditor-General to answer that is totally fine, but Auditor-General you are under no compulsion to immediately answer.

**Mr GUNNER:** Clarifying that - normally questions are through the Chief Minister to the statutory officer.

**Madam CHAIR:** Just as a matter of courtesy.

**Mr GUNNER:** Do you want me to repeat the question?

**Mr GILES:** Yes.

**Mr GUNNER:** From your audits, are there any recurring findings or process deficits that point to whole-of-government systemic weaknesses that could be addressed sector-wide?

**Ms CRISP:** In relation to whole-of-government, we tend to look at selected agencies, so the size of the agency and its materiality to the whole-of-government accounts are what underline our audit program. To the extent that we believe there are systemic areas or opportunities for controls enhancements, we cover those through our compliance audits which are conducted within the major agencies. I report on those and generally those compliance audits are conducted in the first six months of the calendar year.

The audits largely focus on compliance with the Treasurer's directions. There are always areas for improvement and some are more material to the agency than others. The role of the Auditor-General is to flag those areas so they can be addressed by the accountable officer of the agency. The results from each

agency generally differ. We focus on transaction-based work when doing compliance audits. We look at a range of various transactions and we flag those. We have not identified a consistent material deficiency across government in that regard. The findings we have are reported through my report to parliament.

**Mr GUNNER:** Through the Chief - after concerns were raised about the use of a fuel card by a Member of the Legislative Assembly, the former Auditor-General looked at the use of all fuel cards. Given your audit powers and the current coverage of overseas travel by members, is this something you might capture routinely in future audits?

**Mr GILES:** Auditor-General.

**Ms CRISP:** In relation to that, yes, I am obviously aware of the audit conducted by my predecessor and the findings that came out of that. There are no scheduled fuel card audits in the next six months, primarily because this is the time we contribute to the tax audit. We obviously intend to revisit the use of fuel cards on a cyclical basis within the office. To the extent that it would fall into the audit program, it would be likely in the first six months of next calendar year - so the last six months of this financial year. Those findings are reported immediately following the audit in the next report to parliament.

In relation to fuel cards, what information we had in the past has been fed back to the agencies. It is part of the data analysis undertaken by the principal auditor. Currently it is not scheduled, but in the first six months of next calendar year it is likely.

**Mr GUNNER:** The former Auditor-General looked at the fuel cards after concerns were raised, which we obviously welcomed. Given the current coverage of overseas travel by members, is this something you would be looking at in a future audit?

**Mr GILES:** I am happy to hand this over, but the Auditor-General has made some things quite clear. The Auditor-General gets busy on a range of different projects.

The Auditor-General, in the past, has been quite busy looking at things such as the Asset Management System. You might recall that when you were former senior adviser to the then Chief Minister, Paul Henderson, there was some \$70m wasted on the Asset Management System. There are some big projects the Auditor-General looks at. I will hand it over to the Auditor-General now, but we need to keep in context the high degree of projects and Labor waste that have been investigated in the past.

**Ms CRISP:** The approach to setting the audit program is to look at items that will determine or identify material, financial deficiencies or potential financial deficiencies within the overall government financial statements. It is a risk-based approach to planning the audits to the extent that it is material and will feature as part of that risk assessment. We look at travel periodically, so that is something that is looked at and which has been looked at in the past. It is not out of the question, but the six months has not been set for the end of this financial year yet.

**Mr GUNNER:** Thank you, Auditor-General. It may be there, it may not. Do you have to go through a few other decisions first?

**Ms CRISP:** We do.

**Mr GUNNER:** The previous Auditor-General also kept a close eye on the use of credit cards, which included a number of reports. Given the strict guidelines around the use of government-issued credit cards I have to ask this question: does the use of a government credit card to pay for a personal bar tab contradict the type of behaviour that you may capture in a future audit?

**Ms CRISP:** The compliance audit program does look at the use of purchasing cards. Obviously it is based on a transaction on a sample basis, depending on what transactions are selected as part of that sample. It is an established sample so it is done on a statistical sampling basis. If a transaction is selected it is investigated.

**Mr GUNNER:** That is obviously a random capture, so when something comes to your attention you might not necessarily include that in the work that you do.

**Ms CRISP:** Because the audit is outsourced to the providers, generally we rely on their methodology. If there was something specific and material to the whole-of-government accounts then we would ask them to

direct an audit focus at that. But were it not individually significant material, it may not be a specific directive of the audit task assignment.

**Mr GUNNER:** Do you know how you would determine whether something is individually significant?

**Ms CRISP:** There are two aspects, qualitative and quantitative materiality. Quantitative, in the context of the Treasurer's annual financial statements, is quite a large number. From a qualitative perspective it would be aligned with whether we thought there was a consistent or systemic issue which would lead to a material statement. It still ends up being driven somewhat by numbers, but it is looking at how systemic a problem or perceived problem may be.

**Mr GUNNER:** That is a good point. The former Auditor-General was concerned about whether there was a systemic misuse of the credit cards across government. Obviously a one-off use is not systemic, but without looking you might not know if it is systemic or not in how that credit card was used in that instance.

**Ms CRISP:** In relation to that, credit cards and purchasing cards in general are the subject of the compliance audit programs carried out at the large agencies every year, and on a cyclical basis for the smaller agencies over the three-year or two-year period going forward. It is intended that those consistent and systemic themes are identified and reported on.

**Mr GUNNER:** Credit cards are looked at and the sampling is done randomly, so we are not sure if the use in this instance will necessarily be captured.

**Mr GILES:** Late night?

**Mr GUNNER:** No. I was just thinking, Chief Minister, about whether I should follow up more on that. We have plenty of time today. We can talk about the use of credit cards later in other outputs regarding what the Auditor-General may or may not do in her audits, and whether the use of a credit card on a bar tab may or may not ...

**Mr GILES:** I have plenty of books to read. I am reading a good one right now.

**Mr GUNNER:** Are there any regular forums for CEOs or CFOs that your office holds to discuss broad issues of public sector accountability?

**Ms CRISP:** Traditionally, my understanding is that has not been the approach. We have not been informed or spoken to CEOs as a group, but I have conversations with Chief Executive Officers. The communication from every audit is fed back to the accountable officer of each agency. In some instances they are involved in the discussion at the audit closing meeting. There is regular communication in that regard; the results of any audits are reported through my report to parliament. If there is commonality of themes, that is communicated.

**Mr GUNNER:** I have some specific questions regarding your most recent report. Should I be disturbed about the finding that the Central Australian Hospital Network received more than \$1.7m in funding greater than the budgeted amount of Commonwealth funding, and then was unable to provide a breakdown of it? Additionally it demonstrated an inability to quantify the balances of unspent funds related to each project. Can you take us through what you found there and what the concerns are?

**Mr GILES:** That is a question that should be put to the Minister of Health.

**Mr GUNNER:** It is a question relating to the Auditor-General's report, written by the Auditor-General.

**Mr GILES:** The Auditor-General has made a finding there, but in regard to the breakdown of the Health budget, and specific expenditures regarding a range of matters within Health, you should put it to the Minister for Health, or Infrastructure if it is an infrastructure matter.

**Mr GUNNER:** It would be quite extraordinary not to be able to ask the Auditor-General questions about the Auditor-General's report. It would literally be precedent setting, Chief Minister.

**Mr GILES:** Within her report, the Auditor-General has made some comments, but if it is in direct relation to the expenditure within the Department of Health, you should ask that department through the Minister for Health.

**Mr GUNNER:** I am asking questions about the Auditor-General's report and the findings she made. It would be quite extraordinary for the Auditor-General to not be allowed to talk.

**Mr GILES:** The Auditor-General is allowed to talk, Leader of the Opposition, but you are asking about a breakdown of Health expenditure, so you should ask the Health minister.

**Mr GUNNER:** No, I am asking - no, I did not.

**Mr GILES:** You are asking for an opinion on something in the report.

**Mr GUNNER:** No, I did not ask for an opinion either. I asked about the inability to provide a breakdown. The Auditor-General looked at the Central Australian Hospital Network and found that it was unable to provide a breakdown of the money that was spent, when they received \$1.7m greater than the Commonwealth funding.

I am not asking the Auditor-General for a breakdown of the funding; I am asking about the concerns she raised about their inability ...

**Mr GILES:** That was not your question, Leader of the Opposition.

**Mr GUNNER:** I have it written here. That was the question.

**Mr GILES:** Read the question out.

**Mr GUNNER:** Should I be disturbed, Auditor-General, about the finding that the Central Australian Hospital Network received more than \$1.7m greater than the budgeted amount of Commonwealth funding, and then was unable to provide a breakdown of it? Additionally, it demonstrated an inability to quantify the balances of unspent funding related to each project.

**Mr GILES:** Well, the question was whether you should be disturbed. That is a matter for you if you are disturbed or not. If you want to have a breakdown of the Health budget, ask the Health minister. You did ask if you should be disturbed.

**Mr GUNNER:** Auditor-General, can you take us through your findings around the Central Australian Hospital Network and the concerns around the \$1.7m that they received greater than the budgeted amount of Commonwealth funding, and the inability to provide a breakdown of that?

**Mr GILES:** Leader of the Opposition, I do not think the estimates process is a time for the Auditor-General to go through the findings. They are in front of you. It is easier for you to read them. The findings are in front of you. We can sit here all day and read the Auditor-General's report, but it takes a lot of time.

**Mr GUNNER:** Chief Minister, what is taking up time is you gagging the Auditor-General.

**Mr GILES:** You asked a personal question about whether you should be disturbed. If you need to rephrase the question, rephrase it.

**Mr GUNNER:** I just did.

**Mr GILES:** The Chief Minister and the Auditor-General should not be providing commentary about whether or not you should be disturbed. There are probably more pressing questions to ask rather than whether you are disturbed or not.

**Mr GUNNER:** Her findings go to process, and at the moment the Central Australian Hospital Network is unable to account for \$1.7m.

**Mr GILES:** I suggest you put that to the Health minister.

**Mr GUNNER:** I am asking the Auditor-General, who audited this, about her inability to provide that breakdown and the answers that were provided. We are allowed to ask if the Auditor-General is satisfied with the answers.

**Mr GILES:** What answers?

**Mr GUNNER:** Chief Minister, could you allow the Auditor-General to answer the questions about the Central Australian Hospital Network?

**Mr GILES:** I just want to get some clarity about your question and make sure it should be going to the Auditor-General and not to the Minister for Health.

**Mr GUNNER:** You are playing foolish games right now, Chief Minister. We have an independent statutory officer here, and we have public findings from the Auditor-General's report about the Central Australian Hospital Network's inability to account for \$1.7m. The Auditor-General has conducted an audit and she is allowed to answer questions about that audit.

**Mr GILES:** The Auditor-General is quite free to answer any questions. I am happy for the Auditor-General to answer any questions. I have sat back, but when you ask questions about a matter of opinion and how disturbed you should be, you need to get to a factual point. If it is about a breakdown of the Health budget, I am happy for that to occur.

I know you are new at this game, as a Leader of the Opposition apprentice, but if it is a factual question to the Auditor-General I am more than happy, but if it is an opinion about whether you should be disturbed, or is about a breakdown about the Central Australian Health budget, it should go to the Minister for Health. Whether you are disturbed or not is a matter for you.

**Madam CHAIR:** Opposition Leader, perhaps you may want to rephrase the question.

**MR GUNNER:** I have rephrased it and I am waiting for the Auditor-General's answer. The Chief Minister should stop gagging the Auditor-General.

**Mr GILES:** I am not. You have to ask a question.

**Mr GUNNER:** I have asked a question. I have asked several questions.

**Madam CHAIR:** Perhaps if you restate it again ...

**Mr GILES:** We do not need to go back to whether he is disturbed or not, Madam Chair.

**Mr GUNNER:** I have rephrased the question, and the person who has not spoken yet, whom the question was asked to, is the Auditor-General.

**Mr GILES:** What was your question?

**Mr GUNNER:** I have asked the question several times now, Chief Minister. Rather than playing games with the estimates process you should allow the Auditor-General to speak.

**Mr GILES:** Three times you have asked whether you should be disturbed or not. I am not sure if you are disturbed, so that it is not a question. Your fourth one was about a breakdown of the Health budget. If it is in the context of how an inquiry was conducted with the Auditor-General and so forth, I am more than happy; that is what this process is about. Whether or not you are disturbed is not relevant.

**Mr GUNNER:** As the Chief Minister is aware, I rephrased the question and we are waiting for the Auditor-General to answer the question.

**Mr GILES:** Perhaps we could have the question again, Madam Chair, to the Auditor-General and not the Health minister, and not about whether the Leader of the Opposition is disturbed or not.

**Mr GUNNER:** The Central Australian Hospital Network received more than \$1.7m greater than the budgeted amount of Commonwealth funding and was unable to provide a breakdown of it. Additionally, it demonstrated an inability to quantify the balances of unspent funds related to each project. What consequences do we face when people cannot account for the money they have received?

**Ms CRISP:** Obviously the funding comes through the department and is distributed to the newly created networks. The audit process at year-end looks at what has been received and what has been carried forth for prior years. Under a government not-for-profit arrangement, funding has to be recognised when it is received and it may not always be spent on the purpose for which it is received in the year it is received. That sounds a bit convoluted, but obviously a liability or an unspent amount of the funding could be held at

year-end and carried forward. The audit process for Health is not an audit of the financial statements; it is a compliance – there is a compliance audit conducted in February/March and an end-of-year compliance audit is generally conducted in July.

In the July audit we tend to look at how balances have been put together in the balance sheet. The findings were that when we looked at the report coming out of the federal government for the amount of funding received, the authorised auditors could not reconcile that directly with what sat in each of the health networks and the allocation across the three. The response from the Department of Health is that they are reconciling and working to address that. We will follow that up in my July audit. The funding is there; we need to give the agency an opportunity to look at its processes and do the reconciliations. There is a carry-forward nature of funding which always leaves some complexity to that.

**Mr GUNNER:** I was going to ask, did the department's response actually address the concerns that you raised? Will it be adequate in future to make sure we can account for those monies, but they will be captured in your July audit?

**Ms CRISP:** That is correct.

**Mr GUNNER:** Can we be confident that the money was spent where it was meant to be spent, if we are unable to reconcile it?

**Ms CRISP:** I do not follow down to the dollar through the networks. As far as where the money was spent or for each individual purpose, that is not what we look at as part of the audit.

**Mr GILES:** Except for the Health minister.

**Mr GUNNER:** Yes, but it relates to the concerns about the inability to reconcile. The Auditor-General looked at this and raised concerns that this money came in, but we were not able to necessarily work out where it went. That was the question raised about process. The concern about the failure of the process was because we do not know where the money went.

**Mr GILES:** That is not quite right. The Auditor-General has identified an issue and put it in a report. The purpose of estimates is to go through the financial accounts of government and see where that money is. If you want to know any information about the breakdown of that, I am sure minister Elferink in his Health portfolio on Tuesday will be able to give you an answer.

**Mr GUNNER:** We will go to the questions that we did not ask today - you tried to block a question that was not asked.

**Mr GILES:** I am happy to answer that.

**Mr GUNNER:** It was about the breakdown of the funding, but that will go to the Health minister. Concerns were identified by the Auditor-General, and on page 109 similar outcomes were found for the Top End Hospital Network, but this time it was \$2.5m of Commonwealth funds. Talking about \$1.7m and \$2.5m, the Auditor-General has identified concerns. The department said it was addressing the concerns and we are raising with the Auditor-General the adequacy of the response. She is measuring that in her July audit.

**Mr GILES:** Yes, we will wait til then, but if you have any questions about the breakdown of the Health budget, seriously, ask the Health minister and he will be able to break that down for you.

**Mr GUNNER:** We know that, Chief Minister.

**Mr GILES:** You did not in the first question when you asked ...

**Mr GUNNER:** As you know, and we were corrected, that was not what was asked in the first question. Auditor-General, on page 122 of your latest report you made a finding in relation to a complaint lodged by a Member of the Legislative Assembly about comments made by the Chief Minister on his website regarding the Casuarina by-election. You found four of the eight statements made by the Chief Minister breached the *Public Information Act*, but you made no recommendations in this report. Why was that? Is it because it was too late for the information to be withdrawn or corrected, which is the recommendation that you can make?

**Ms CRISP:** The *Public Information Act* is the relevant act, and the intent is information that has been publicly funded can be referred to me by any Member of the Legislative Assembly. In relation to that report, that was the second referral for the year that I reported on; it related to the Chief Minister's weekly message, which is sent by e-mail. Under the act there are a couple of clauses, one is that a breach of the act constitutes when a statement of opinion is not clearly distinguished from the statements of facts.

The four points that were raised in that report were about four paragraphs in that e-mail which did not clearly state that they were opinion or fact, and that was the nature of the breach. There is no penalty process associated with the *Public Information Act*. In relation to my findings, the only avenue that I have is to report them and ask for withdrawal of the information once it has already been disseminated by e-mail through the public arena. Once it is there, it is there. It cannot necessarily be retracted.

**Mr GUNNER:** Yes, that is correct. For the record, Section 8(3) of the act allows you to make two recommendations: withdrawal of public information; or that specified changes be made to the content of the public information. In this instance the nature of the information and the way it was used by the time we had a chance to look at it was too late for it to be withdrawn or corrected. Do you have the capacity to make recommendations ...

**Mr GILES:** Can I just ask, Madam Chair, what the document is that we are talking about that went out and was wrong?

**Mr GUNNER:** It is page 122 ...

**Mr GILES:** No, the document that went out.

**Mr GUNNER:** I have it, yes. The Chief Minister issued a weekly message e-mail about the Casuarina by-election in which you made a number of comments ...

**Mr GILES:** Where we said we would lower petrol prices - and we have.

**Mr GUNNER:** Four of those eight comments were deemed to have contravened the *Public Information Act* and are detailed within the Auditor-General's report. For example:

*By strengthening our public service, we're building a Northern Territory with a bright future.*

*... this statement did not clearly distinguish a statement of fact from a statement of comment.*

Four of the eight statements were found to have breached the act.

This might be outside your abilities, but can you make recommendations about how an act may be strengthened, or is that something we take on as Members of the Legislative Assembly?

**Mr GILES:** Sorry but before we go on to that, Leader of the Opposition, is that the part where I paid tribute to Kon Vatskalis, the former member for Casuarina, and said that ...

**Mr GUNNER:** That statement did not contravene the act, Chief Minister.

**Mr GILES:** Is this the area that we are talking about, where I said that the Northern Territory government has a plan for the northern suburbs and northern Australia? That we had the fastest growing economy in the country ...

**Mr GUNNER:** And that was found to have breached the act.

**Mr GILES:** ... our public service was growing, not being cut like the former Leader of the Opposition said; we have a plan to make the Territory a more affordable and we are starting to drive down the cost of living through rapid land release, childcare subsidies, sports vouchers, and reducing the price of petrol and housing. Is that the report you are talking about?

**Mr GUNNER:** You just made up words there, Chief Minister. It does not say price of petrol anywhere.

**Mr GILES:** Well, I am reading directly. You know that we have worked very hard at reducing the price of petrol in the Northern Territory ...



**Mr GUNNER:** If you want to make up words, Chief Minister, you can do that.

**Mr GILES:** You would hate to see that put out in print, wouldn't you?

**Mr GUNNER:** You are reading random words that are not even there.

**Mr GILES:** I did pay thanks to Kon ...

**Mr GUNNER:** Yes, you did pay thanks to Kon. That was considered a statement of fact.

**Mr GILES:** ... and said that we have a plan for the northern suburbs; we are driving down the cost of living and providing good leadership in the Northern Territory; we brought Labor's petrol prices down ...

**Mr GUNNER:** It was found that you did not distinguish statement of fact from statement of comment when you said you had a plan to reduce crime.

**Mr GILES:** No wonder you are trying to remove the fact we are bringing petrol prices down to the lowest gap ...

**Mr GUNNER:** It is not even in there, Chief Minister.

**Mr GILES:** ... between the terminal gate price and the retail price in the Territory's history.

**Mr GUNNER:** I thank the media for their campaign around fuel prices. Channel 9, the *NT News* and ABC did a fantastic job.

There are a number of things in there.

**Mr GILES:** Playing to the crowd.

**Mr GUNNER:** Thanks for highlighting some of the things that did not constitute fact but were comment instead.

**Mr GILES:** Everyone knows that the prices of petrol and housing are coming down in the Northern Territory, and that is a good thing. That is the plan that the Country Liberals government has for the Northern Territory, and we will continue to deliver that.

I understand the report that you are talking about, but petrol prices are coming down in the Northern Territory, as are house and unit prices. We have more competition in the aviation sector so the price of airline fares is starting to come down. We are starting to tackle the price of groceries now on the issue of the cost of living.

The clear plan that the Country Liberals have for governance in the Northern Territory is working. I will be very happy to see your support for some of the things we are doing, particularly around the success we have had with petrol prices.

**Mr GUNNER:** You might want to be careful what you say, Chief Minister, because it has already been found that you breached the *Public Information Act* when you made statements that do not separate comment from fact, and that is what we are talking about here.

**Mr GILES:** The civil thing to do is go down the road, look at a service station and see the price of fuel. You will see it is cheaper now than before we took action, and that is a success. The community spoke out about it, as did Harry Kypreos, who was a candidate in the Casuarina by-election for the Country Liberals. We have done a range of things, including our fuel summit, putting out specific sites, working closely with AANT, United Petroleum and a range of other organisations. That has seen a vast improvement in the price of petrol for Territorians, and people are thankful for that.

The most recent announcement by AANT in relation to its partnership with United, and the 8c reduction for its 18 000 to 20 000 members, is a good thing.

We will continue to provide a range of outcomes, investments and interventions into the price of fuel, housing, groceries and the like across the Northern Territory.

**Mr GUNNER:** The concern that was expressed in this audit report is about the fact the Chief Minister used taxpayers' money to spread a message that was found to have contravened the *Public Information Act*, but the recommendations that were available to the Auditor-General could not be applied because it was too late for them to be implemented, since the Casuarina by-election had ended.

Chief Minister, you used taxpayers' money and were found to have breached the *Public Information Act*. The question that I asked the Auditor-General a while ago now ...

**Mr GILES:** Hang on. In that statement I thanked Kon Vatskalis for being the member for Casuarina and for his service to the Northern Territory. I talked about how we had a plan for the Northern Territory and how we were reducing the prices of housing and electricity. You can call it as you see it, but the fact is the price of petrol has gone down in the Territory.

**Mr GUNNER:** We are talking about what the Auditor-General has called. You were found to have breached the *Public Information Act*. I was asking the Auditor-General whether she had the capacity to make recommendations to strengthen the act.

**Ms CRISP:** My understanding is that the act is what it is. My predecessor noted in one of his previous reports to the Estimates Committee that there is not a lot of weight that the act carries beyond reporting to parliament. The challenge with any referral under the *Public Information Act* is the terminology in it. Not clearly distinguishing a statement of facts from a statement of comments does not mean the content is incorrect; it means it cannot be verified or there is no source for it to be directly verified and that source does not accompany the information.

As far as the act goes, there are no penalties under it. The spirit of the act needs to determine whether there should be penalties, but that is not my role.

**Mr GILES:** What we are saying is just because a statement is made, it is not necessarily non-factual.

**Mr GUNNER:** Chief Minister, you could not prove your comments.

**Mr GILES:** The price of petrol has definitely come down in the Northern Territory ...

**Mr GUNNER:** The price of petrol was not even in the flyer.

**Mr GILES:** ... as opposed to the time when you were senior adviser for former Chief Minister Paul Henderson, there was the largest gap in petrol prices between the retail margin and the terminal gate price in the Territory's history, so well done.

**Mr GUNNER:** And we thank those at Channel 9 for the work that they did, as well as the *NT News* for the work they did.

**Mr GILES:** And we do not thank Labor for the time you were the senior adviser when you drove petrol prices to the highest that they have been.

**Mr GUNNER:** We also thank the ABC for the work that they did and the campaign that they ran. Thank you, Chief Minister, as always it is a pleasure to listen to your wall of words.

**Mr GILES:** Well, we did drop the price of petrol. You drove it up when you were the ...

**Mr GUNNER:** You dropped the price of petrol?

**Mr GILES:** No, we as a government worked with the community to drive it down.

**Mr GUNNER:** You personally owned a petrol station and went in and dropped the price of petrol?

**Mr GILES:** You were the senior adviser to Paul Henderson, who drove it to the largest margins in the Territory's history. I think you have a lot to answer for in that. I know you are only new as the Leader of the Opposition, but you need to take some accountability and responsibility, because you were there as a senior adviser to the former Chief Minister when you drove the price of petrol up.

Maybe this is an opportunity to apologise or thank us for the good work we have done. I do not know. I will leave it up to you.

**Mr GUNNER:** I think you are getting a little carried away, Chief Minister, but we appreciate your commentary and, in future, you need to be aware it is important to separate comment from fact ...

**Mr GILES:** The fact is the price of petrol has come down.

**Mr GUNNER:** ... especially when you are using taxpayers' money to distribute messages; it is important under the *Public Information Act* to be able to identify comment from fact.

**Mr GILES:** The difference was Labor put the price of petrol up and we have managed to bring it down.

**Madam CHAIR:** Are there any further questions relating to the Chief Minister's statement?

**Mr GILES:** I think we have gone past that.

**Mr GUNNER:** I think we are just asking questions of the Auditor-General. I thank the Auditor-General for coming in today. You are following big footsteps in Frank, who was a fantastic Auditor-General. I have absolutely no doubt you will be an equally good Auditor-General for the Northern Territory.

**Ms CRISP:** Thank you.

### **Agency-Related Whole-of-Government Questions on Budget and Fiscal Strategy**

**Madam CHAIR:** The committee will now consider estimates of proposed expenditure contained in the Appropriation Bill 2015-16 as they relate to the Auditor-General's Office. Are there any agency-related whole-of-government questions of budget and fiscal strategy?

**Mr GUNNER:** I asked all of those questions.

### **OUTPUT GROUP 1.0 – AUDITS AND REVIEWS** **Output 1.1 – Audits and Reviews**

**Madam CHAIR:** We will move on to Output Group 1.0, Audits and Reviews, Output 1.1 Audits and Reviews. Are there any questions?

That concludes consideration of Output Group 1.0.

### **OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE** **Output 2.1 – Corporate and Governance**

**Madam CHAIR:** The committee will now consider Output Group 2.0, Corporate and Governance, Output 2.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output Group 2.0.

Are there any non-output specific budget-related questions?

**Mr GILES:** I thank Julie very much to for coming in as Auditor-General for the Northern Territory. I also reiterate some of the previous comments and pay thanks to Frank McGuinness, who did a tremendous job serving the Northern Territory in his former role as Auditor-General and the many other guises he assumed. It was very sad to hear of his passing, as he touched many people. Julie will continue to do a fantastic job, but I just want to pass on my thanks to Frank for all his years of service in the Northern Territory.

**Madam CHAIR:** Thank you. On behalf of the committee, I thank the Auditor-General for attending today.

---

The committee suspended

---

## NORTHERN TERRITORY ELECTORAL COMMISSION

**Madam CHAIR:** The committee will now move on to consider the Northern Territory Electoral Commission. I invite you, Chief Minister, to introduce the official accompanying you today and, if you wish, please make an opening statement regarding the Northern Territory Electoral Commission.

**Mr GILES:** Madam Chair, before I introduce the Northern Territory's Electoral Commissioner, Ian Loganathan, I will make an opening statement as the minister responsible.

The Northern Territory Electoral Commission is an independent government agency responsible for the impartial conduct of elections to the Northern Territory Legislative Assembly and local government. The commission provides impartial, high-quality and accessible electoral services to people in the Northern Territory that are effective, efficient and delivered in accordance with the law.

One of the Electoral Commission's functions is to administer the disclosure of information following an election, regarding political contributions and electoral expenditure above prescribed thresholds by candidates in an election, broadcasters, publishers and donors. Political donations are an issue that has interested the media of late, if not the general community.

I would like to outline steps that the government has taken in relation to this legislation surrounding donations and other parts of the *Electoral Act*. In November 2014 I directed my Department of the Chief Minister to engage an independent investigator to look at the process of political donations in the Northern Territory. The former Auditor-General, the late Frank McGuinness, undertook a comprehensive investigation and delivered his report to the department in February, shortly before his sudden death. I tabled that report in the April sittings of the Legislative Assembly and at the same time announced an overall review of the Northern Territory *Electoral Act*.

The Electoral Commissioner recently released his own compliance review, which is very timely. As an independent statutory officer, the Electoral Commissioner undertook his own investigation and engaged an external firm to undertake a compliance audit. The findings of that audit will be incorporated into our wider review of the act. I am pleased that the timing has allowed his report to be included in the broader review. In addition to these two reports, the Electoral Commission's 2012 Northern Territory general election report made a range of recommendations around electoral reform. These three reports will form the basis of the review of the *Electoral Act*. The review will include consultation with key stakeholders and Territorians in the coming weeks and months.

Political parties and candidates will have their own specific views on our electoral laws. The Northern Territory Electoral Commissioner may have his own possibly differing views, and that is his prerogative as an independent statutory officeholder. Some of the more topical issues that are on the table for Territorians to have their say include disclosure of political donations. That is not a surprise given the McGuinness review and some of the Electoral Commissioner's independent findings in his report. Some of the issues for consideration include looking at the threshold for disclosing donations - is it too low or too high; should we align ourselves with Commonwealth legislation; and so forth.

In relation to polling booths - one of my bugbears - many people hate having to run the gauntlet of the party faithful trying to hand out how-to-vote cards, and others worry about the environmental cost of printing and then discarding the thousands of cards and banners that are put out on election day. We will pose the following questions in the review of the *Electoral Act*: should it be regulated; should we reduce the number of people handing out how to vote cards; should we completely remove how to vote cards; should we remove polling booths altogether; should we remove the amount of printed material; and could it be displayed inside each polling booth, for example, and there be no workers? We want to protect the person going to vote without them being bombarded on election day.

In relation to voting systems currently the Northern Territory, like most other jurisdictions, uses the full preferential voting system for our Legislative Assembly by-elections. We have received a lot of feedback about the pros and cons of this. While this is a long-standing tradition, it does not mean that we should not consider other systems, for example, systems that run in other parts of Australia. As an example, instead of a requirement to put a number in every box on the voting slip we could consider what is used in other jurisdictions, such as an optional preferential model. This system only requires the voter to put a tick or a cross against the person they want to win the election, rather than putting their preferences through the whole process. As I said, this will be up for consultation.

Another option that will be considered in consultation is the option of first past the post, which is the simplest method of voting used in some other jurisdictions around the world. The candidate who polls the highest number of votes is elected. This will be up for consultation.

Each of these systems has its positives and its negatives, but while we are looking at the act why not look at the voting system we are using? Not only do we have those three reviews into the electoral system, I also conducted an internal review.

The draw for positions on the voting slip - if I recall correctly, this issue got some publicity a number of years ago when former Speaker Jane Aagaard was accused of changing her name to get a better spot on the ballot paper. Normally draws are held in the Electoral Commission's office in Darwin, but why? There has been a suggestion that this should be held anywhere in the Northern Territory. For example, if there is a by-election in Tennant Creek or Barkly, why could the draw not be done in Barkly, Katherine, Nhulunbuy and the like? That will be up for consultation.

Also up for consultation is the concept of public funding of elections. There are positives and negatives around that and a lot of detail that would be challenging on the outcome, but it will go for consultation. It could be an issue that many people will have a view on.

I will not elaborate in any further detail because it is for consultation, but this issue also goes to the topic of political donations. Without public funding political parties will seek to raise funds from private sources. With a level of public funding the reliance on donations could reduce or cease. I think it is important for the general public to have a say in this.

This also touches on electoral spending and, in turn, political advertising of all topics that will be canvassed in the upcoming review of the act. When that review comes out I encourage everyone with an interest in our electoral laws to take the opportunity to participate in the review of the Northern Territory *Electoral Act* later this year.

I now introduce the Northern Territory Electoral Commissioner, Ian Loganathan, who has come into the role with big shoes to fill after Bill Shephard and is doing an outstanding job. I welcome Ian today.

**Madam CHAIR:** Thank you, Chief Minister. Are there any questions relating to the statement?

**Mr GUNNER:** Thank you, Madam Chair. We welcome a debate around openness, transparency and reforms to the *Electoral Act*, so we looking forward to that happening formally. Through the Chief Minister to the Electoral Commissioner: there are strong provisions in the *Electoral Act* in regard to your investigative powers and penalties, and in relation to breaches with the disclosure provisions. I hope you can provide the committee with a brief summary of those provisions.

**Mr LOGANATHAN:** The *Electoral Act* has political disclosure provisions within it. In regard to disclosures, it allows me to conduct investigations to ascertain information in determining whether there have been breaches of the act. The process is for me to issue what is called an investigation order, and I can use that information to determine whether there has been a breach of the act. The proper process is for me to prepare a report and provide that information to the police. Police will determine with the DPP whether the matter will be taken to court.

I make the point here that I am an electoral body, not a prosecuting body, so my role is to investigate, form a view and pass it to prosecuting bodies to make a determination on whether those matters are further investigated and whether charges are laid.

**Mr GUNNER:** Do you have the staff and the budget to cover the work you need to do in managing statutory obligations regarding disclosure of political donations?

**Mr LOGANATHAN:** We have a staffing level of 13; we have two staff in Alice Springs and 11 staff in the Darwin office. The Northern Territory Electoral Commission has been in place since 2004. It is only in the last year where political disclosure has become an issue of significant interest ...

**Mr GILES:** Was Labor not interested when it was in government? I am surprised.

**Mr GUNNER:** It may have been there were not breaches.

**Mr GILES:** Let us have a look at Harold Nelson Holdings when Labor was in government.

**Mr GUNNER:** Interest usually follows a breach. We will get to that, Chief Minister.

**Mr LOGANATHAN:** The way it stands at the moment is that political disclosure matters lie with the deputy and the Electoral Commissioner. We manage those matters using some of the administrative staff to deal with some of the returns and administrative matters in relation to it.

In my consideration of complaints received or the compliance review, there has been no financial impediment in what I have done or not done. I have done what I felt needed to be done. I have liaised with the Department of Treasury to procure the necessary funds to enable that to occur.

**Mr GUNNER:** Does the use of your resources include monitoring compliance?

**Mr LOGANATHAN:** Absolutely.

**Mr GUNNER:** It was May last year that you received a formal complaint about alleged breaches of the disclosure provisions by both Foundation 51 and the CLP - is it correct that it was May?

**Mr LOGANATHAN:** The complaint was to Foundation 51. There was no reference in the complaint with regard to the CLP.

**Mr GUNNER:** That is the debate about the link between Foundation 51 and the CLP. How does that work then? Is it your deputy who ...

**Mr GILES:** A very important point was just raised there, Leader of the Opposition. There was no complaint lodged against the party; that is what I just heard, it was about a private company. It is very important to get that on record.

**Mr GUNNER:** We will explore those links, Chief Minister.

**Mr GILES:** We are here for estimates, not for policy or report findings.

**Mr GUNNER:** We look at operational expenditure of the department. Electoral Commissioner, based on your answer before, whether you would investigate that complaint yourself or delegate the investigation, I think it was your deputy ...

**Mr LOGANATHAN:** No, in this matter I was solely responsible for the Foundation 51 complaint.

**Mr GUNNER:** Okay. Are the resources used all internal? In doing that, you did not need to outsource to an external ...

**Mr LOGANATHAN:** I sought assistance from other electoral bodies. This was quite a complicated matter. There is not much case law in relation to such matters, so I sought assistance from external electoral commissions. I received significant assistance from the Solicitor-General's office in considering this matter as well.

**Mr GUNNER:** Which electoral commissions helped us?

**Mr LOGANATHAN:** The Electoral Commission Queensland.

**Mr GUNNER:** Was that out of the generosity of their heart, or did we have to enter into an arrangement with them for that assistance?

**Mr LOGANATHAN:** Out of the generosity of their heart. I am very appreciative to them ...

**Mr GILES:** A big team.

**Mr GUNNER:** If you were investigating it personally then you would have examined all the documents and witnesses? Did you call witnesses or was it just an examination of the documents?

**Mr GILES:** A point of clarification, Madam Chair. Are we here to go through the process about an investigation or the expenditure that was undertaken through an estimates point of view?

**Mr GUNNER:** We look at the operational expenditure.

**Madam CHAIR:** The estimates process relates to expenditure. Member for Fannie Bay, your line of inquiry ...

**Mr GUNNER:** It is about the operational expenditure of the department, so it is within the definition of relevance.

**Mr GILES:** Madam Chair, if you want to ask about steps taken within an investigation, you do that outside the realms of estimates. Estimates Committee is about the expenditure of resources within a budgetary confinement.

**Mr GUNNER:** I have just established that; we were talking about the operational expenditure of the department. We were talking about how the resources were used in this instance. We have already discovered that while normally it might be the deputy, in this instance it was the personal resource of the Electoral Commissioner. We are going through the resources we use. We have discovered that the Electoral Commission Queensland provided resources out of the generosity of their own hearts to assist in this investigation, so we are well within the definition of relevance that is appropriate for estimates.

**Mr GILES:** When it regards resourcing, but not about the steps undertaken within an investigation.

**Mr GUNNER:** We look at the operational expenditure of the department. Whether the Electoral Commissioner had to personally interview witnesses or not goes to the use of a resource. It is all very well within the definitions of relevance for the Estimates Committee. There is nothing extraordinary here. We ask these kinds of questions to all witnesses of the Estimates Committee about how they use their time. This is a paid member of the Northern Territory budget, an independent statutory officer.

**Mr GILES:** When I am sitting in this chair the questions I take will be in relation to expenditure of government resources. If it has to do with a policy or process point of view, they are to be debated in parliament or outside of this area. This is about how money is spent. If it is in relation to that, no worries, but if it is about policies, I will not accept the questions.

**Mr GUNNER:** That would be a breach of the guidelines we use for relevance in the Estimates Committee. The Chief Minister should be cautioned about the way he is choosing to interpret the definition of relevance.

**Mr GILES:** This is a committee about the expenditure of the budget and the finances, and not about policy.

**Mr GUNNER:** We often discuss the work that a taxpayer-paid person does in the course of their duties. That is what we are talking about here. We are talking about the allocation of resources of the Northern Territory government budget, which includes the operational use of our resources. I am asking if the Electoral Commissioner actually interviewed witnesses or not. That is time-consuming; it goes to the use of a resource of the Territory government. It is quite extraordinary, Chief Minister, that you block or gag the Electoral Commissioner from answering questions about the investigation into Foundation 51.

**Mr GILES:** I just provided you a bit of guidance about ...

**Madam CHAIR:** I will just remind you for everyone's benefit, including those listening at home, what the test for relevance is. It is quite broad and this is following the lead of the Senate from 1999. The test is:

*Any questions going to the operations or financial positions of the departments and agencies which seek funds in the estimates are relevant questions for the purpose of Estimates hearings.*

Mr Loganathan, to answer the Opposition Leader's question, if you hypothetically were to answer saying, 'Yes, we conducted interviews and we needed four staff members to do that', that would be an operational matter. That would satisfy ...

**Mr GUNNER:** That is what I am asking.

**Mr GILES:** As long as it goes to the expenditure as you just related. As to the ...

**Mr GUNNER:** It goes to the operations, Chief Minister.

**Madam CHAIR:** The operations or financial positions of the department and agencies.

**Mr GILES:** Operational and financial position. That is right.

**Mr GUNNER:** There is an important point in there Chief Minister - and the operations. Electoral Commissioner, I did not think this was a controversial question that the Chief Minister has tried to gag but ...

**Mr GILES:** No, hang on. Madam Chair, a point of order. There is no debate about the Leader of the Opposition being a gag merchant. It is more about making sure that we get estimates right. The Electoral Commissioner as a witness today, or me, or any other official that comes forward should appropriately answer questions as it relates to the legislation of the committee we are debating. This is around expenditure and the resources that go towards the operation of doing that. But when it comes to the processes, they are matters for parliament or areas outside of this committee. I am very happy for the expenditure side of things to be questioned ...

**Mr GUNNER:** Chief Minister, Estimates Committees have been running for a very long time. It goes to operations and always has. The Chair has just read out the test of relevance. You cannot redefine the use of Estimates Committee on the spot because I am asking questions about Foundation 51.

**Mr GILES:** Leader of the Opposition, I know you are new. I am trying to provide you with guidance.

**Madam CHAIR:** Mr Loganathan, if you feel like you are venturing into an area that you do not have to answer then that is perfectly fine and you can make that comment. We can go into a closed session if that is required. You cannot be ...

**Mr GUNNER:** You may need to discipline the Chief Minister if he refuses to follow the guidelines of Estimates Committee which goes to operations.

**Madam CHAIR:** Thank you, Opposition Leader. Mr Loganathan, you cannot be asked questions about policy and things like that. It is very clear in the guidelines which are quite broad that any questions going to the operations or financial positions of the departments and agencies can be questioned. Opposition Leader, if you would restate your question.

**Mr GUNNER:** Did you examine documents and witnesses as part of your investigation, Electoral Commissioner?

**Mr GILES:** Madam Chair, I think this is a process matter, not a budgetary matter.

**Mr GUNNER:** It goes to operations, Chief Minister. It clearly goes to operations. I struggle to understand why you are gagging the Electoral Commissioner ...

**Mr GILES:** It is not about gagging.

**Mr GUNNER:** ... when it comes to the issue of Foundation 51.

**Mr GILES:** This is not about the steps taken, it is about the expenditure.

**Mr GUNNER:** This is about operations.

**Mr GILES:** I know you are new Leader of the Opposition, but ...

**Madam CHAIR:** Perhaps, if you rephrase it so you are eliciting an answer about the staffing and the resourcing required to undertake that task, Opposition Leader.

**Mr GILES:** I know you are new, but it better be about the money.

**Mr GUNNER:** Chief Minister, you have been disciplined a number of times now about the test of relevance we use which includes operations. This is a question that goes to the operations of the Electoral Commissioner. He has informed us he personally conducted this investigation. I am now asking if he personally examined the documents and witnesses.

He used the Electoral Commission Queensland and the Solicitor-General. Were they involved in the examination of documents and witnesses? Did other members of the Electoral Commission examine the



documents and witnesses? This all goes to the operations of the Electoral Commission, and I think it would shock Territorians to learn that you were gagging the Electoral Commissioner around these issues.

**Madam CHAIR:** I think the question is what resources from the Electoral Commission were used in the component of the inquiry that involved examining documents and conducting interviews.

**Mr GILES:** That is a better way to put the question, Madam Chair.

**Mr GUNNER:** I think every version of the question I put fits the test of relevance and the Chief Minister is gagging the Electoral Commissioner.

**Mr GILES:** Oh, come on. Trying to get your quote up on the ABC, mate. You have to be smarter than that, Michael.

**Madam CHAIR:** Chief Minister ...

**Mr LOGANATHAN:** My response to the question is that the investigation was done predominantly through correspondence. I have not summoned anybody as part of that process, but I have had a few meetings with people who requested it as part of the investigation and explanation of the correspondence provided.

**Mr GUNNER:** For example, there was correspondence from Braedon Earley, Daniel Davis, Ross Connolly, Tory Mencshelyi and Terry Mills. You would not necessarily have called them as witnesses to ...

**Mr GILES:** Madam Chair, this is not about the expenditure. There is an ongoing investigation about this matter.

**Mr GUNNER:** It is about the operations of the Electoral Commission.

**Mr GILES:** It is not about that. You are being too cute by half, Leader of the Opposition, and I know the games you are trying to play. You promised to be different to Delia Lawrie. You are venturing straight down her path of operation. I know you are new, but this is about expenditure and analysis of the budget, not about trying to drag people's names through the gutter. That is what you are doing.

It is like a mirror. I see you, I see Delia Lawrie, and I thought you would be different. I know you are new, but I think it should be done a little differently. Naming people here is disgraceful. I could talk about inquiries, Stella Maris, how much money Labor gets from the unions, how you gave a \$3m government asset to unions so you could get a kickback in the Labor Party. I could talk about that but I do not want to; I think we should be analysing the budget.

**Madam CHAIR:** Mr Loganathan, your answer was that you did not summons anyone to appear before you as part of your inquiry, and that your inquiry was predominantly based on the correspondence. Opposition Leader, I think that answers your question.

**Mr GUNNER:** Yes, but thank you for the commentary, Chief Minister.

Electoral Commissioner, you indicated that the complaint you received was only in relation to Foundation 51, but during your investigations you did not cover any breach of the disclosure provisions by the CLP.

**Mr LOGANATHAN:** Based on the information that I received through the investigation, I determined that there was sufficient evidence to put forward a case that there may have been a breach of the electoral provisions by Foundation 51. I also came to the view that there was insufficient evidence to show that any other entity had breached the disclosure provisions of the *Electoral Act*. My opinion of this matter was based on legal advice I received on the information and evidence that had been procured through the investigation process.

**Mr GUNNER:** Thanks, Electoral Commissioner.

Chief Minister, on 10 February you said that something smells about Foundation 51 and it was time for someone in the CLP to do something. You are on the CLP management committee; did you do anything?

**Mr GILES:** I am not accepting that question. This is about estimates, Michael. Get to the budget. I have said it a few times, you are new and you are filling Delia Lawrie's shoes quite well, which is quite sad. You

are here to hold government to account and find out where the money goes, not play silly games. If you are going to do that, bring back Delia.

**Mr GUNNER:** Chief Minister, you promised an open and ...

**Mr GILES:** It has nothing to do with the budget. Madam Chair, I ask that you sanction the Leader of the Opposition for his petulance in going outside the realms of the bill which we are debating within the committee phase.

This is a bill before parliament; we have broken into committee to debate the expenditure of government's resources as put forward in that bill, not to go to some rabbit warren where Gunner is trying to be Delia Lawrie. That is not what it is about. We are happy to take questions on budget expenditure, where we have directed resources, how we have paid back Labor debt and reduced the Labor deficit, how we are in operational surplus three years ahead of schedule, and where our money is going in the biggest education, health, roads and infrastructure budget. I am happy to take questions on that. But areas outside of this bill I am not taking as part of this estimates process. I think that is only fair and reasonable. That is what we are here for. If the Leader of the Opposition, who is a new apprentice at this job, wants to be the same as Delia Lawrie in her former guise, he can do that. We will not play that game.

**Madam CHAIR:** Certainly, Opposition Leader, you may be straying a little past the ...

**Mr GUNNER:** Electoral Commissioner, have you used resources from your office to investigate a complaint into Foundation 51?

**Mr LOGANATHAN:** Yes.

**Mr GILES:** I think we have already done that.

**Mr GUNNER:** The Electoral Commission is using its resources to conduct an investigation. This goes to the operations of the Electoral Commission and I have been asking questions about that. I did not expect the Chief Minister to get so squirrely about questions about Foundation 51, but it should not be surprising that he has attempted to make it difficult for the Electoral Commissioner to answer questions around ...

**Mr GILES:** The Electoral Commission has a budget of \$3.05m this year. The Electoral Commissioner identified 13 staff - two in Alice and 11 in Darwin - who undertake a range of activities and operations, including conducting elections. There has been a change in some of the local government side of things, where elections can and may be conducted by the Electoral Commission of the Northern Territory. Some may not, depending on what local government do.

A range of things have been considered by the Electoral Commission. There have been some inquiries and a great deal of media interest. There is talk of private companies, such as Harold Nelson Holdings, the Labor slush fund, and Foundation 51. Investigations have been undertaken; a range of resources have been put towards that and government expenditure on that should be questioned, but when it comes to detail about steps taken that is a question for outside this process. Expenditure - yes. Policy and operation - no.

**Madam CHAIR:** Opposition Leader, I think your question to the Chief Minister was more about comments and meetings he may or may not have had. Can you restrict your questions to operational and financial matters relating to the Commission?

**Mr GUNNER:** Thanks, Madam Chair. Chief Minister, you are the minister responsible for the Electoral Commission. You said recently, and I will quote you:

*What I think it means is that the seat of Namatjira will disappear... I'm talking from a technical point because I'm the Minister for the Electoral Commission right. So probably down the left hand side the Territory we'll have the seat of Stuart and down the right hand side we'll have the seat of Barkly and there'll be no Namatjira. But the way the very first rough draft that only a couple of us have seen, Greaterrex will take in Amoonguna, Santa Teresa and Finke... we're going to have to go bush outside of town boundaries for the first time.*

Chief Minister, have you had a chance to reflect on your remarks and would you now concede it was inappropriate for you, as the minister responsible for the Electoral Commission, to state publicly the outcome you want from the redistribution?

**Mr GILES:** No.

**Mr GUNNER:** Do you think it is perfectly reasonable, as the minister responsible, for the Electoral Commissioner to publicly declare the kind of outcomes you want from the redistribution?

**Mr GILES:** I do not accept the premise of the question.

**Mr GUNNER:** Okay. Electoral Commissioner, the Magistrates Court recently adjudicated on a matter concerning an allegation that an official employed in a polling place attempted to influence voters. Could you take the committee through the case and what the implications of that case mean for your resourcing or what you do within your office, and how you will have to change your policies and practices in conducting ...

**Mr GILES:** That is a two-part question. The first part, if you want to know about a court procedure, you would have to ask the Attorney-General. But the second part about resourcing ...

**Mr GUNNER:** There are implications from the decision.

**Mr GILES:** You asked to talk through a court case. I do not think it is the Electoral Commissioner's job to talk through a court case. In terms of resourcing, I think it is the right question. The first part is for the Attorney-General. The Attorney-General looks after court and legal matters.

**Mr GUNNER:** I am happy with the clarification. Chief Minister, I am actually agreeing with you. I thought that was the question I was asking. I am happy to accept your clarification if you felt it was confusing. I am asking about the implications of the court case for the Electoral Commission and how it will have to conduct its business now.

**Mr LOGANATHAN:** The implications for the court case relate to how interpreters are used by the Electoral Commission. This is predominantly the case in remote communities. This has always been an issue in the Northern Territory and it is difficult when we have polling staff who may not understand the specific languages being spoken; it has always been problematic.

In resources and implications for the Electoral Commission, the approach I would like to take, and the commission will take, is being able to control the message. I want to provide remote electors with a clear education message about what the voting process is, what they are doing, and how their vote is counted so they are making an informed vote.

We know that all the statistics in the Territory say that remote electors are half as likely to vote as urban electors. If they do vote, they are twice as likely to vote informal.

My approach will be to try to control the message, if an elector in a remote area wants assistance to vote, remote mobile polling teams will have some type of tablet. That tablet will have a message that I will send to all registered political parties so they know what is clearly being said. That message will explain the voting process and how to vote. Electors will be asked to listen to that message on the tablet. Then if they feel confident that they understand the process and can cast a valid vote, then they can go to the polling booths themselves.

There will be instances where that is insufficient for some electors, and they still may require assistance. That is their entitlement under the *Electoral Act*. We will also have interpreters there and will provide more training for interpreters.

The implication in regard to that case was the interpreter we used was through the Aboriginal Interpreter Service. It was the delegation that was used to employ them. The court found that we could not have a delegation for a class of electors. That was a failing of the Electoral Commission and will be remedied and will not occur again.

**Mr GUNNER:** Will those will be preloaded tablets in case where you go will not always have a signal? You will be taking out things that are proof?

**Mr LOGANATHAN:** Yes. We are not going to rely on 4G networks in remote areas. It is going to be a pre-recorded message in different languages. It will not be solely about different Indigenous languages, we have a lot of other multicultural electors in urban settings as well. I hope to provide the same service for them.

**Mr GUNNER:** Will this have a one-off cost implication, a current cost implication, or is it all capable of being absorbed?

**Mr LOGANATHAN:** It will be a one-off cost implication in developing the product, but in actually using the tablets - the electoral commissions nationally are quite collegiate in their approach. The larger commissions of New South Wales, Victoria and Queensland have a large pool of these tablets. They make them available to the smaller commissions at just the cost of freight to bring them here and to use them. So we will be using those services as part of a provision of this service.

**Mr GUNNER:** I am going to move on now; I do not have any further questions to that. I note in 2014-15 there was increased expenditure in relation to roll maintenance. What activities did you undertake and what was the cost?

**Mr LOGANATHAN:** The cost of the roll maintenance activities you referred to was \$630 000. It referred to a roll stimulation activity in the latter part of last year to improve the accuracy of the roll in the lead-up to the redistribution, which commenced in February this year. The focus being that obviously the boundaries are based on elector numbers, it was important that the roll was accurate as it could possibly be before the process started.

That involved writing to all urban electors and clarifying whether they were correctly enrolled. Part of the purpose of that was to also get the RTS mail back and doorknock those addresses to double check whether there were any electors there who needed to be removed or put on the roll. It also involved travelling to 90 Indigenous and remote communities as part of that process to conduct roll reviews and update the roll.

It also included a full doorknock of the towns of Nhulunbuy and Alice Springs. Nhulunbuy was chosen on the basis of the impact of the elector numbers in regard to the decisions about the mine. The decision about Alice Springs was it had been a long time since there had been a full doorknock of that town. We thought it was timely to do so before the redistribution.

**Mr GUNNER:** To clarify - you do not rely on return-to-sender mail. You would then personally doorknock a house that you received return-to-sender mail from?

**Mr LOGANATHAN:** Yes, and it is just not the return-to-sender mail. The system contains all the residences eligible to be enrolled in the Northern Territory. Where there are residences where no one is enrolled - and there could be reasons for that, it could be a non-citizen living there - we would check that data. We would go and doorknock those residences as part of that process just to double check if anybody in that household should be enrolled.

**Mr GUNNER:** Have you found your information is good, such as when you go out you are not going to doorknock a park, because sometimes, depending on which programs you are using, they can come up as an uninhabited lot?

**Mr LOGANATHAN:** The program we are using is an AEC program because we have a joint role with the Australian Electoral Commission in managing the roll. It contains all the eligible residences for enrolment in the Northern Territory.

**Mr GILES:** I am not sure how many parks you doorknock.

**Mr GUNNER:** No, but sometimes, depending on the program you are using, if you pull up an unenrolled address, if the program is not up to date it can include - a park will be unenrolled, so that is just a question about the program.

**Mr GILES:** I think that is how Labor enrolls people in parks. Anyway, next question.

**Mr GUNNER:** The staff you use to do the doorknocking, is that from your internal 13, or do you outsource ...

**Mr LOGANATHAN:** I should have made that clear in the beginning. We have a core staff of 13, but when we run elections and significant activities like that, we recruit a number of casual staff. We go through a recruitment process, place ads in papers, and provide training for doorknockers and for staff doing field visits. As part of that process in any communities we go to, we recruit two local liaison officers to assist the field teams in conducting reviews.

**Mr GUNNER:** Can we have a list of the communities that you visited?

**Mr GILES:** Freedom of information - you should be able to get that.

**Mr GUNNER:** Do you want me to FOI the communities they visited?

**Mr LOGANATHAN:** They are on our website.

**Mr GUNNER:** They are on the website.

**Mr LOGANATHAN:** Yes. I should also say as part of this process I e-mailed all MLAs and other political stakeholders about what communities we travelled to and what results were received at each of them.

**Mr GILES:** So you do not need to FOI them. Everyone has already been told; just clarifying that.

**Mr GUNNER:** Unusual suggestion. How many people did you employ for Alice Springs and Nhulunbuy?

**Mr LOGANATHAN:** I can tell you how much I spent on staffing, but I do not have the numbers of staff employed. I am happy to take that on notice and provide it.

**Mr GUNNER:** Take that on notice. I am curious about how many.

**Mr LOGANATHAN:** I attended the training for both sessions and there would have been at least 20 staff in Alice Springs and more than that in Darwin. We also recruited staff in Nhulunbuy, Tennant and Katherine to undertake those interviews.

**Mr GILES:** Do you need to know the exact staff numbers or are they enough?

**Mr GUNNER:** I am comfortable with the guesstimate you gave. Could you quantify the impact you had on Nhulunbuy or the difference you found pre- and post-?

**Mr GILES:** I think we have already provided that to ...

**Mr LOGANATHAN:** I have the information here.

**Mr GILES:** It is on the website as well, is it not?

**Mr LOGANATHAN:** Yes, it is.

**Mr GILES:** It is publicly available, Leader of the Opposition.

**Mr LOGANATHAN:** The percentage change in Nhulunbuy after the activity was 13.3% in terms of the number of electors.

**Mr GUNNER:** Do you have any other future targets between now and the next election about what work you might be doing in terms of further roll improvement?

**Mr LOGANATHAN:** Next year, 2016, is an election year here and it is likely to be an election year federally, as well. We have a joint role with the AEC. We have a meeting with them next month; in fact a joint workshop between both commissions in terms of what activities we can do jointly to improve roll accuracy in the lead up to the election next year. That will consist partially of some of the things I have just discussed regarding visits to communities.

The AEC has a model where they outsource some of those activities to DHS and they conduct those reviews for them when they are in the communities for other work. That is an option and model we would consider. Part of this will also be a public campaign to inform Territorians that they need to be correctly enrolled and that they can do it online.

**Mr GUNNER:** Is it possible to quantify or is it waiting to see what the improvement in the roll will mean in regard to improvement in voter turnout?

**Mr LOGANATHAN:** The results in relation to QR14, which is the roll exercise we conducted last year, show a decline in enrolment numbers after that process, because a number of electors who no longer

reside in an urban residence or remote community are still on the roll there. Those electors are taken off the roll so overall it was a decline. The job of the Electoral Commission is to have the roll as accurate as it can be. That means putting electors on, as well as taking electors who no longer reside at that residence off the roll.

In regard to enrolment participation in the Northern Territory, when I started this whole process I put out some press releases saying that according to ABS statistics there are 30 000 Territorians currently not on the electoral roll. That was the point of the whole process, to try to find some of these 30 000 electors and get them on the roll. The difficulty with redistribution is the general public does not really understand what it is. Generally people understand it is time for an election and they need to be updated and on the roll. For redistribution it is a very hard message to communicate.

The challenge for the Electoral Commission next year is to reach out to those 30 000 Territorians. Our research indicates that a significant portion of those electors are in remote areas. We need to provide the service to ensure they are enrolled before close of rolls next year.

**Mr GUNNER:** How much have you allocated in your 2015-16 budget for preparation for next year's election and what activities are planned?

**Mr LOGANATHAN:** An amount of \$500 000 has been allocated through the appropriation. That relates to some of the activities I discussed in relation to providing a tablet interpreter service and developing the election campaign. Generally, in regard to website development, and internally in regard to our election management system - to update it and take into account improvements in the systems, such as online postal voting capacity for electors.

**Mr GUNNER:** Electoral Commissioner, could you please provide the details and costs of all consultancies undertaken by the agency?

**Mr LOGANATHAN:** The consultancies we had related to BDL, which conducted the compliance review. We had an electoral expert in financial disclosure matters who provided some assistance in consideration of the complaint. They were the only two consultancies that I am aware of.

**Mr GUNNER:** Were neither of them selected through competitive tendering?

**Mr LOGANATHAN:** The one for the electoral official was not as it was below the threshold, and the one for BDL went through a select tender process based on information the Auditor-General provided of appropriate firms to undertake that work.

**Mr GUNNER:** Can you please provide the details and costs of advertising and communication in 2014-15?

**Mr LOGANATHAN:** What question is that in the global questions?

**Mr GUNNER:** The first one.

**Mr GILES:** What was the question?

**Mr GUNNER:** Please provide the details and costs of advertising and communications in 2014-15.

**Mr LOGANATHAN:** Expenditure to 31 March was \$45 745. A breakdown of that includes the following: \$29 150 related to the enrolment stimulation program; \$3691 related to advertising about the redistribution; election advertising, including advertising we have conducted for the Casuarina and local government by-elections, was \$8870; party registration was \$614; and recruitment and media monitoring services came to \$3418.

**Mr GUNNER:** Can you please provide the details and costs for government advertising that contained either the image or voice of the minister or Chief Minister, or the name of the Chief Minister or minister?

**Mr LOGANATHAN:** We are independent statutory office, so the answer is nil.

**Mr GUNNER:** Can you please provide the total cost of travel in each agency and authority, broken down into international, interstate and intrastate?

**Mr LOGANATHAN:** International was \$651; that was me travelling to New Zealand for the New Zealand election and for a meeting with all Electoral Commissioners. Interstate was \$6009 and intrastate was \$4191.

**Mr GUNNER:** I assume this next one does not apply to you. Please provide details and costs for all travel undertaken by the minister that was paid for by the agency or authority, including travel and charters.

**Mr LOGANATHAN:** Nil.

**Mr GUNNER:** Detail all travel and costs undertaken through Latitude Travel.

**Mr LOGANATHAN:** Nil.

**Mr GUNNER:** Please detail the cost of 2014-15 of legal services provided by private legal firms to each agency and authority for which you are responsible.

**Mr LOGANATHAN:** All our legal advice was received from the NT Solicitor-General and we were not charged for the provision of that service.

**Mr GUNNER:** Thank you very much, Electoral Commissioner, for your time today.

**Mr LOGANATHAN:** Thank you.

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2015-16 as they now relate to the Northern Territory Electoral Commission. I assume that all questions relating to agency-related whole-of-government on budget and fiscal strategies have been asked, so we will move on.

### **OUTPUT GROUP 3.0 – ELECTORAL SERVICES**

#### **Output 3.1 – Electoral services**

**Madam CHAIR:** It is important to give you the last opportunity for Output Group 3.0, Electoral Services. The Chief Minister is responsible for the NT Electoral Commission under the *Electoral Act*, but the Minister for Local Government and Community Services is responsible for the NT Electoral Commission responsibilities, under Chapter 8 of the *Local Government Act*. However, the Electoral Commissioner has asked that any questions for him regarding local government be asked during his appearance this morning with the Chief Minister, so if there are any questions specifically relating to local government – that is fine.

That concludes Output Group 3.0.

### **OUTPUT GROUP 4.0 – CORPORATE AND GOVERNANCE**

#### **Output 4.1 – Corporate and Governance**

**Madam CHAIR:** We will close Output Group 4.0, Corporate Governance, unless there are any questions?

**Mr GILES:** I will make a closing statement.

**Madam CHAIR:** Yes, Chief Minister.

**Mr GILES:** Madam Chair, I thank Ian Loganathan for coming in and for his good service in relation to the Electoral Commissioner role. We have spent a lot of time talking about the importance of cleansing the role and I think he has done a pretty good job of that. We have provided additional resources to ensure the role can be cleansed as much as possible and we can have the best voter turnout and the best level of democracy when the elections occur, whether that is a local government, Territory or federal point of view.

As I said in my opening statement, there have been three reviews and one internal going over electoral matters. That will now be collated into a discussion paper, or a paper to be put out to the public and then community consultation can occur. Looking forward it will look at a range of things, including donations, publicly funded elections, the voting system whether that is optional preferential, exhaustive preferential or first past the post, and how we clean up on election day to ensure the amenity for voters is improved so you do not have to run the gauntlet.

They are some of the things that will be within the paper for community discussion. I encourage people to get involved in that consultation process and we will try to get that done as quickly as possible, so that if there are any changes to the *Electoral Act* or to any processes we can get it done at the earliest time, given the fact there will be an election in 2016. From a Legislative Assembly point of view, we want to ensure we bed down those processes as quickly as we can.

Ian, thanks very much for your participation today.

**Madam CHAIR:** Thank you, Chief Minister. Are there any non-output specific budget-related questions? On behalf of the committee I thank the Electoral Commissioner for attending today. The committee will now consider the Ombudsman's Office and we will have a very short break for the changeover. Thank you.

---

The committee suspended

---

### OMBUDSMAN'S OFFICE

**Madam CHAIR:** Welcome back everyone. We will now be considering the Ombudsman's Office. Chief Minister, I invite you to introduce the officials accompanying you and if you would like to make an opening statement, please do so.

**Mr GILES:** Thank you, Madam Chair. I will begin by making a short statement. With me is the Ombudsman, Peter Shoyer.

The Ombudsman is an independent officer appointed on the recommendation of the Legislative Assembly. The Ombudsman handles complaints about administrative actions of public authorities and police conduct.

In 2014-15 the Ombudsman will deal with approximately 2600 approaches from inquiries or complainants. Almost all of these matters are finalised without the need to proceed to a formal investigation, and I thank Peter for his work. In a number of small cases, matters proceed to major investigations and a tabled report. The Ombudsman currently has four major investigations ongoing including one arising from allegations against the former Police Commissioner.

The Ombudsman also works to improve the quality of public sector administrative actions in other ways. In 2014-15 these included:

- commencing three joint projects with public authorities and other complaint bodies
- substantial revision of the Ombudsman website
- a range of publications for investigators and public sector officers involved in handling complaints, accountability and integrity issues
- offering accredited training
- arranging presentations by the NSW Deputy Ombudsman on administrative law and unreasonable complainant conduct
- maintaining contact with a range of public sector and community stakeholders.

I will now hand over to the committee to ask questions of me to the Ombudsman. We will be very happy to answer those questions.

**Madam CHAIR:** Thank you, Chief Minister. Are there any questions on the statement?

**Mr GUNNER:** Thank you, Chair. Ombudsman, can you take us through the resources you have available to your office staff and other resources, how you deploy them ...

**Mr GILES:** Just a point of clarification – are these to the statement or are we doing the whole thing all in one go?



**Madam CHAIR:** It is meant to be on the statement and then we go through agency-related whole-of-government questions. What has been happening this morning is that all questions have been asked in the statement component, but we can ...

**Mr GILES:** I believe for the rest of the day it would be good to go through the right process and the right output areas.

**Madam CHAIR:** That is absolutely fine. Opposition Leader, we will get to all of your questions ...

**Mr GUNNER:** It has been purely a matter of convention with the statutory officers dealing with them as a whole.

**Mr GILES:** I am happy to do it as a whole.

**Mr GUNNER:** It would not be how I would handle it for DCM, Chief Minister, if that is your concern.

**Mr GILES:** We need to set the rules at the start of the day to ensure we follow the right process; that is all. But if you want to do it as a whole I am happy with that. We did for the last two statutory officers, but if we do that now I think we should set the rules for this ...

**Mr GUNNER:** We did it similarly for the Treasurer in many ways. There are certain areas of estimates where we follow convention. If you are happy to do it here that would be good.

**Mr GILES:** For the benefit of Peter and the Ombudsman's Office, I am happy to have global responses and questions without going through each output area.

**Mr GUNNER:** Thank you, Chief Minister. Ombudsman, can you take us through the resources that are available to your office and staff, how you deploy them and whether they are adequate for you to perform your statutory responsibilities?

**Mr SHOYER:** Certainly. We have a staff of 12. They are all based in the Darwin office. I have two administrative staff. We also have a range of resolution officers who handle intake, as well as an investigation officer and a number of senior investigation officers, an Assistant Ombudsman, a Deputy Ombudsman and me. Apart from the two administrative officers, we are dealing with complaints and investigations in various guises. We have managed to handle an increased number of complaints this year within budget. We can continue to do that for the foreseeable future with the resources available to us.

**Mr GILES:** A few years ago there was an office in Alice Springs.

**Mr SHOYER:** Yes, there was an office there. It was closed down before I commenced.

**Mr GILES:** I think the former Labor government shut down the Alice Springs office.

**Mr GUNNER:** The Ombudsman made that decision, from memory.

**Mr GILES:** When you were senior adviser to the former Chief Minister, it was shut down. But that is another point of contention. Is that right, member for Greentree? I seem to recall Labor shutting down that office. We will get to that.

**Mr GUNNER:** On page 24 of Budget Paper No 3, Ombudsman, you have a number of KPIs, one of which is client satisfaction. How do you measure client satisfaction and do you allocate a resource to that?

**Mr SHOYER:** This has been troubling me throughout my entire career in the public service in Queensland and the Northern Territory. You can conduct surveys. In a complaints-based area it is very difficult because, naturally, if someone does not get what they want as part of the outcome of their complaint, they do not necessarily feel satisfied.

I do not know the answer to that. I have been looking around at various organisations in different jurisdictions and discussing it with people in those jurisdictions. We can conduct surveys with people at the end of a complaint, which provides you with a figure. It is not a great figure in regard to satisfaction. I am looking into this. I welcome input from anyone about the best way to do that in a complaints-based organisation.

**Mr GILES:** The best thing you can do is get the process right, then the outcome.

**Mr GUNNER:** This is in terms of how you measure. I assume a 90% measure for satisfaction would not be 90% of complaints that have been successfully resolved in favour of the complainant.

**Mr SHOYER:** I will double check, because I think that is in relation to corporate services. We previously had one for the general operational area, but at the moment I am reviewing that performance measure so I have not included that in the general operations.

**Mr GILES:** This is one of the challenges we have in going through different output areas.

**Mr GUNNER:** In the KPI chart we have approaches; in what you are measuring is an approach the same as a complaint?

**Mr SHOYER:** An approach is any approach to our office. We tend to get many inquiries we do not necessarily have the jurisdiction to help with. We essentially act as a clearinghouse for people with complaints or concerns. It might be a private sector matter, it might be a Commonwealth matter or it may be better handled by a Member of the Legislative Assembly. An approach is anything where we receive inquiry and we assist a member of the public. They do not all necessarily turn into complaints as such.

**Mr GUNNER:** A complaint specific to what you have the capacity to do as Ombudsman ...

**Mr SHOYER:** Yes, something that we have jurisdiction to deal with.

**Mr GUNNER:** The measures here are all around approaches. Is it too difficult to distinguish an approach from a complaint from the purposes of measuring?

**Mr SHOYER:** It is not difficult, but we are still providing a service to members of the public in dealing with those approaches. I have taken the view that is part of our role and I have provided that information.

**Mr GUNNER:** Is it resource intent to separate approaches from complaints, or is it more that you deal with all approaches therefore you want to measure all approaches?

**Mr SHOYER:** Yes, that is correct.

**Mr GUNNER:** In regard to the difficulty of a person coming to you not necessarily knowing what you do as to what someone else does, how do you advertise your services? Do you have an educational program or are improving on in how you do that?

**Mr SHOYER:** Yes. In the past, prior to my time, we ran advertisements to make people more aware of our services. I have tried to improve our website so it points people in the right direction to start with, and I have considered different ways we can help people to point them in the right direction. For example, if someone rings us about an issue we either put them on to the right person or give them details for contact. If someone comes into our office and we cannot assist them, we will give them access to a phone so they can contact the right person. We have developed a variety of small ways to try to help people but not necessarily take up a huge amount of our resources.

**Mr GUNNER:** Thank you. The Chief Minister mentioned in his opening statement three investigations which have been conducted into the former Northern Territory Police Commissioner. What has been the role and resource implication for you in your role in those investigations?

**Mr SHOYER:** I will just clarify that. There was mention of four investigations, one of them to do with the commissioner. The other three ...

**Mr GILES:** Four major investigations, one to do with the commissioner.

**Mr SHOYER:** In regard to the investigation into the police commissioner, I have had chief carriage of that. I have had assistance from other staff, but I have been involved in the conduct of that investigation.

**Mr GUNNER:** You have used other staff internal to the Ombudsman's Office. Have you ever had to use external resources?

**Mr SHOYER:** No, although people would be aware that the delegate of the Commissioner for Public Interest Disclosures engaged an external investigator. Clearly, as part of that process we have had access to materials from that investigation and the report into it, which has assisted us in our investigation.

**Mr GUNNER:** Has there been assistance from the Solicitor-General? Have you been working with other offices as well? How much have you shared the load?

**Mr SHOYER:** From an early stage in the investigation it was clear the Solicitor-General would be involved, the Solicitor for the Northern Territory and the Commissioner for Public Interest Disclosures or at least a delegate of that. From the outset I tried to make sure there was not an unreasonable duplication of resources. I have worked closely with all of those offices to ensure we perform our different roles but that we do not overlap unnecessarily.

**Mr GUNNER:** Has that been successfully done so we are not duplicating resources?

**Mr SHOYER:** Yes, that is correct.

**Mr GUNNER:** Is it possible for you to determine how much this has cost?

**Mr SHOYER:** I have not kept details of that; it would be extremely difficult to keep those details. We work within the one budget essentially, apart from the organisational structure as you will see within BP3; they are split between operational and the administrative structure. But I have not kept records along those lines.

**Mr GUNNER:** What are the timelines for the investigation? When can we expect a report?

**Mr SHOYER:** I anticipate being able to report very shortly. At the moment I am waiting on the finalisation of disciplinary proceedings. When those are finalised I expect I will be able to produce a report to the Commissioner of Police and the Chief Minister in the very near future.

**Mr GUNNER:** In the way the resources are being marshalled to make sure there is no duplication, does this mean that all reports are coming together at one time?

**Mr SHOYER:** No.

**Mr GUNNER:** Are the resources being handled separately to make sure there is no duplication?

**Mr GILES:** In regard to what reports?

**Mr GUNNER:** There is a Solicitor-General, the Solicitor of the Northern Territory and the delegate ...

**Mr GILES:** You can only ask the question about the Ombudsman's report here.

**Mr GUNNER:** Yes.

**Mr GILES:** In regard to the other ones, you will have to ask someone else.

**Mr GUNNER:** Sorry, I was trying to ask it in a way that was only relevant to the Ombudsman, who has made sure there was no duplication of resources between all the agencies. My question related to how we have managed those resources. Is your report waiting on others, or is it in your hands?

**Mr GILES:** There have already been some reports released. They will obviously not all come at the same time because there is already information available.

**Mr SHOYER:** If I can just clarify - a report has been produced for the minister for Police, by the Commissioner of Public Interest Disclosures. We have relied on that in producing our report. I am awaiting the outcome of disciplinary proceedings, which is a matter for the Police. I am not waiting on any report from the Solicitor-General or the Solicitor for the Northern Territory.

**Mr GUNNER:** Thanks, Ombudsman. Under your act you are able to investigate administrative actions on your own initiative. Have you commenced or completed any investigations on your own initiative in 2013-14 or 2014-15?

**Mr SHOYER:** One investigation was completed in 2013-14, or it might have been 2012-13. As I say, there are four where I have initiated own-motion investigations and they are all ongoing. I anticipate the one involving the Commissioner of Police will be finalised by 30 June. It is possible another one will be finalised by 30 June, or it may be slightly later.

**Mr GUNNER:** What criteria do you use to determine whether you should conduct an investigation using your own initiative under the act?

**Mr SHOYER:** Clearly there are limits to our resources and we need to make those decisions. In my previous annual report, and the one before, I have set out in chapter one a list of factors that we look at. We look at the seriousness of the matter, the potential damage, whether it is affecting someone's life, health or liberty and how many people it is affecting if it points to systemic issues. There is a range of factors we look at when deciding what to assign the resources for a major investigation to.

**Mr GUNNER:** Have you ever had to make a decision not to do one, based on resources?

**Mr SHOYER:** There are a number of issues where we decide it is not important enough, given the other priorities we have. That does not necessarily mean we will not pursue it. It may mean that we take a different approach. For example, we might work with the agency outside of the scope of a major investigation to improve their processes.

**Mr GUNNER:** Under strategic issues for 2015-16 you mentioned monitoring administrative practices and decision-making of public authorities to ensure appropriate service delivery is maintained. Do you need an approach or complaint to undertake this activity or is it a separate programmed activity?

**Mr SHOYER:** No, while we obviously deal with all of the complaints that come in, I try to work with agencies to improve the quality of their processes, whether that is complaints-based processes or the activities they undertake. For example, we have a number of projects under way, one to do with gifts and benefits policies, another to do with complaints mechanisms internally within the organisations, and another to do with how agencies handle being under investigation. We try to work with agencies outside of complaints. Often complaints will point us in the direction of an issue we need to address, but that is not the sole basis on which we undertake investigations or work with agencies.

**Mr GUNNER:** Can you advise the committee which activities your office undertook in 2014-15 to foster excellence in public sector services?

**Mr SHOYER:** This might be a little long, but the projects we undertake are aimed not only at the agencies we are working with, but encouraging organisations to improve their services generally.

We have also undertaken accredited training. We offer a Certificate IV in investigations, which is offered by our staff. We try to get people from interstate, or from within the Territory if they have special expertise. We got the Deputy Ombudsman, who is a very respected and long-term officer in this area, to talk to people across the public sector about handling difficult complainants, if you like, people who come in often, present issues, are outside the norm, have unusual features in their complaints, and administrative law.

We are also in the process of establishing an investigators' group within government to foster better investigation skills and provide a forum for people to work together to improve those skills from a professional development point of view.

We offer a range of training, for example, for police recruits and prison officers in relation to what we do and what we expect of them in handling complaints.

We are also developing a good decision-making course with some help from the Queensland Ombudsman's office. We are utilising some of their resources and will be offering that in the next financial year.

We have established a complaints accountability and integrity network which, at the moment, is along the lines of providing information for people who are interested in those areas. We produce a very brief newsletter every two or three weeks, depending on what information is available, to highlight interesting articles and publications that have been produced. We have just started publishing that on the website.

We give other presentations, for example, the public sector future leaders' course. I have attended that to work with people and give presentations not only on complaint handling, but generally on good administration in the public service.

We are also involved in a variety of groups including an integrity and accountability officers' group, which includes me, the Auditor-General, the Commissioner for Public Interest Disclosures and the Commissioner for Public Employment. It meets to share ideas and touch base about what we are each doing, so we do not necessarily tread on one another's toes or duplicate resources where it is unnecessary.

There is a variety of other ways we cooperate with different public sector organisations and independent officers to run seminars to encourage people to learn more about the areas we are interested in, but generally to improve the level of service within the public sector.

**Mr GILES:** You have visited some communities as well.

**Mr SHOYER:** Yes, we also visit various communities. We have been to Alice Springs, Katherine and we headed out to Wadeye a little while ago. We cooperate with the Commonwealth Ombudsman's office. They no longer have an office in Darwin, but they attend Darwin and other parts of the Territory. We try to run joint sessions with them when we can.

**Mr GUNNER:** Can you advise the committee what activities your office undertook in 2014-15 to assist public authorities to improve their practices and procedures?

**Mr SHOYER:** I think I have answered that. One of the other things we have done, as well as running specific projects, is work with agencies which are high-volume in regard to the number of approaches we receive to improve their practices. That includes Corrections, Power and Water, the new Jacana Energy and Department of Housing. We have been working closely with them in addition to dealing with complaints.

**Mr GUNNER:** That sounds like there has been no change in the departments which attract the major amount of approaches.

**Mr SHOYER:** Yes, in the major complainant agencies it is very similar.

**Mr GILES:** Similar trend lines across governments, if that makes sense.

**Mr GUNNER:** I agree with that. Did your investigations uncover any fraud or breaches to Territory law in 2014-15?

**Mr SHOYER:** No finalised investigations have uncovered anything of that nature.

**Mr GUNNER:** Does your office have a protocol for referring *prima facie* breaches of law to other investigative agencies?

**Mr SHOYER:** We do not have a written protocol. If we identify anything that might be a breach of the law we would refer it to the police. If it may be of relevance to another body, such as the Auditor-General or the Commission for Public Interest Disclosures, then we would do so. We have legislative provisions about referring to those other agencies.

**Mr GUNNER:** Can you advise us of activities you undertook in 2014-15 in regard to your audit and investigative functions under the telecommunications interception surveillance legislation?

**Mr SHOYER:** Yes. We have responsibilities under the *Surveillance Devices Act*. We produce two reports and they are tabled. We produced one report on telecommunications interception. Although we conducted two investigations, that one is not published. I should also note that during the financial year new controlled operations legislation came into force, which we will be conducting similar investigations and reports on.

**Mr GUNNER:** In Budget Highlights for 2015-16, you mention the following:

*Continuing to improve procedures, information and reporting systems to ensure complaints are investigated and resolved in a timely manner.*

Can you outline some activities you will undertake in this area, and has this been done because you felt your resources to date have not given you the ability to investigate in a timely manner?

**Mr SHOYER:** No, I think we can always improve. We have done a lot in the last couple of years. One of the things I mentioned was the website redevelopment undertaken to try to direct people to the right source if it is something we cannot deal with, but also to improve their capacity to report to us the relevant information we need. We have an online complaints form, which we have reviewed. We have put a fair bit of work into that. We have a new case management system which we have been working on over two years. We have fine-tuned so we can deal with these types of things.

We have been able to make savings in the sense of the administrative position responsible for recording and dealing with complaints. We have been able to turn that into an investigative officer position because of the new Resolve case management system.

**Mr GUNNER:** That is a good outcome.

**Mr SHOYER:** That has been very good. In addition, we have been looking at our procedures to make sure they are best practice. We finished a review of our complaints management operational manual. That may not have been in 2014-15, it may have been at the end of the previous year.

**Mr GUNNER:** Can you provide the details and costs of advertising and communications for 2014-15?

**Mr SHOYER:** Yes. Advertising was \$1742. That included pull-up banners, white pages entries and newspaper advertising for community visits. Communications was \$12 036 for telecommunications and postage charges.

**Mr GUNNER:** Can you please provide the details and costs of all consultancies undertaken by the agency?

**Mr SHOYER:** Yes, \$1500 for information technology on that resolved system; we had some fine tuning.

**Mr GUNNER:** Were they selected through competitive tendering?

**Mr SHOYER:** That would not have been because it was under tier 1; it was basically because Resolve is already administered by that firm. We need to go with them to do it.

**Mr GUNNER:** Can you please provide the total cost of travel in each agency and authority broken down into international, interstate and intrastate. Please provide details and costs of all travel undertaken by the minister which was paid for by the agency?

**Mr SHOYER:** Nil by the minister. Travel interstate was \$6715. I can go through individual travel if you want? Intrastate was \$1346.

**Mr GUNNER:** Can you detail all travel and costs undertaken through Latitude Travel?

**Mr SHOYER:** Nil.

**Mr GUNNER:** Can you please detail the cost in 2014-15 of legal services provided by private legal firms to the agency?

**Mr SHOYER:** Nil. As with the Electoral Commissioner, we received some – no, sorry.

**Mr GILES:** What was the question?

**Mr SHOYER:** Sorry, can you repeat the question?

**Mr GUNNER:** Can you please detail the cost in 2014-15 of legal services provided by private legal firms to the agency for which you are responsible?

**Mr SHOYER:** I am sorry; we retained counsel for one matter. I do not have the exact figure, but I think it was in the nature of \$3000 for advice on an issue to do with disclosure of information.

**Mr GUNNER:** I believe I can trust the Ombudsman on the estimate of the legal figure.

**Mr GILES:** You should check if it was Alistair Wyvill or Cathy Spurr.

**Mr GUNNER:** Thank you, Ombudsman, for your time today. We appreciate it.

**Madam CHAIR:** Are there any other questions for the Ombudsman or the Chief Minister in relation to the Ombudsman's Office?

**Mr GILES:** If there is nothing else, Madam Chair, I thank Peter and his staff for turning up today for the estimates process and I wish him well for the next 12 months. I would like to see a reduction in your client contacts, but provide as much service as you can to anyone who makes contact.

**Mr SHOYER:** Thank you.

**Madam CHAIR:** On behalf of the committee I would like to thank the Ombudsman for attending today. The committee will now proceed to consider the Department of the Chief Minister. We will have a 10-minute break.

---

The committee suspended

---

#### **DEPARTMENT OF THE CHIEF MINISTER**

**Madam CHAIR:** Thank you, Chief Minister. We welcome you back to the estimates hearings. We now have before us the Department of the Chief Minister. If you would like to introduce the officials accompanying you today and then please feel free to make an opening statement.

**Mr GILES:** Thank you very much, Madam Chair and welcome to the committee. My opening statement is slightly longer than the other three I have done today, but I am very happy to go through all of the points.

I will start by introducing the people to my left and right. To my immediate left is Mr John Coleman, Chief Executive Officer of the Department of the Chief Minister; to his left Dr Rachel Bacon, Deputy Chief Executive of the Department of the Chief Minister; and to my right, Mr David Ryan, Executive Director Corporate Services in the Department of the Chief Minister. I will take all questions today and if I need to refer to anybody else I will do so.

I also take the opportunity to thank Gary Barnes for his services as the former Chief Executive Officer for the Department of the Chief Minister. Mr Barnes continues to make an excellent contribution to the agency in his new role as Coordinator General for Major Projects, Infrastructure and Investment.

The new Chief Executive Officer, John Coleman, brings to the role a wealth of knowledge having worked in a range of areas in the Northern Territory in our government for nearly 40 years. Mr Coleman is well respected in the Northern Territory and will no doubt excel in progressing the government's priorities, all of which have been quite successful to date.

I am very pleased to be here today to share with the committee and Territorians some of the great things occurring across the Territory. It is an exciting time for the Territory and I am keen to give you a rundown of how the government's work in a range of policy areas is delivering for Territorians.

Put simply, a lot is happening and much of it is working. We have wrestled back the budget from Labor's brink of disastrous budget failures. The failed Labor government saw no problem with saddling our children with a \$5.5bn debt, with a net debt ratio of 98% debt to revenue ratio. We will not sacrifice our children's future. We have turned that debt ratio down from 98% to 41% in less than three years. This smart fiscal management has left us in a position to invest in the infrastructure and services that Territorians need and deserve.

We are building the new \$150m Palmerston hospital, with all the works to be complete and open for operation in 2018 as agreed with the Australian government. This site for the hospital is 15-times bigger than Labor's fence which provided no room for growth. The services it will provide are far superior to the Mickey Mouse facility which was proposed but never built, through eleven-and-a-half years of the former failed Labor government.

Under the Country Liberals government a road intersection and other site works have already begun for the hospital. Concrete will be poured on the site by the end of October. This is in stark contrast to Labor, which took 12 years to put up a sign and a fence and do nothing more. That is not exactly something that I would like to be hanging my hat on, Michael Gunner, when you were in the driver's seat as chief adviser to the Chief Minister during the dysfunctional 12 years of Labor failure.

This hospital will be a fantastic facility for Territorians delivered by a Country Liberals government. We are also funding upgrades to the Royal Darwin Hospital and Alice Springs Hospital to ensure those magnificent facilities continue to provide top quality care for Territorians, as well as an improved level of amenity for patients and serviceability for staff who work there.

The multimillion dollar duplication of Tiger Brennan Drive is in full swing, slashing commute times and making the road safer for motorists when it is opened next year. We are investing in roads across the Territory because the NT government believes and understands they are economic enablers connecting Territorians and businesses, and opening up new parts of the Territory where there have never been jobs and employment before.

We are pursuing large-scale infrastructure projects across our region, including economic development on the Tiwi Islands. The government is proud to back Territorians in regional areas, supporting their ideas and concepts and helping them to explore their economic potential. Positive steps towards economic growth are finally being taken on the Tiwi Islands, with the signing of the historic development framework agreement for the development of Port Melville, exporting woodchips and a road and infrastructure upgrades package, all announced within the recent budget.

Frankly, I am disgusted at the opposition's recent efforts to tear down the vital Aboriginal economic development program on the Tiwi Islands. The public employees who have been involved deserve to be commended for driving these projects, not vilified by the opposition. I will stand by those public employees who work very hard, particularly on the Tiwi Islands, which Labor is quick to tear down. Those public employees were very excited to receive the Chief Minister's Award for Excellence in the Public Sector last year for their efforts on the Tiwi Islands.

In the Barkly we have been looking at a possible new rail link between Tennant Creek and Mount Isa, announcing money in the budget for the investigation, and we are in the process of talking to the private sector about construction of a new gas pipeline linking the Northern Territory pipeline infrastructure to the east coast of Australia, which Labor opposes but I am not surprised.

A number of routes are under consideration by the private sector, including Alice Springs to Moomba, and Tennant Creek to Mount Isa. We are confident that the existence of this pipeline will unlock vast gas reserves in remote areas of the Northern Territory, connecting them to markets and making production viable, but most importantly creating economic stimulation and providing economic jobs for Territorians in regional and remote parts of the Northern Territory. Both of these projects have the potential to transform our regional communities and economies creating those jobs.

At its heart, the government's infrastructure program is all about jobs in northern Australia and the Northern Territory. The Territory's economy had the highest growth of any Australian jurisdiction in 2013-14, but we need to diversify our economy to avoid a boom and bust cycle which is the history of the Territory.

Labor embarked on the INPEX project without a plan for the impact it would have on house prices and availability. It is estimated that we inherited a shortfall of about 2000 houses when we came to government and we have been playing catch-up on that ever since. We are now releasing record amounts of land to keep up with demand and stabilise prices. I am pleased to say that recent feedback from the real estate sector shows that rental prices are moderating, which assists with the cost-of-living pressures placed on Territorians by Labor. Unlike Labor we are also planning for the post-INPEX economy.

We are investing in tourism infrastructure so operators are ready for the economic tilt towards tourism in the years ahead. A \$4.75m Tourism Infrastructure Development Fund has been warmly welcomed by the tourism industry as evidence of the government's commitment to sound future planning. Unlike the former government we have been investing heavily in tourism marketing and it is starting to show results. After a decade of declining visitor numbers under Labor tourism is starting to turn around, with a sustained increase in figures over the past year. There is still a long way to go in order to turn around Labor's failures and undo the damage Labor did over those eleven-and-a-half years, but all of the signs are positive.



I realise the cost of living is a big concern for Territorians and we are making progress in this area, as I have already discussed today. I have already mentioned our efforts to stabilise the cost of housing, but in other areas as well. Most notably is the downward trend in petrol prices across the Territory since the government's fuel summit last year. I am pleased to say that in the week ending 24 May the average retail price of unleaded petrol in the Northern Territory was 137.2c per litre. This is a decline of 36.5c per litre over the past year. Most notably, the average unleaded price in the Territory was 1.1c per litre lower than the national average. This is the first time in history this has occurred. When the Leader of the Opposition was a chief adviser to the former Chief Minister, he drove petrol prices up to the highest gap margin in the Territory's history. We now have the lowest priced ULP below the national average in the Territory's history.

We have tackled this complex issue head-on, sparking genuine competition in the market and delivering lower prices for Territorians. Despite their bleating on petrol prices, this is something Labor was never able to do. It was able to drive the price up, not down.

We are also easing family hip-pocket pressures through our hugely popular Back to School vouchers and the \$7.4m Sport Voucher Scheme. These have also been a wide boost for sporting organisations which have seen a big bump in grassroots participation. Clubs and associations have also been the beneficiaries of our huge increases in direct funding to grassroots sporting organisations. Funding for peak sporting bodies has jumped from \$3.5m to \$5.3m since we came to office. I am sure one of the committee members, the member for Greatorex, would be well aware of that added investment we provide to families in the Northern Territory.

Labor has promised to bring back the Arafura Games, but we know that it is planning on cutting the sports vouchers and the Back to School vouchers so it can pay for this. Quite possibly, Labor also wants to decrease the amount of money going to sporting bodies. Many would know that we increased it by 50% when we came to government. I think if Labor wants to bring back the Arafura Games and cut those programs it will be a bad investment, but I am happy for Labor members to explain otherwise.

I am pretty sure that I know where the opinions of Territory parents and sporting organisations would be regarding where that money should be spent. It should be spent on families, children and sporting infrastructure and facilities, and those peak bodies in the Northern Territory.

Unlike the trainee Leader of the Opposition, we take law and order seriously. We are delivering on our commitment to employ 120 additional police, which is fully funded within the budget. Our policies are delivering, driving down crime and cutting alcohol consumption to the lowest level since the 1990s.

The Country Liberals government has made huge progress in tackling alcohol misuse through a suite of measures across health and law enforcement. A combination of temporary beat locations, Alcohol Protection Orders and alcohol mandatory treatment has seen alcohol-related assaults drop by 13% Territory-wide. This includes 21% in Alice Springs, 17% in Katherine and 58% in Tennant Creek. I am still a bit unclear about what the opposition's plans are for our very successful temporary beat locations.

In his first week as Opposition Leader, the member for Fannie Bay was busy in Alice Springs telling ABC listeners that TBLs would be retained. This was while his colleague the member for Nightcliff, who did not vote for him in the leadership race, was on ABC in Darwin telling listeners that TBLs are going. This is a good early lesson for inexperienced opposition: get all of your colleagues on the same page before committing to a new policy.

I am also aware of the level of concern regarding the drug in our community known as ice. That is why we have established the parliamentary inquiry on methamphetamines to look at our responses and what more can be done. The Country Liberals government is proud of the way we are rebuilding local government after Labor's centralisation process, stripping local communities of their voices by establishing shires in regional remote parts of the Territory. We have established local authorities in 63 communities across the Territory.

The First Circles program is supporting emerging Indigenous leaders across the Northern Territory. We are establishing a new office of Aboriginal Affairs and an \$18m Community Champions Grants Program to restore the connection between government and Territorians in 13 communities or regions across the Territory. To ensure local voices are heard at the highest level of government, each of the 13 communities or regions will be assigned a chief executive officer and a senior government employee who will be responsible for championing the interests or projects.

More broadly, across the public service we have introduced a new package of measures to enhance the Territory government's reputation as an attractive place to work. These changes modernise our public service promoting training and staff development, as well as giving staff more flexibility in their working lives. These have been warmly received by our hard-working public service.

Being the central government agency, the Department of the Chief Minister plays an important role in driving all of these changes. The role of the agency is to continue to evolve as the Northern Territory develops and the high number of major projects and initiatives in the Territory increases. I extend my sincere thanks to those staff in the Department of the Chief Minister, including those who provide support, the executive arm of government and those who worked tirelessly to deliver government's priorities.

Madam Chair, what we have seen to date since 25 August 2012 has been nothing but remarkable from the whole public service to drive reform, initiative and change so that we have the budget back in a good position. We are investing in infrastructure and can say openly and honestly that we have the biggest Health and Education budget in the Territory's history, and we are getting real outcomes for Territorians.

I look forward to taking any questions that may be present in relation to this portfolio in the Department of the Chief Minister.

**Madam CHAIR:** Thank you, Chief Minister. Are there questions on the opening statement?

**Mr GUNNER:** Just a couple. Chief Minister, you said that you want to have plans, but you are also on the record saying:

*At the moment from where I'm sitting there is no policy of the CLP ... And that's why a lot of times the polities don't know what they stand for.*

Have you had trouble writing CLP policy because of the constant infighting?

**Mr CONLAN:** A point of order, Madam Chair. What has that to do with the opening statement or anything to do with the Appropriation Bill?

**Mr GUNNER:** In his opening statement ...

**Mr CONLAN:** That is an outrageous question. I ask Madam Chair to rule it out of order. That is ridiculous, Leader of the Opposition.

**Mr GUNNER:** In his opening statement the Chief Minister said he wants to have plans ...

**Madam CHAIR:** If you can justify it relating to the opening statement I am interested.

**Mr CONLAN:** Keep it relevant to the Appropriation Bill of 2015-16.

**Mr GUNNER:** In the Chief Minister's opening statement he talked about wanting to have plans, but the Chief Minister is also on the record saying there is no policy of the CLP. I am asking why there is no policy of the CLP. Is it because of infighting within your own ranks?

**Mr GILES:** Thanks very much for the question, Leader of the Opposition. I am very happy to answer that, if that is okay. I note the point of difference as raised by the member for Grotorex. I share some sympathy with him on that because he is quite right.

We have a very clear policy on alcohol and how that should be treated in the Northern Territory. In my opening statement I went over some comments around temporary beat locations. I am sure the minister for Police will have a lot to say about those. That is one thing that we stood with, which we wanted to do from a policy point of view. We have police who operate outside the bottle shops in Alice Springs, Tennant Creek and Katherine, making sure those people identified as either intoxicated or potentially could be abusers or misusers of alcohol - we are seeing a reduction in the purchasing ability of those people to consume alcohol.

That has resulted in a reduction in the amount of alcohol in its pure form being consumed in the Northern Territory, as well as a reduction in domestic violence and a range of other areas. I gave some statistics about the reduction in assault figures in the Northern Territory regional areas.

That is just one policy. I know you support it, but Natasha Fyles does not. Lynne Walker is having a bet each way and no one knows what Gerry McCarthy stands for in that regard.

You can see there is a clear delineation that the Country Liberals government has a policy, for example, with regard to temporary beat locations and alcohol. I have not got to mandatory alcohol treatment, paperless arrests or a range of other measures that we put in place. You oppose the alcohol mandatory treatment, which is now providing assistance to hundreds of Territorians with chronic alcohol abuse or misuse issues. We want to see a change in people's lives.

We are seeing, through that good policy of the government, a reduction in alcohol consumption and a reduction in the assault rates across the Northern Territory.

We also have a policy for building the Palmerston hospital. I have some illustrations on the Palmerston hospital from a policy point of view. I will talk through some of these in relation to that question.

This one shows Labor's policy when they were in government, after 12 years, with the site and the size of the hospital they wanted to build in Palmerston. It also shows the site, 15-times bigger, where the Country Liberals will build the Palmerston Regional Hospital.

From a policy point of view, I will go through a number of differences in relation to the question. There was no declaration of what the hospital standard would be after 12 years of Labor, but the Country Liberals have identified it will be a level 3 hospital. Labor was going to build a 60-bed hospital, but did not start that. We are starting with building a 116-bed hospital, with the first pour of concrete on 29 October this year.

The site area was 3 ha for the proposed - but never delivered - Labor hospital in Palmerston. With the Country Liberal government's policy, the hospital we are delivering will be on 16.1 ha. That is easily illustrated on the map.

In regard to an emergency department, it was unknown for the hypothetical hospital in Palmerston proposed by Labor. We have planned a 16-bay emergency department, a very large car park, a room for expansion – again, it is unknown with Labor. We will have birthing suites at the Palmerston Regional Hospital, a children's ward and operating theatres; Labor would not. Ancillary services were never spoken about from a hypothetical policy point of view.

For the Palmerston Regional Hospital, the Country Liberals will be starting our first pour on 29 October. I am sure the Minister for Health will go into much more detail about that. We will have ancillary services, including general medicine; cardiology; diabetes; gynaecology; ophthalmology; orthopaedics; and gastroenterology. We will have ambulance bays; Labor would not. In regards to ease of access, it was a restricted access to the site Labor proposed. Ours is adjacent to a major transport corridor - which anyone who goes to visit will see the multimillion dollar intersection being built. The other policy question about room for expansion - you can easily see the room for expansion on a 3 ha site compared to a 16 ha site. There is a lot of room for expansion.

If you get to the nitty gritty of it, you have to go back to 17 April 2012 where Kon Vatskalis and Paul Henderson stood there and announced the fence put around the site - nothing more than a fence in 12 years.

From a policy point of view, getting back to your question, there are two policy areas. I am happy to go on with a range of other policies that we have, but I fear it may limit the time you have for questions. If there are others, I am happy to take them on the opening statement.

**Mr GUNNER:** Chief Minister, the Chamber of Commerce has called for stability in government and any instability is bad news. Do you agree that it has been difficult for government and business to do its work properly when there has been instability in government?

**Mr CONLAN:** A point of order again, Madam Chair. Seeking an opinion from a witness on the Estimates Committee is totally inappropriate. I ask that you rule it out of order.

**Mr GUNNER:** I did not ask a public servant for an opinion. I can ask the Chief Minister for his opinion.

**Madam CHAIR:** I think it probably goes outside of it being an operational or financial matter.

**Mr GILES:** I do not want to lament the point, but we have a good working relationship with the Chamber of Commerce. We have the second-highest growth rate in the economy in the nation behind New South Wales. For a small jurisdiction like the Northern Territory that is going quite well. We have the second-lowest unemployment rate and highest labour force participation rate. In the Top End the unemployment rate is outstanding.

The spend we put through for this budget, particularly in the delivery of infrastructure, will ensure that many small businesses in the Northern Territory will receive a lot of government contracts. My colleague the Minister for Infrastructure, Peter Chandler, will talk about the local procurement processes and the level of procurement that goes to companies here.

When it comes to changes in portfolios and so forth, I believe that is what he is alluding to - trying to score a cheap political point - it must be noted the last two portfolio restructures were by the opposition. The first time they got rid of the member for Karama as the Opposition Leader. The second time, in relation to the Chamber of Commerce, they did another portfolio reshuffle to bring the portfolio of Business back because when they did the first restructure they forgot it.

Small business in the Northern Territory is the engine room of employment. The small business sector employs a large amount of employees and is vital to our economy. The big projects come and go but small business is the one that stays. You completely forgot that. The last two reshuffles have been done by you, under Labor. It is very good of you to point out that you forgot the Business portfolio.

**Mr GUNNER:** No, Business was always there.

**Mr GILES:** Leader of the Opposition, you forgot Business. One thing I know, when you get the portfolio list done for media, make sure you cover all of your portfolios.

I think the member for Greentree is right, Madam Chair; the question was not about the budget and the estimates process, but it is a good opportunity to point out that when he formed his portfolios he forgot Business.

**Madam CHAIR:** Are there any further questions on the statement, Opposition Leader?

**Mr GUNNER:** There were questions about clarification, of which some things fell under this output.

**Mr GILES:** What would you like to know?

**Mr GUNNER:** The \$1.3m to pursue economic development on Aboriginal land - is that under Output 7.1, Strategic Policy Coordination?

**Mr GILES:** I will seek advice. It may be under a different area. Yes, it is under Output 7.2.

**Mr GUNNER:** Some clarity about how to treat Output 7.3, Northern Australia Development Office and Output 7.4, Regional Coordination - the \$6.6m for the development of northern Australia, is that under 7.4, Regional Coordination?

**Mr GILES:** Output 7.3 is Northern Australia Development Office, and 7.4 is Regional Coordination.

**Mr GUNNER:** Yes, that is right.

**Mr GILES:** Do you have a list of the output areas?

**Mr GUNNER:** Yes, I do. I am asking for clarification of where a particular thing falls in those two outputs.

**Mr GILES:** The north Australia development stuff falls under the Northern Australia Development Office output.

**Mr GUNNER:** My question is about the \$6.6m for the development of northern Australia - more than the line item for the Northern Australia Development Office. I thought it may not fall under that.

**Mr GILES:** Maybe when we get to that you can ask your question about it.

**Mr GUNNER:** I wanted to make sure. There seems to be some crossover between those two items. I did not want to get to one output and have you say that I missed my chance.

**Mr GILES:** Have you had a briefing from the Northern Australia Development Office?

**Mr GUNNER:** The budget books say there is \$6.6m to drive development of northern Australia.

**Mr GILES:** Yes.

**Mr GUNNER:** It seems logical it would be under the Northern Australia Development Office, but the line item for the Northern Australia Development Office says \$5.9m. I thought it did not fall there but somewhere else. If you are lenient, Chief Minister, we can ask the questions anywhere in those two outputs. I just want to make sure.

**Mr GILES:** I am flexible with these things as long as it is not too far out of the boundary. If you make a mistake you have made a mistake, but if it is close I am happy to do it.

**Mr GUNNER:** I am asking for your advice up front so we do not make a mistake when we get there.

**Mr GILES:** What is your question about, and I will tell you what area it falls in?

**Mr GUNNER:** It is looking for a breakdown of how the expenditure will be worked. There will then be a conversation flowing from the answers that come, I imagine.

**Mr GILES:** If you look at Budget Paper No 3, which I have here ...

**Mr GUNNER:** On page 31 it talks about \$6.6m.

**Mr GILES:** If you want to ask a question about - I think you have your figures wrong.

**Mr GUNNER:** It is from the budget book, \$6.6m to drive the development of northern Australia and engage with key stakeholders in the Territory community.

**Mr GILES:** Page 29 has a breakdown of the budget and says \$5.951m for the estimate in the 2014-15, which is the same as in the output group.

**Mr GUNNER:** For the Northern Australia Development Office, that is right. My question goes to budget highlights - \$6.6m to drive the development of northern Australia.

**Mr GILES:** Yes, there are other areas from other ...

**Mr GUNNER:** I want to talk about \$6.6m to drive northern Australia. How do you want me to ask those questions?

**Mr GILES:** Ask your questions as they fall into output groups, and then ask what fits into the north Australia one and ask it there.

**Mr GUNNER:** Would it be appropriate, if it is crossing outputs, that I ask it at whole-of-agency?

**Mr GILES:** I am pretty flexible with these things as long as you stick to the rules. What page was the six-point figure on?

**Mr GUNNER:** It is on page 31 and is part of the section that goes from page 30 across – prosperous economy. We can deal with that at whole-of-agency if you prefer.

**Mr GILES:** No worries.

#### **Agency-Related Whole-of-Government Questions on Budget and Fiscal Strategy**

**Madam CHAIR:** The committee will now proceed to consider the estimates and proposed expenditure contained the Appropriation Bill 2015-16 as they relate to the Department of the Chief Minister. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

**Mr GUNNER:** Chief Minister, the Department of the Chief Minister was funded to receive \$81m in 2014-15 and will spend \$118m. That is a 46% difference. Can you explain the blowout?

**Mr GILES:** The budget has been adjusted for machinery of government changes. These things were missed in some of the budget debate in 2014. One of those initiatives includes \$22m to support the activities of the office of the Coordinator General, as I spoke about before with Mr Gary Barnes taking over lead of that role. This includes \$12.8m for strategic oil and gas initiatives, \$6m for harbour foreshore development planning, and \$3m to establish Northern Australia Development Offices across the Territory, including the Central Australia, or CADO, office in Alice Springs, as well as putting regional coordination efforts through staff into the Wadeye region to support that component.

We also put \$1.8m towards establishment and resources for the Strategic Defence Advisory Board, which was launched a couple of months ago; \$1.3m to support the Indigenous land administration project, which you asked about earlier in that area; \$873 000 to implement recommendations of the protocol services review; and an additional \$700 000 to support the Northern Territory Major Events Company.

That is just a bit regarding where those changes are. A lot of it has to do with machinery of government changes, where different elements come in and go out.

**Mr GUNNER:** The majority of it goes to the Coordinator General role.

**Mr GILES:** Yes, the Coordinator General has an oversight role. I will get a list of all of the projects that come under that purview, so I get them exactly right. The Coordinator General has the responsibility of a range of projects, including the major projects in the Northern Territory of which there are about 15. This includes things such as INPEX, Xerox, Shell's Prelude servicing and the North East Gas Interconnector. Within those resources includes funds towards a range of outsourced services and facilities, such as introducing a probity adviser, a consultant to do the modelling map and an advisory team to analyse a panel of people.

They are also responsible for the future direction from a project point of view over the Port of Darwin. They have the control of outsourcing to consultants to ensure we get the models right for the future direction of the Port of Darwin, assisting us in the preparation of detail going towards our legislators in preparing things such as the Ports Management Bill, which you opposed. This also includes the potential leasing of the Port of Darwin, so there is a bit of expenditure there.

They are responsible for the overall project coordination and operation of the Palmerston Regional Hospital, so while it comes under the purview of the Ministers for Health and Infrastructure from a tendering point of view, the project coordination and facilitation is being done by the Department of the Chief Minister.

There are things like Project Sea Dragon, the \$1.45bn Seafarms project on Legune Station, and its facilitation going through government as a major project and the expenditure that needs to occur with that. There is also negotiation around a new Darwin international grammar school and setting forth those project directions and parameters, working out how we can backfill the Darwin LNG plant in the future - the ConocoPhillips plant across the way - and what that looks like from 2021-22 and beyond. There is also potential expansion through the second train, working with projects such as INPEX and looking at high-end hotel developments in Darwin, a five- or six-star hotel, as well as project coordination and facilitation in making that occurring.

This includes the opportunity to push forward on the offer of a state-of-the-art medical facility in the Top End, which I have been offered through the Northern Territory government up to \$175m to develop. We are working through the project facilitation of that.

A lot of expenditure goes towards outside services, ensuring analysis and reports are done right, as well as probity and analysis on the bids that come in to make sure that occurs.

**Mr GUNNER:** Was the Coordinator-General a new position with additional funding, rather than from within the department?

**Mr GILES:** Yes. I have been quite prescriptive in saying the Northern Territory government will not finance the construction of a gas pipeline between the Territory and the Eastern Seaboard of Australia. We have expended money to facilitate the development of analysis and reports to see the viability of it, followed by going to tender and providing the tender assessment on the people who come forward. We have had expenses in facilitating that, but we will not put any money towards building it.

**Mr GUNNER:** Do you want me to ask my questions to the Coordinator-General now that we are on a roll?

**Mr GILES:** No, we will get to the output group.

**Mr GUNNER:** And that is Output 7.2?

**Mr GILES:** I will give you another little statement here. This will probably come up later; the Coordinator General's office combines the former Office of Major Infrastructure and Investment with the former Strategic Oil and Gas Development unit to deliver a structure which replicates offices headed by the Coordinators General in Queensland, South Australia, Victoria and Tasmania. In future budgets a separate output area for this office may be considered.

**Mr GUNNER:** At the moment it is within DCM but reports directly to you rather than the CEO. Or does it report through the CEO?

**Mr GILES:** It reports through the CEO and directly to me.

**Mr GUNNER:** Two masters.

**Mr GILES:** There are many masters. We have 250 000 masters in the Northern Territory. They are all voters and constituents.

**Mr GUNNER:** From the budget papers we saw the function of Asian Engagement, Trade and Investment, the Office of Parliamentary Counsel and the Regional Economic Development Fund transferred, but we saw staff numbers go from 284 to 290. You touched on part of the reason for that, but can you explain the increase in staff despite losing those functions?

**Mr GILES:** I do not know if you got all of that correct.

**Mr GUNNER:** I am just quoting from the first note in the budget books. The functions of Asian Engagement, Trade and Investment, the Office of Parliamentary Counsel and Regional Economic Development Fund were transferred out of the department, and the staff number is now at 290.

**Mr GILES:** I do not know.

**Mr GUNNER:** Is that not a correct note in the budget?

**Mr GILES:** I will get to the staff increase ...

**Mr GUNNER:** To clarify, is that correct in the budget?

**Mr GILES:** Yes. Many of the changes have been in bulk. You are right, Asian Engagement, Trade and Investment is now situated in the Department of Business and things have moved between one agency and another with different portfolios. Minister Styles is now the Minister for Asian Engagement and Trade as it sits within the Department of Business. I will get you the exact number of staffing. It would be easier if we went through the right output areas.

**Mr GUNNER:** This is whole-of-agency though. It is to the overall staff numbers, so this is where you would normally ask.

**Mr GILES:** It is a corporate governance question. Staffing number for the department, ministerial officers and the Office of the Leader of the Opposition, as at Pay 20 in March 2015, are 292.76. In Pay 20 in March 2014 the staff number was 281.41. There has been a reduction in ministerial staff over that 12-month time frame of four, an increase in the Leader of the Opposition's of one, and an increase in DCM of 15.68 if you want to be exact.

The movement of 15.68 FTEs between years consists of 37.5 additional full-time employees recruited in DCM in the following areas. The Northern Australia Development Office and the regional centres, such as CADO, are 15.8. The Print Management Unit – you will recall that the NT Government Printer is no longer being utilised and print management services are now situated within the Communications and Marketing branch which was a rationalisation of services. We have taken four people into the Print Management Unit so they can coordinate government printing with four people on an outsourced model.

We have created the head of Festivals NT, which is one position. Our Strategic Defence Liaison unit, which I spoke about before, has three employees. The Office of Major Infrastructure and Investment, or Strategic Oil and Gas Development, has 3.9 people. Our Community Champions model had three people, and those working pursuing economic development on Aboriginal or Indigenous land – there were 6.8 employees. There were 21.8 full-time employees who transferred out of the Department of the Chief Minister to other agencies as a result of the machinery of government changes; 11 people from Asian Engagement went to the Department of Business and 10.8 people from Parliamentary Counsel went to the Attorney-General's department.

**Mr GUNNER:** I believe these things fall under whole-of-agency, but I will take direction on where this question should fall. Why did your Chief Executive initiate an inquiry into travel on Friday?

**Mr GILES:** This is corporate governance.

**Mr GUNNER:** Will you take that question in corporate governance?

**Mr GILES:** We only need to go through output areas.

**Mr GUNNER:** We normally ask the whole-of-agency questions at whole-of-agency, I thought this would be a whole-of-agency question.

**Mr GILES:** It is a corporate governance question. I am happy to answer it now without referring to notes. When we came to government there is no doubt that we were all lumbered with a debt legacy of \$5.5bn and a \$1bn-plus deficit. We had to get the budget under control.

One area we looked for improved spending was in travel in the Northern Territory. The whole-of-government travel expenses were quite large and there was no corporate booking system as there was in other jurisdictions around the country. We examined that and put in place a model of corporate travel in the Territory. All agencies are transferring to that corporate travel arrangement which is saving us a lot of money in our booking services.

In parliament house, we are all slowly transitioning over to the corporate booking agency system. I currently use it for my travel. I know a number of other ministers are doing the same thing. When matters were identified in relation to the Pensioner and Carer Concession Scheme with regard to travel - the police investigations were going on and a number of particular travel agents' names were mentioned, which I will not divulge - I suggested that we look at the travel agents we have used in the past. I wanted to find out whether we were being charged the right amounts.

I have had conversations with the CEO of the department, John Coleman, who has instigated an overview audit of our travel procedures to make sure things were followed correctly and that we were not being overcharged.

**Mr GUNNER:** Do you have the terms of reference for the inquiry?

**Mr GILES:** We are looking at it internally

**Mr GUNNER:** But you still have terms of reference?

**Mr GILES:** If we were to do something on an external basis we would put out a terms of reference, but we are looking at it internally. We have a look at internal matters of governance in a range of areas at different times without terms of reference, but it is about responsibly looking at the way things are undertaken.

**Mr GUNNER:** Is the CEO conducting the inquiry directly or is it being delegated within the agency?

**Mr GILES:** We will be having a look at it internally.

**Mr GUNNER:** In terms of resources ...

**Mr GILES:** There is a range of staff and resources that will look at it.

**Mr GUNNER:** Do you not yet know what staff and resources will be directed, or are you saying you want me to ask at a later date in regard to resources and staff?



**Mr GILES:** No, as the CEO of the Department of the Chief Minister, Mr John Coleman has overall responsibilities for that and will report to me on the outcomes.

**Mr GUNNER:** The initial advice we received from the CEO when announcing the inquiry was that it was a result of the Latitude Travel investigation. You will not have terms of reference ...

**Mr GILES:** We are making sure that we have not been overcharged and the right processes have been followed.

**Mr GUNNER:** As the inquiry is a result of the Latitude Travel investigation, are you going to look at whether ...

**Mr GILES:** It is not as a result of the Latitude Travel investigation.

**Mr GUNNER:** This is the opening line of the press release: 'As a result of the police investigation into Latitude Travel ...'

**Mr GILES:** It has come about from looking at the Pensioner and Carer Concession Scheme and identifying some anomalies in expenditure in that. There is no doubt Latitude Travel has been identified and we want to make sure we have the right processes and policies in place and are not being overcharged in any of our travel for government.

**Mr GUNNER:** Fair enough. Based on the information the public was provided last Friday, the inquiry was a result of the police investigation into Latitude Travel and a review has been launched into travel processes and systems in the use of travel management company services. As part of that review there are no terms of reference, but as part of that internal look are we looking at whether any staff, past or present, were directed to use Latitude Travel?

**Mr GILES:** They will look at a range of things. It is about making sure the policy settings are right and that we were not being overcharged in the process. Before we put in our corporate travel agent system we were following the same process that was operated under the former Labor government, but we found ways to make efficiencies and savings. They are under way and now it is a good opportunity to go back and look at the policies and procedures to see whether they are working or not. I want to ensure that government has not been overcharged in any way, shape or form.

**Mr GUNNER:** The whole-of-agency questions provided in advance, Chief Minister - can you please provide details on the progress of all CLP election commitments, including all commitments and policy announcements made to Territorians and CLP election policy documents; summary snapshots; media releases and announcements; costing and savings documents; media advertisements; and other printed material?

**Mr GILES:** Is that question number one?

**Mr GUNNER:** Yes, I believe so. The copy I have does not have numbers on it.

**Mr GILES:** Election commitments - Cabinet was to review the membership and cost of all advisory boards and advisory committees. We have completed that. The membership and remuneration of all government boards and advisory committees was reviewed in January 2013 and a report was provided to Cabinet in March 2013. Individual reforms to boards have occurred since that time.

An independent audit of police numbers and resources has been completed. A report was tabled in parliament on 16 May 2013, Tabled Paper No 316 if you are looking for it, titled *A Review of Northern Territory Police Resource Allocation, Efficiency and Operational Capabilities*.

I think you will recall, Leader of the Opposition, that going into government we made a commitment to an additional 120 police to be on the beat within the four-year term of government. Immediately we employed an extra 20 police in Alice Springs. Approximately 63 had been put on. In the most recent budget the 120 have now been fully funded. Recruitment processes are under way and I am sure the minister for Police will be able to provide more information in that regard.

When you see the enormous reduction in crime across the Northern Territory you can attribute a lot of that to this question, where we conducted that independent audit of police numbers. We have committed to an extra 120 police. We have engaged many already, and now we have fully funded the 120. That is a really

good outcome and it goes back to one of the policy questions that you asked earlier, and that is the Country Liberal Party certainly supports the police and the community by putting more police on the beat.

The next one was about the Chief Minister visiting major Indigenous centres to discuss perceived Cabinet priorities. That has been completed. The former Chief Minister, Terry Mills, and I have visited all major Aboriginal centres in the Northern Territory discussing Cabinet priorities and so forth.

I could reflect a little on a range of different areas of policy, but the one most pertinent to this matter is the First Circles program which has been established. We have a First Circles model in the bottom half of the Territory, one in the top half and they were to meet Cabinet twice a year. Last week we had the first full meeting of First Circles with Cabinet. Both First Circles teams came together and met with Cabinet. We discussed a range of policy and program objectives and the way we want to move forward. It is about setting forth an opportunity to develop those new and emerging Aboriginal leaders across the Northern Territory, making sure there is a close connection with Cabinet.

When we look at what we have done by getting rid of the toxic Labor shires, putting in place the regional council model, the 63 local authorities, the architecture of the First Circles program, and combining that with Cabinet, along with the establishment of the office of Aboriginal Affairs and the Community Champions model - parallel to the reforms in the procurement policy and supporting the biggest budget in Health and Education in the Territory's history - it is fulfilling this and going beyond communication with local communities and delivering good outcomes in that area.

The next one was about the Department of the Chief Minister to review all government spin doctors. I think they probably mean Labor spin doctors. That has been completed. We conducted a review of all Labor spin doctors on 13 March 2013. There are many Labor spin doctors here, but many people are also doing very good jobs for the government.

We took a different model forward in the architecture of communications and marketing. We have the centralised Communications and Marketing branch within the Department of the Chief Minister. That was established on 1 July 2013. It is based in the building where the Chief Minister's department is and it provides a range of across-government services to date. There has been a rationalisation, or saving, in expenditure regarding how those services are provided. There is still a range of communications staff within each agency, but this has been a rationalisation and cost-saving measure which presents a greater level of ability to get messages out. For example, when Tropical Cyclones Lam and Nathan were present off the Territory's coast, the centralised model of communication allowed government, through DCM, to get all of our messages released into the public arena.

Whether it was through the ABC, emergency broadcast channels, Channel 9, *NT News* or the like, we had one clear and direct message being released. That is part of it – it is called a review of spin doctors, but not only did we get rid of Labor spin doctors, we rationalised the way our messages were being communicated.

The next area was to introduce a cost of living component on all Cabinet submissions, which has been completed. A cost-of-living component was added to the Cabinet submission template in November 2012 and has been implemented across all agencies. While I am talking about cost of living, I am sure members of the committee are very keen to hear about how we are progressing with that.

With regard to how we are progressing in putting downward pressure on the costs of living, I think it is important to remind people of the Opposition Leader's role, being one of the main men when he was a senior adviser to Paul Henderson and Delia Lawrie behind the scenes. They were the two prime architects of Labor's budget disaster, nearly sinking the ship with a projected \$5.5bn debt. We have spent the past three years wrestling back the dogged Labor debt bullet where they fell asleep at the wheel.

In regards to cost of living, on coming to government we discovered a housing shortfall of around 2000 houses and we have been playing catch-up ever since. I am happy to report there has been good progress in putting downward pressure on the cost of living, but there is still more work to be done. We have embarked upon our Real Housing for Growth model, releasing a range of houses through that process, also working with the Department of Housing to provide a range of reforms. We have our loans schemes; we also have a scheme to support Aboriginal people who want to own their homes on Aboriginal land. We have approved a range of private sector developments because government should not be involved in the development of all housing assets in the Northern Territory.

I refer to a press release that was put out by Raine & Horne recently, as an example; rental vacancy rates in Darwin are now nudging 6% as opposed to the usual rate of 3%. The same release warned owners to hold onto their current tenants, because if they are forced back into the market they are likely to face a rent reduction of about 10-15% to attract a new tenant. Those are some of the areas where we are starting to make inroads into the cost of living. We are starting to see early signs, but a decrease in the rental market so it is easier for Territorians, mums and dads and the like to get into the housing market.

I am also pleased to talk about what we have done in regard to fuel and the headway we have made on the hip pocket issue of petrol prices. This is something that you, Mr Deputy Chair, have been pushing consistently. We have seen a consistent trend downward in the pump prices across the Territory since the fuel summit in October last year. I am pleased to say that in the week ending 24 March, the average retail price of unleaded petrol in the Territory was 137.2c per litre. This is a decline of 36.5c per litre over the past year which is an incredible turnaround.

Before Labor tries to jump in and say it was about world oil prices, we need to point out that in the week ending 24 May the average unleaded price in the Territory was 1.1c lower than the national average. That is a pretty good outcome.

I can if you want, Leader of the Opposition, but I do not know if you want me to talk about the \$7.4m initiative for the Sport Voucher Scheme or the Back to School payments. Did you want me to go into that?

**Mr GUNNER:** After you answer the commitments that you are in charge of in DCM.

**Mr GILES:** Okay, I will leave that.

A youth centre in Tennant Creek is still being discussed and modelled. Despite the fact the youth centre has not been built in Tennant Creek we have invested in a range of other areas, including the Julalikari Council Aboriginal Corporation's youth accommodation project, which is due for completion in May 2015. This is funded in part by the Commonwealth government with \$3.75m. We are working to replace the Tennant Creek swimming pool and construct new sport change rooms at Purkiss Reserve.

The Barkly Regional Council received the Regional Development Australia funding. The NT government committed funding through a special purpose grant to support that and construction is under way. I think it started in February this year and is ongoing.

Out-of-home care facility - \$300 000 has been committed by the Department of Children and Families and \$45 000 from the Department of Housing. The contract has gone to Harvey Developments to upgrade the existing house, and I believe construction was completed in April 2015. A skate park was officially opened in December last year. While the youth centre has not been fully built yet, a range of youth activities and investments have occurred in Tennant Creek.

The next election commitment was a review of harbour operations. That is still ongoing as you know. We recently spoke about the Office of Major Projects, Infrastructure and Investment, which is developing a project to see private sector investment in the Port of Darwin. Phase 1 was completed in June 2014. It has been discussed up hill and down dale, but we continue with that.

We are involved in development of an investment strategy on how government can best leverage existing infrastructure to secure sustained external investment in infrastructure projects. Legislation to facilitate port transaction was debated and passed in the April 2015 Legislative Assembly sittings, including second-stage amendments which came out of the Port of Darwin Select Committee. Mr Deputy Chair, I recall that you were the chairman of that select committee.

The Administrator has given assent to the following acts: the *Port of Darwin Act 2015*; *Ports Management Act 2015*; and *Ports Management (Repeals and Related and Consequential Amendments) Act 2015*. All of these acts were opposed by Labor.

There was another election commitment to form Cabinet subcommittees to investigate waste on Aboriginal communities. That was formed in September 2012 and has undertaken a review which has now been completed.

I could go on to many things we are doing in Aboriginal Affairs, but I have probably covered that in one of my previous points.

There is \$2.5m to transform the Anzac Hill youth centre into a Police and Citizens Youth Club. There was \$2.5m provided to the Northern Territory fire and emergency services as part of the 2012 mini-budget to upgrade Alice Springs Youth and Community Centre. The Department of Infrastructure successfully project managed stage 2 which included a new gym, sports hall, admin centre, car park and landscaping. Works were completed on 29 January 2014 and the member for Grotto and I officially opened it at that point in time.

We have also put forward in this budget a new investment to do the next stage of upgrades at the youth centre at Anzac Hill to ensure we have an improved level of amenity, especially for youth who we anticipate will visit the centre more often. Our plan is to establish more youth services within that facility to better support and enable the participation of youth in Central Australia.

The next election commitment was about visiting Canberra to negotiate more effective approaches to regional development. That is completed, yet ongoing. In November 2012 the former Minister for Regional Development visited Canberra and met with the former Commonwealth government minister, then Simon Crean, to discuss a broad range of regional development issues. As government, ministerial or otherwise, we continue to meet our federal counterparts and discuss a range of things. Whether you go to Canberra, have a chat with Joe Hockey - who was here for a very good budget breakfast last week - or have a quick catch up with Warren Truss from the Joint Select Committee on Northern Australia or the Prime Minister, a range of government representatives are meeting with our federal colleagues on a continual basis. You see the outcomes of that when the federal budget announced \$5bn worth of infrastructure which can support us in getting more infrastructure in the Northern Territory.

When Joe Hockey, the Federal Treasurer, was here after the Chamber of Commerce budget breakfast - I did not see you there Leader of the Opposition, but you did forget the Business portfolio so maybe that is why. We had an opportunity to go up in the air, view Darwin's landscape and talk about some of the opportunities with the \$5bn infrastructure facility. I pointed out the marine infrastructure project development, which is close to the Chief Executive of the Department of the Chief Minister's heart. It is currently within a prospectus to have private sector investment into our Marine Industry Park.

There is opportunity for individual investment into that park, or for it to be undertaken on a holistic project basis. Whilst the jurisdictions of Queensland, Western Australia and the Northern Territory could be seen as regions where opportunities could be created, I was quick to point out to Joe that projects like the Marine Infrastructure Park are shovel-ready and can get up and running. I have probably gone off topic a bit there.

The next one is about the push for the arrival of onshore gas developments and boosting downstream manufacturing opportunities. That is in progress. I would hate to see that one actually completed; we talk about it on a regular basis. I picked up the *Financial Review* recently and read about the Bonaparte Basin and sites such as Petrel, Tern and Frigate operated by GDF Suez with a minority shareholding by Santos and their ideas about bringing some of that gas to Darwin through a floating facility on the Territory's coastline, rather than being piped onshore yet conducted offshore. These are discussions that continue on an everyday basis which the Coordinator General, the Deputy Chief Minister, the Minister for Mines and Energy and I are involved in.

I spoke before about Darwin LNG operated by ConocoPhillips and what may occur for them in the future. We do want to see a backfill arrangement for that. We do not want to see it disappear. We want to see an opportunity to possibly duplicate for a second train. In regards to this election commitment these discussions are ongoing and will continue for a very long time.

We want to see downstream manufacturing opportunities occur. That is about utilising particular types of gas. It is not really done, and I say 'really' loosely. There are not many downstream gas developments in the Northern Territory. It is an industry of the future. We talk about it. The Treasurer and I are highly motivated to see downstream investment opportunities here. I will have a range of conversations early next week about downstream opportunities in the future. They will continue because the Country Liberals government is intent on driving the economy forward to make sure there are jobs for Territorians.

The next one was about Borroloola and building a government business centre there, allowing access to MVR, Centrelink and other services in supporting a retail, recreation and cultural centre. That has not been done but it is in progress. The progress to build a Borroloola multipurpose centre using a McArthur River Mining Community Benefits Trust is steadily progressing. I thank the Attorney-General, John Elferink because he is helping to drive a lot of this work, albeit not being his portfolio of responsibility it is purely because he is interested.

A site has been secured and planning has commenced. Some of the services initially proposed to be located at the centre are now housed in their own facility, such as Centrelink and land councils. It is very early days yet. Further community consultation and negotiation on a revised concept design is continuing and a new concept design and budget is expected to be presented to the McArthur River Mining Community Benefits Trust Board for endorsement in October 2015.

In negotiation for settlement of the Borroloola native title claim, the Northern Territory government and the Northern Land Council have agreed that native title should be discussed further, particularly over lot 768.

There was a commitment to a new Defence liaison group. That has been completed, as discussed regarding our strategic Defence initiatives. The Office of Major Infrastructure and Investment's strategic role focuses on major strategic Defence issues and is complemented by the Department of Business' operational support role.

That probably answers your question, Leader of the Opposition.

**Mr GUNNER:** Chief Minister, can you please advise on the progress and implementation of all signed written contracts with Territory communities?

**Mr GILES:** These are the contracts the former Chief Minister, Terry Mills, signed before the last election. I will go to the Wadeye one. We spoke about investing in the upgrade of roads in the Wadeye region, including the road from Daly to Wadeye, known as the Port Keats Road, to ensure year-round access. Budget 2015-16 allocated \$21m from strategic economic roads for the Yellow Creek and Saddle Rail Creek crossings. Yellow Creek crossing will be advertised as a design and construct contract in coming weeks and will support our remote procurement policy role of trying to get more Aboriginal people, especially locals, involved in those works.

The design for Saddle Rail Creek crossing will be released for public tender in the coming weeks and the \$21m is all Northern Territory government funding. The river floodplain upgrade is currently under construction and project funding is \$20m under the Regional Roads Productivity Package. They are in progress. When you combine those two pieces of work with the bridge over at the Daly River, you are getting very close to 365-days a year access.

After talking to the member for Daly, Saddle Rail Creek has been a continuing issue on the Port Keats Road. It is the first flooding area when you come over the Daly River bridge which cuts people off. These works provide significantly improved access, moving towards the 365-days a year access point.

We are committed to supporting any local initiative to establish a regional council. Government approved the demerger of the Victoria Daly Council into two separate councils to provide the regions with a stronger voice. That has been completed as well as the 63 local authorities that have been developed, financed and supported across the Northern Territory. That policy was designed to see a decentralisation of decision making in the Northern Territory and remove the toxic shire structure that Labor set up which took away everybody's voice in the bush.

We will support people living on homelands and outstations, with proper funding to ensure that houses are maintained and residents are able to access to essential services. This will include \$5200 annually for each outstation dwelling. The homelands program delivers over \$39m per annum in services to homelands and town camps throughout the Northern Territory. Each permanently occupied homeland receives funding to assist with housing maintenance and municipal essential services. Homelands and town camps in the Wadeye region received their fair share of that commitment and it is ongoing.

Part of the homelands funding includes a special allocation for homelands housing, or the Homelands Extra Allowance, which was part of that election commitment from which eligible homelands or outstations can receive \$5200 per annum to upgrade their homes. That is a very successful initiative which commenced in 2013 after we got the policy settings right. It is starting to see significant improvements in homelands houses, thus improving the lives of Indigenous Territorians. Our investment into homelands and outstations will continue.

There was a commitment in the Wadeye agreement to support the TRACS program, with a commitment of \$50 000 to help transport people to homelands and ceremonies. In February 2013, \$50 000 was provided to TRACS for the cultural and development programs at homelands within the region.

We committed to a proper town plan for Wadeye, which will include planning for the development of future residential land, road service requirements and economic infrastructure. The Wadeye area plan and zoning map were included into the planning scheme on 29 May 2013, and normal planning controls and procedures apply to new developments.

Moving on to the next agreement, that is the Katherine agreement. We committed to tackle crime. We said we would put an extra 120 police on the streets across the Territory, which means extra police for Katherine. We will return to ensuring there is a reduction in crime elements by 10% as a result of our police investments into tackling crime in the Northern Territory. We are very keen to implement our financial equipment in this budget for the continual 120 police over and above establishment, over a three year period to be completed by June 2016. As I mentioned, the budget includes the resources, as it provides \$8.7m to deliver on the commitment of 120 more police officers across the Territory.

In 2013-14 an additional 20 positions were approved for the Joint Emergency Services Communications Centre in Darwin to cover call taking in a more economical way, including supporting those in the Katherine region, the remote regions, Tennant Creek and Alice Springs.

Additional funding was also approved in the capital works program for expanded accommodation at the communications centre at the Peter McAulay Centre. We have also been working on the installation of CCTV cameras, including 10 in Katherine and two gifted by the Katherine Town Council. Full installation was completed on 7 January 2014. I spoke before about the reduction in assaults in Katherine. Off the top of my head, I think it was 17%, I am happy to get clarification if it was not, but we said we would have a reduction in crime by 10% and we are seeing those types of major assaults down by that much.

In regards to Katherine, we also spoke about remote communities. We said we will work with Indigenous leaders to identify opportunities for economic development in remote communities through the Katherine region. We also provide proper funding for outstation and bush roads and we will concentrate on increasing real job opportunities for local communities.

Unless you want me to, I do not think I need to go over the \$5200 Homelands Extra Allowance, but that forms part of the response to that election commitment. I am happy to read through that again if you would like me to.

**Mr GUNNER:** You have already answered that previously.

**Mr GILES:** That was in regards to the Wadeye contract. Do you want me to answer in regards to the Katherine contract?

**Mr GUNNER:** It is the same answer, is it not?

**Mr GILES:** It is written slightly differently. We could say that what I said for Wadeye, and the Indigenous investment for homelands, is the same response to this component?

**Mr GUNNER:** Can you table it?

**Mr GILES:** No, I am happy to read through it. It is always good to make sure this gets into *Hansard*. I think that as the Chair of the committee said at the opening, a lot of people are watching this on their computers at home so it is good to go through the whole lot, because otherwise they will miss out.

In regard to the first component, the Department of the Chief Minister's regional office in Katherine actively engaged with local Indigenous leaders and the Katherine Regional Economic Development Committee to identify promote and facilitate economic development opportunities. As a member of the Katherine regional economic development committee, DCM has facilitated supporting development of proposals to establish strategic alliances between aboriginal organisations in Katherine and the local industry to take up opportunities, especially around Defence upgrades at Tindal in the near future.

I can talk about some of our investments in Katherine which relates to Indigenous communities and the Katherine region. We all know about the \$40m for the upgrade of the Wilton River and the Roper River crossings with two bridges; \$4.6m for the Victoria Highway West Baines pavement rehabilitation component; \$2.5m for the Lajamanu road, which has been announced in the budget; nearly \$0.5m for the Hodgson River Road to install six concrete inverts; and nearly \$400 000 for the Victoria Highway to reseal certain sections. There is other money for Victoria Highway, the Central Arnhem Highway and the Roper Highway.

I will not go on to too much more; otherwise it will go on forever, if you are happy with that, Leader of the Opposition.

I will go on to the next point about the Katherine prison farm. There was a commitment to secure a rehabilitation facility near Katherine in relation to alcohol control orders. We are working closely with the Venndale Rehabilitation Centre which offers a 12-week residential rehabilitation program primarily for alcohol and drug rehabilitation. The program also provides education based on life skills, literacy and numeracy, reintegration for employment of prisoners and so forth. If you want me to go into more detail on any of these things, just let me know and I will.

In regard to tourism, we said we will strengthen the local economy in Katherine with a renewed focus on tourism opportunities for the region. We will establish a tourist commission and have real input for industry representatives. To keep it short, Tourism NT is a commission established under the *Tourism NT Act 2012* and was completed by then Tourism minister, the member for Grotter, on 16 November 2013. A range of things occur in regard to tourism in the Katherine region. I am happy to talk about that in the Tourism output area later today.

In regard to the health precinct, we will identify appropriate land in Katherine East for a future health precinct as part of our long-term vision for Katherine, and an important part of planning for the town. Land for a future health precinct is identified in the *Katherine Land Use Plan* to meet this commitment. The *Katherine Land Use Plan* was introduced into the NT Planning Scheme in June 2014. I would say that is completed.

In regard to a transport hub, which is still in progress, it is quite an exciting project. The member for Katherine is very keen on this. The contract was that we would move immediately to identify land and commence the planning process for a transport hub in Katherine to fully integrate road and rail services. We recognise the strategic importance of Katherine to the cattle and transport industries and we are very keen to invest in that.

The landholders have presented a concept to develop a 90 ha parcel of land within the pastoral lease boundary alongside the Katherine railhead. Consideration needs to be given to the best strategic use of the land to ensure high utility over the long-term. The Department of Transport and the Land Development Corporation have offered to work with the landholders to undertake a master planning exercise that will inform land tenure planning deliberations and native title negotiations. That is still in progress and it will take time to consult and get that up and running.

There was a commitment about affordable housing; I have spoken about that, but we committed to build 2000 houses under Real Housing for Growth. We are not there yet, but we are well on track to get that completed. I was chatting to the Minister for Housing yesterday, as a matter of interest, saying to him that soon we will need to review that program to see what penetration it is having into the market. I believe it is having a fantastic level of penetration to providing affordable housing. We are seeing vacancy rates move from 3% to 6%. What we do not want to see is vacancy rates moving up too high because we are also mindful that many Territorians have mortgages. Very soon we will announce that we will look at how well the Real Housing for Growth program is going. It is going extremely well, but we do not want to put too much stock into the market; we need to get the balance right. We will probably stop and look at that soon. That has been delivering in Katherine as well.

Support for families - we committed at the election to introducing a \$75 sports voucher for children as well as doubling the Back to School Voucher to \$150. Not only have we done that, we have doubled the sports voucher from \$75 to \$150. It is a fantastic initiative; I cannot believe that Labor wants to cancel the sports and Back to School vouchers to fund the Arafura Games, which did not bring a lot of value to families and communities in the Northern Territory.

We have talked about fast-tracking the removal of graffiti in Katherine through the increase use of prison work gangs. We have said that people should feel great about the beautiful town they live in and Katherine is a fantastic piece of architecture on the Territory's landscape. We have invested in that. The Family Safe Environment Fund commenced on 1 January 2013 and provides councils with financial assistance in addressing issues around antisocial behaviour and discourages acts of vandalism and graffiti in parklands and open spaces. I did not really need to answer that. Some of these things were completed a couple of budgets ago but, for the purpose of answering the question fully, that was completed on 13 September 2013.

How many more contracts have do we have left to go? I might try to speed these up a little if that makes it easier.

**Mr GUNNER:** You can table them, Chief Minister.

**Mr GILES:** I am not reading everything in front of me. I am just reading a bit of the information that I have. Borroloola is the next one and I know we have already spoken about it.

**Mr GUNNER:** If you prefer, Chief Minister, we can ask this question in written form and you can provide a written answer.

**Mr GILES:** No, you did ask it so I am happy to keep going. In relation to Borroloola I have already tackled the part about the government business centres, so I will not go over that again. We have committed to a proper town plan. An updated Borroloola area plan and zoning map were included in the NT Planning Scheme.

You should have had a chat with your planning opposition spokesperson. I am not sure who that is, but that was completed on 21 June 2013. For the benefit of next year, you may not need to ask the same questions, because they were asked last year and we answered them. These are going back a couple of budgets ago. We are going back over old ground which might be taking up some quality time we could use for other things. But I will answer your question.

In relation to the regional centre establishment, that forms part of the government business centre. We have seen that opportunity work quite well, especially in relation to recreational and cultural centre so they are all in progress. If you want me to go into detail just interject and I will.

The commitment was made to support any local initiatives to establish a regional council to provide a strong voice for people in the Borroloola region and better services for local people, including the requirement for the contracts and services to be delivered by local people wherever possible.

I do not think I have answered this in the past. I have touched on our local authority model. We got rid of Labor's toxic shires, and put in place regional councils. The offer was to support people within those regional councils for anyone who wanted to see a change to the breakup in their regional council structure with regard to its geographical size. That was taken in the Victoria Daly area. It has not been taken up in this area, but we have moved from a shire structure to a regional council structure and put in place those local authorities.

For 2014-15 the Borroloola Local Authority was allocated funding of \$131 356 for local priority projects. The local authority is operating effectively and has provided a stronger local voice for local community priorities and engagement with the Roper Gulf Regional Council. The minister for Local Government, Bess Price, may have more to say on that if you ask her, but that probably covers it. I am happy, if she gets a question regarding that, for her to say that the Chief Minister answered it.

In relation to the commitment to establish a boarding facility in Borroloola, we said we would support this important initiative. I am very keen to see that proceed. It is still in progress and has not been built yet. There is a range of financial commitments within the budget this year for boarding facilities in the Northern Territory. We have identified priority sites for residential facilities to be located in large regional and urban areas. Most notably they will be as close to schools as possible. When you look at the Nhulunbuy proposal for a boarding facility and what we want to do there, it is a pristine example of what we are trying to do. We want to see the same things replicated in other areas of the Northern Territory, including around Borroloola.

We need to ensure that in planning that - what that might mean for Borroloola and the catchment area of Tennant Creek - we ask if it is best to base it at Borroloola or Tennant Creek, or have a combination of both. That is still part of the consideration undertaken throughout government. We are no doubt happy to provide an update on this at estimates next year because I do not think the local member has asked any questions in that regard.

In regard to roads, there was a question about the Savannah Way and equipment for that road. We have been investing in it. A few investments in the area around Borroloola include \$5.8m being spent through the heavy vehicle safety and productivity program, truck parking bays on the Roper Highway, and strengthening and widening on the Carpentaria Highway. There is also \$5m to upgrade the Robinson and Calvert stream crossings on the Wollogorang road, and \$4m in 2015-16 to upgrade the Roper Highway



between Fizzer Creek and Ngukurr. That is in the general region, not in Borroloola the township, but that is where there is a bit of work going on. More money is also going into the Roper Highway.

The Tablelands Highway, which is a direct connection between Tennant Creek and Heartbreak Hotel on the way to Borroloola, is receiving \$2.5m for the bridge renewal program. This is a 50-50 spend between the Northern Territory government and the Australian government to strengthen six of the 11 bridges on the Tablelands Highway, between the Barkly Highway and the Barkly Stock Route. That includes the Playford River, Boree Creek, White Hole Creek, Brunette Creek South, Brunette Creek North, and the Creswell Creek. I probably do not need to go too much more into that.

There was a commitment about homelands and outstations and I have already answered that in other points, unless you would like me to go through it again.

There was a contract for tackling crime. I will just take some advice on that. Crime is down by 58% in Tennant Creek, as I mentioned earlier. There are 120 police on the streets reducing crime by 10%. I have answered this question in previous contracts. If you would like me to elaborate I will, but briefly unless I hear otherwise. There is \$8.7m in this budget to fully fund the extra 120 additional police officers across the Territory.

Member for Greatorex, I am not sure if you had any questions about the extra money we are putting towards the 120 police or otherwise.

**Mr CONLAN:** No, thank you, Chief Minister. I am quite satisfied with the resources going into Alice Springs at the moment.

**Mr GILES:** This is the Tennant Creek contract, so we are putting them right across the Northern Territory. We have seen a significant reduction in crime in Tennant Creek. A lot of that has to do with our policy on temporary beat locations, but also making sure that we resource police. The minister for Police can talk more about that.

The family support centre was a commitment for Tennant Creek. Construction of the Tennant Creek Family and Support Centre was completed on schedule in March this year. CatholicCare NT moved into the premises on 20 April 2015 and those workers have commenced service provision. They are looking to have an official opening around mid-June.

I have already answered the tourism question for Katherine. Unless otherwise advised I will move to the next section.

I have spoken about affordable housing under the Katherine contract. Unless otherwise advised I will move on.

Support for families - I have done the same thing, especially regarding the \$75 sports voucher which we introduced and then doubled to \$150. That was through the last budget and estimates process. We have also increased the Back to School vouchers to \$150. They are the two systems Labor wants to cut to fund the Arafura Games. I have also spoken about the graffiti removal component.

When I look at the Alice Springs contract –the member for Greatorex just referred to this and answered it for me; we put an extra 20 police on the beat in Alice Springs and we also recruited an assistant commissioner to lead police operations in Central Australia. The assistant commissioner is now there, the 20 police have been recruited and we are continuing with the full recruitment of 120 police across the Territory.

We are seeing very good performance in statistical outcomes in Central Australia around policing. Police do an amazing job in trying conditions, especially standing at the bottle shops. It is very welcome by the community and it is having an amazing impact on reducing crime in Central Australia. I thank the police in that regard.

We moved the head Tourism office to Alice Springs very early in the piece. The commission was established in November 2013. In Alice Springs we are seeing an amazing turnaround in tourist numbers for the Northern Territory. I am happy to talk about some of those statistics in the tourism component of the output area later today.

We said that we would fast-track the upgrade of the Todd Mall because we recognise the importance this iconic streetscape holds for tourists, business operators and locals. Works commenced on the upgrade of the mall in November 2012 and they were completed on 20 July 2013. Again, this was a whole budget ago.

There is the question about the update of the youth centre. I have answered that previously, saying the official opening was done on 29 January 2014. The construction of affordable homes - I already spoke about Real Housing for Growth. We are not at 2000 yet. We are well over halfway in regard to occupied, committed and under construction. I have had a good chat to the Housing minister about how we make sure that we do not put too much stock on the market. We addressed it because it is not just us building affordable housing, the private sector has been rolling out a great deal of housing across the Territory; we might look at that very soon.

I do not think I need to talk about the Country Liberal government's sports vouchers of \$150 or the Back to School vouchers again.

We have gotten to the Nhulunbuy contract. There was a commitment of \$1.5m going toward the completion of the mud wharf precinct. Of the \$1.5m election commitment the Northern Territory government committed \$500 000 in the 2014-15 budget towards the upgrade of the mud wharf public boat ramp facilities. Stage 1 involves extending the old boat ramp for all tides as well as associated work to the value of \$158 964, which are currently being delivered by the Nhulunbuy Regional Sports Fishing Club. Remaining funds are to be allocated upon finalisation of the Nhulunbuy marine infrastructure investment strategy, which is being developed for the Gove port. That strategy aims to facilitate private and public sector investments to drive new and expanded infrastructure for the East Arnhem Region.

Its objectives are to maximise economic opportunities afforded to Nhulunbuy from the marine port infrastructure; project future port needs and assess the adequacy of the existing facilities against those needs in order to identify any gaps; provide a coordinated strategic basis for government and/or private investment in all such marine facilities over time; and maximise access to these facilities by all commercial and recreational users at minimum reasonable costs. I do not think I need to go on any further in regard to that.

There was a commitment in Nhulunbuy of homelands improvements. I have spoken about the \$39m per annum in services to homelands and town camps, plus our \$5200 for Homelands Extra Allowance. Do you want me to go any further into that component?

**Mr GUNNER:** We did that one already.

**Mr GILES:** I will not talk, unless directed otherwise, about the Sport Voucher Scheme or the Back to School voucher - which is \$150 from the Northern Territory government. We doubled the Back to School voucher; we introduced the \$75 sports voucher and doubled that as well. They are the two things that Labor wants to cut to fund the Arafura Games.

We will provide financial assistance to install an undercover area to the Nhulunbuy pool. The response is that the Northern Territory government has provided, and will continue to offer, business support programs to the operator of the Gove pool through the Business Growth Program. Should the Nhulunbuy Corporation decide to progress the upgrade of the pool facilities, the government will work with the corporation to make this occur.

I said that the sports voucher was \$150, but they are actually \$200. I should clarify that, so it is not only \$150 the opposition wants to cut, it is \$200.

Providing assistance to DigiFM on Elcho Island - Marthakal Homelands Resource Centre previously ran DigiFM, a local Elcho Island radio program. DigiFM is not broadcasting at present. However, Marthakal is currently reviewing its programs to determine its future. If DigiFM looks like getting up and running again, we are very keen to chat about its progress.

Establishing cardiac service to reduce the number of patients travelling for angioplasty - cardiology services, including outreach services, are provided across the Top End, including Nhulunbuy by NT Cardiac Services which is based in Darwin. The low-risk angioplasty service was established at Royal Darwin Hospital 18 months ago and numerous patients have had surgery to date. Appropriate patients from the NT are referred to this service by local cardiologists and physicians, reducing the necessity of

travelling to Adelaide for this procedure. Nhulunbuy patients also access low-risk angioplasty services through NT Cardiac Services.

I could keep going on with a range of these things in this contract as well, Leader of the Opposition. Are you happy for me to continue?

**Mr CONLAN:** I would like that, Chief Minister, please. It is very enlightening for the committee.

**Mr GUNNER:** How many pages are remaining, Chief Minister?

**Mr GILES:** I am on the last page for the Nhulunbuy contract. There are three particular areas. One is about strengthening services in health and education. You know we are putting a range of investment in Gove District Hospital and to the community health centres there. We are a very big supporter of Miwatj Health.

As an example, as part of the Territory's biggest Education budget in the Northern Territory, where the budget is up the attendance and results are also up. We are also putting in a boarding facility at Nhulunbuy near the school. I have been there and inspected it. The site is a great opportunity to support particularly the Yolngu in the region, and all to make sure they have the best accommodation services and facilities and the best opportunity to get education and advancement in life.

There is another commitment about getting Yolngu involved in education of their children, not be excluded from the process. I do not think I need to talk about the Indigenous Education Strategy - the Minister for Education will talk about that - or the Families as First Teachers program, or the *A Share in the Future* component. I remember visiting the primary school there and talking to students, parents and education representatives about how well the school is going. No doubt there are some challenges after the refinery announced its cease of operations. The numbers at the school did not decrease by as much as was originally predicted by CDU and Rio Tinto. The school is very healthy and the boarding facility will offer a greater level of opportunity for Yolngu, especially parents and senior traditional owners to get involved in the education process, which is quite good.

The last one is about supporting business development so more jobs can be created. Anyone who has followed what we have been doing in supporting Nhulunbuy following the announcement by Rio Tinto of the curtailment of the refinery would be aware that we have done a lot of work putting government resources there, including Department of Business, to ensure we support a transition process. This is getting more jobs and local procurement there as well as other initiatives, for example this weekend the Darwin Symphony Orchestra, of which I am the Ambassador – I must declare that interest - will be going there to provide a concert for the local community. A lot of investment has gone into Nhulunbuy.

That is the response regarding those contracts. Leader of the Opposition, in answer to your question, I have to say it is quite exhausting talking about it. I look forward to providing similar responses in 2016.

**Mr GUNNER:** Chief Minister, can you please provide the total cost of travel in each agency and authority broken down to international, interstate and intrastate?

**Mr GILES:** For each agency?

**Mr GUNNER:** In DCM. From the question provided on notice, can you please provide the total cost of travel broken down by international, interstate and intrastate?

**Mr GILES:** The travel cost for the Department of the Chief Minister, including office of the Chief Minister and office of the Leader of the Opposition, for the period 1 July 2014 to 31 March 2015 - total international cost was \$191 000, interstate was \$871 000 and intrastate was \$1.22m.

**Mr GUNNER:** Can you please provide details and costs of all travel undertaken by the minister that was paid for by the department, including travel on charters. This is for information on all costs paid for by the agency outside of their responsibilities under Output Group 8.0.

**Mr GILES:** Which minister are you talking about?

**Mr GUNNER:** Well, you are the Chief Minister.

**Mr GILES:** Were you just asking me?

**Mr GUNNER:** Please provide details and cost of all travel undertaken by any minister that was paid for by the department outside of their responsibilities under Output Group 8.0.

**Mr GILES:** These are department paid travel costs, not paid through the office of the Chief Minister.

**Mr GUNNER:** Has the department paid for any travel undertaken by the minister or other ministers that was done outside Output Group 8.0.

**Mr GILES:** No, not for me as Chief Minister.

**Mr GUNNER:** Any other ministers within your department?

**Mr GILES:** You should ask ministers about their departments.

**Mr GUNNER:** I am asking whether the Department of the Chief Minister ...

**Mr GILES:** Hang on. The Department of the Chief Ministers have not paid for any ministers to travel anywhere.

**Mr GUNNER:** You have under Output Group 8.

**Mr GILES:** Through the Office of the Chief Minister, not the Department of the Chief Minister.

**Mr GUNNER:** Can you advise where you are at on the clean-up for Cyclone Lam and the rebuilding program from this?

**Mr GILES:** Are we breaking for lunch soon?

**Mr GUNNER:** Five minutes.

**Mr GILES:** This answer will take more than five minutes.

**Mr DEPUTY CHAIR:** Does the committee want to finish up now?

**Mr GILES:** I am happy to keep talking about Cyclone Lam.

**Mr DEPUTY CHAIR:** Are you happy to talk for four minutes and then stop, or do you want to break now for half an hour?

**Mr GUNNER:** We can come back to Cyclone Lam if you like and I can ask the question I have been advised to ask by Gerry Wood.

**Mr DEPUTY CHAIR:** We will do that and knock off in four minutes.

**Mr GILES:** I will come back to your question regarding updating about progress on Cyclone Lam after this question.

**Mr GUNNER:** I am happy to ask it after lunch. Gerry Wood has asked, 'When will the government bring parliament back to Alice Springs and if not, why not?'

**Mr GILES:** I think we are breaking for lunch.

**Mr GUNNER:** No. We have five minutes.

**Mr DEPUTY CHAIR:** We have time to just do Gerry's question.

**Mr GILES:** We will go to Cyclone Lam then.

**Mr DEPUTY CHAIR:** If we can do Gerry's question and come back to Cyclone Lam if your answer will take a long time, that way we can just do one of Gerry's.

**Mr GILES:** It is a matter of policy not a matter of expenditure, so it is not a ...

**Mr GUNNER:** It costs money to go to Alice Springs for parliament.

**Mr GILES:** Is it within the budget and the Appropriation Bill 2015-16?

**Mr GUNNER:** Gerry wants to know if you are going to go back to Alice Springs for parliament.

**Mr CONLAN:** The member for Nelson can ask that in the House. You can put that question on notice.

**Mr GILES:** To be fair, if the member for Nelson was that keen on estimates, he would have turned up

**Mr GUNNER:** Do you want it on notice, or did you want to have it asked it later?

**Mr GILES:** It is not an estimates question; this comes back a bit to the question before. Estimates is a committee of the parliament to scrutinise budget expenditure. There is no money set aside in the budget for taking parliament outside of Darwin or anywhere else.

**Mr GUNNER:** That answers the question.

**Mr GILES:** It does not answer the question, but it puts relevance into the question.

**Mr GUNNER:** We will come back to it. Can I ask other questions or do we want to come back to Cyclone Lam?

**Mr DEPUTY CHAIR:** If we are coming back to Cyclone Lam, we will have our break now. Rather than get partially through a question and then come back and try to mull our way through. We are breaking for lunch. See you all back here in half hour.

---

The committee suspended

---

**Madam CHAIR:** I welcome everyone back after the lunch break. We are with the Chief Minister on the Department of the Chief Minister and we are still in agency-related whole-of-government questions on budget and fiscal strategy. Chief Minister, you were making comments about Cyclone Lam.

**Mr GILES:** Yes, Madam Chair. Before I answer that question, I will point out that one of the success stories from ex-Tropical Cyclones Lam and Nathan was the work by many Territorians in making sure we were well prepared as a community and jurisdiction for anything that may be thrown at us. The work of Police, Fire and Emergency Services, the volunteer coordination units and officers involved through the Department of Children and Families, Housing, the evacuation efforts of the communities out of Goulburn Island, those who assisted with the transition at the showgrounds for emergency accommodation, or the airline companies that assisted evacuating people, there was a great deal of effort provided in the preparation before the cyclones.

I had the opportunity to go back to the Peter McAulay Centre and seeing EOC and its operation. For the coordinated efforts of all those officers, thank you. It made a tremendous difference and reduced the level of impact of Cyclones Lam and Nathan. Also for the coordination efforts of those officials and community members in the areas that were threatened and/or devastated by the cyclones, I say thank you.

There was a range of communities involved, starting as far as Groote Eylandt, through Nhulunbuy and towards Maningrida which were threatened. People were put into cyclone shelters where house damage occurred. All Territorians were thinking about those community members and the response provided by people was outstanding.

In regard to the intent of the question regarding how the recovery process is going, I will read from a few notes here ...

**Mr GUNNER:** And the rebuilding program, Chief Minister.

**Mr GILES:** There is strong progress across all aspects of recovery, including restoration of essential services, housing and community services. We are now at a key recovery phase in regard to both cyclones, with temporary accommodation being installed in Galiwinku and with the Central Arnhem Road linking the affected homelands now being opened. With the support of local residents and organisations,

the Northern Territory government responded quickly to restore key services and infrastructure to all cyclone-affected communities and homelands. Works to make communities affected by Cyclone Lam safe are now complete, with hundreds of dangerous trees cleared from across all three communities. Urgent roof repairs have been completed, power networks restored and house power connections restored where it has been safe to do so. Appropriate emergency accommodation is in place for around 300 displaced residents with the support of the New South Wales Rural Fire Service.

The temporary accommodation in the form of transportable houses is currently in the process of being delivered and installed on Galiwinku. These transportables are built to the current building code of Australia, Region C, which is rated between a Category 3 and Category 4 cyclonic winds. The first pod of transportables arrived in Galiwinku on 8 May 2015, with the residents expected to relocate from camp Elcho to the transportables by 1 June 2015. On 14 May 2015 the first family left camp Elcho to move back into their repaired house. It is expected that the remaining residents in the camp will be rehoused into the transportables by the end of June 2015, with the camp being demobilised and returned to New South Wales.

The recovery from these cyclones is expected to be long and protracted; however, we should not forget there were no deaths or serious injuries from the cyclones. The emergency plans and arrangements worked and the communities have been closely involved in the recovery processes. Local people have and will continue to be employed during the response, recovery and rebuilding phase in a range of jobs from construction work, supervision and liaison roles. As a rebuilding effort continues to ramp up, contractors will be required to employ local employees.

During the recent visit to Galiwinku I had a meeting with the Dilak, which is the leaders group, and discussed options for delivering houses there. Approximately 80 houses need to be reconstructed in Galiwinku. I said to the Dilak that we have an opportunity to not just make this a housing investment, but an employment investment. We can build the houses quickly with outside employees and a few locals, or with local employees with lots of jobs. It would take a long time to do that. Apprenticeships take three to four years for electrical or otherwise. I can do an 80-house, fast tender process or an 80-house slow process.

They came back about a week later and said, 'We would like you to build 40 houses fast and 40 slow. So go out for a tender for 40 houses as quickly as you can with a normal procurement processes and principles employing local people. With the other 40, spend three or four years building them but have all local workers doing those jobs'. That is a really good outcome and I took their advice. We are still preparing the tender processes for those things.

Unlike the Labor Party I support jobs in Aboriginal communities. I have asked the Dilak and a range of other communities - the member for Arafura will be interested in this - instead of getting the building materials from interstate, is there is a way we can get the building materials from within the region? This would help the supply chain process so there are more jobs. I have been to Maningrida many times. The member for Arnhem and I went there and looked at the brickworks factory with BAC many years ago. The brickwork machine at Maningrida is not in the best condition. I am advised that BAC, which has been through some troubles but is back again now, was not interested in investing significant resources in the brickwork factory unless it had an ongoing contract.

I had a chat to the Chief Minister's department official based at Nhulunbuy doing the on-the-ground recovery work, Jim Rogers, a couple of days ago to follow up some of my directions and to see how it is going. We are now looking at supporting BAC to get a new brickmaking machine so local people in Maningrida can recover the sand and the gravel and make bricks with the intention of using them to construct the second lot of 40 houses on Galiwinku. That will create a supply chain of jobs for Maningrida, TOs, Galiwinku and so forth. A lot of work must be done to model that and get the economics looking right, and to make sure we pay the right price for sand and gravel, as well as ensuring the supply chain works with transportation through barge services.

We are looking at other opportunities which may present, including what other type of fabrication will be required in the houses at Galiwinku, particularly the 40 we want the locals to work on. If there is an opportunity for any wood to be used in those houses, whether it is frames, trusses or whatever, we may be able to speak to the Gumatj or Rirratjingu people in Nhulunbuy who do a lot of timber harvesting and milling work, so we may get a number of jobs to support the reconstruction efforts. That is a great thing and we are working on that now. If you want any more information on that, member for Arafura, I am happy to give it to you. Maningrida is still in the planning phase, but they are just starting to engage BAC and the brickworks.

In the interests of openness and transparency what we are trying to head towards has not all been done, but it is what we are working towards. When we had the initial meeting with the Dilak about the 80 houses, I put that option forward and discussed brick houses in Maningrida, because some people may not like the aesthetics. I think they are really good; many places in Maningrida are made out of Maningrida bricks. The Dilak said they would welcome that. The question now is how we set up the supply chain and get the work going into the future.

I have some more information about how many people have been working; 15 Yolgnu were working in Camp Elcho as cultural advisers and in cleaning and catering roles. We are getting as many people working as we can.

At Mililingimbi, ALPA with the RJCP at Mililingimbi and Ramingining - most of the work had been done in the township at Ramingining when I was there regard the clean-up, but in Mililingimbi a lot of RJCP people were working as well. It was quite a success story. I am not a big supporter of RJCP across the Territory. I think we need to go back to a CDEP-type model across the Northern Territory. I am keen to have discussions with the federal Minister for Indigenous Affairs about what can be done. Some of the RJCP people were doing a tremendous job in Ramingining and Mililingimbi. They were in Galiwinku but to a lesser extent because more qualified people needed to be involved for some of the electricity recovery works.

The work around Cyclones Lam and Nathan is coming across quite well. We will look at what we have learnt from that and see how we can improve performance pre- and post-cyclone. Tremendous work has been done and these things are always a lesson, but we have such success stories that everyone deserves a pat on the back. All the public officials and volunteers should be thanked for their hard efforts.

**Mr GUNNER:** Do we have an estimated final cost yet?

**Mr GILES:** There are many estimated final costs. We have put about \$92m in the budget for expenditure for the rebuilding component in the aftermath of Cyclone Lam. About \$92.5m is what we expect the cost component to be. Sorry, \$96.65m in 2015-16 Budget.

**Mr GUNNER:** Thank you, Chief Minister. I think my next questions will go into Output 7.1.

**Madam CHAIR:** Are there any other questions on whole-of-government? That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

#### **OUTPUT GROUP 7.0 – ADVICE AND COORDINATION** **Output 7.1 – Strategic Policy Coordination.**

**Madam CHAIR:** The committee will now proceed to Output Group 7.0, Advice and Coordination, Output 7.1, Strategic Policy Coordination. Are there any questions?

**Mr GUNNER:** Thank you, Madam Chair. Chief Minister, I refer to your responsibilities around COAG. You are heading up the COAG working group on Aboriginal land. Can you give us some advice about the resources you have allocated towards working on this; where we are at; where discussions are at; and what sort of time line we have?

**Mr GILES:** I am not heading up a COAG working group on Aboriginal land.

**Mr GUNNER:** Are you involved in the discussions regarding a COAG paper around Aboriginal land and an attempt to establish a Land Rights Act?

**Mr GILES:** We are involved in some of the works involved, but there is no COAG working group on that. There is not a COAG subcommittee or anything in that regard, if that is what you mean. But is work being done by the department on some of the land tenure matters? Yes.

**Mr GUNNER:** Will you recommend changes to the *Aboriginal Land Act*?

**Mr GILES:** I am not sure. I do not foresee that being the case.

**Mr GUNNER:** The \$1.3m in the budget for pursuing economic development on Aboriginal land is under Economic Development and Major Infrastructure in the next output.

I have questions on GST and remote Indigenous housing, but I asked those yesterday to the Treasurer and he gave detail on those, so I am happy to move on to Output 7.2, Economic Development and Major Infrastructure.

**Madam CHAIR:** That concludes consideration of Output 7.1.

### **Output 7.2 – Economic Development and Major Infrastructure**

**Madam CHAIR:** We will now move on to Output 7.2, Economic Development and Major Infrastructure. Are there any questions?

**Mr GUNNER:** Thank you. Chief Minister, can you take us through the costs of providing a Coordinator General of major projects, including the number and level of staff and the allocation of funds within this office?

**Mr GILES:** Is this a pre-prepared question that was presented earlier?

**Mr GUNNER:** I have not asked it yet.

**Mr GILES:** Is it one that you sent through?

**Mr GUNNER:** I cannot remember if we provided this in advance.

**Mr GILES:** Okay, what was the question again?

**Mr GUNNER:** Can you detail the costs for providing a Coordinator General of major projects, including the number and level of staff and the allocation of funds within this office?

**Mr GILES:** Thanks very much. I welcome Gary Barnes to the front table; he is the Coordinator General for the Department of the Chief Minister. I am pretty sure I already provided that answer before, when I spoke about the MOG changes.

**Mr GUNNER:** You provided a number, but I am asking for the number and level of staff in this office, and the allocation of funds within this office.

**Mr GILES:** The Office of the Coordinator General heads up an amalgamation of two previous teams within the Department of the Chief Minister. They were previously named the Office of Major Infrastructure and Investment, which had seven full-time equivalents, and the Strategic Oil and Gas Unit which had five full-time equivalents.

This new office, as I said earlier, brings into line our strategic Coordinator General's office, as in other jurisdictions such as South Australia, Tasmania, Victoria and Queensland. It allows us to get expertise from within, and external to, the public service to provide advice for leadership on some of these major projects. Most of these are opposed by Labor, namely around a gas pipeline connecting the Northern Territory to the eastern seaboard, a rail line connecting Tennant Creek to Mount Isa, and investment into the port to take that forward.

Labor opposes the Palmerston Regional Hospital, but this is the project direction advice around some of that area, Leader of the Opposition.

**Mr GUNNER:** You finished there on the Palmerston Regional Hospital; there is \$400 000 in this budget for coordination and construction of the hospital. When did DCM take over this project and why?

**Mr GILES:** A while ago, because I determined that it was very important for us to have an overall strategic approach to it. With these major projects it is important there is a strategic leadership team to oversee the roll-out of these projects. We do not want to be in the same scenario that the former Labor government got into with its arrangements around SALT, the Strategic Advisory and Leadership Team, for the Strategic Indigenous Housing Infrastructure Program. SIHIP was a major failure; the leadership of that did not coordinate the effective roll-out of that program.

We are making sure we bring together the right Health officials who have a vested interest in getting the right health outcome, Treasury officials who have a vested interest in making sure they get the right



financial outcome, and DCM officials who have a vested interest to make sure we get the combination of all of these interests into the delivery of the Palmerston hospital.

Through the direct involvement of the Coordinator General and the Department of the Chief Minister taking a lead facilitation role in this, we have seen a move away from what was proposed to be a design-build-operate-maintain, or DBOM, model of construction for the Palmerston Regional Hospital. Palmerston possibly would not have seen the hospital built until 2019 under a design-construct model.

Going against many media reports which incorrectly said progress is behind schedule, things have moved forward. At the same time we were operating a model very similar to the massively expensive new Darwin prison. That would have seen contractual paperwork take around two years for it to be designed and developed, so we would not have seen construction occurring in 2015 under that model, possibly not even 2016. That hospital would not have been developed for a long time.

Parallel to that we ran a design-construct modelling process so that if we decided not to go down the DBOM model we could go straight to that. That has brought forward the roll-out of the hospital, so it will now be done about 18 months earlier and opened in 2018.

As I said, the intersection works are going ahead now. The tender process on the infrastructure works such as water pipe main is already under way. We expect the first pour of footings around 29 October. The opportunity for Health minister John Elferink to work with colleagues like the Treasurer and me, through the project facilitation role of the Coordinator General in DCM, allows for a more seamless provision of project management of the Palmerston hospital. We will see a significantly reduced cost structure - \$400 000 is much less than Labor spent in their \$1.8bn prison. The former Labor government's biggest housing policy was to build more prison cells. This is a completely different approach.

The \$400 000 investment into project coordination for the Palmerston Regional Hospital will deliver a bigger, better hospital than was formerly guised under the former Labor government, with greater room for servicing and growth into the future.

**Mr GUNNER:** Yesterday the Treasurer said the hospital would be open in the third quarter of 2018. Is that the time line that you are working on in coordinating this project?

**Mr GILES:** Yes, which is much earlier than the Labor hospital would have been built. You spent 12 years - I have a picture here; this is on 17 April 2012. You came to government in 2001, so in 12 years you managed to build a fence, albeit a temporary one. You also put up a sign.

We have already started the work. The infrastructure works are happening right now. You can see that the site is much larger and allows for much more expansion. I am very happy to go through ...

**Mr GUNNER:** With no civil works.

**Mr GILES:** ... some of the other information. Ours will be a 116-bed facility on 16 ha, as opposed to the small 3 ha facility with a temporary fence, with birthing suites, children's wards, operating theatres and so forth. I am happy to go on about the Palmerston Regional Hospital.

**Mr GUNNER:** You have gone through some of that detail already.

**Mr GILES:** It is important for people to be aware that these assertions around it being late are completely incorrect ...

**Mr GUNNER:** I asked about when it was going to be opened and the third quarter of 2018 was the answer.

**Mr GILES:** ... when, in fact, it is 18 months ahead of schedule.

**Mr GUNNER:** We can have that debate later.

**Mr GILES:** It is good debate; you promised a hospital and never built one. We have promised one and we have been in government for not even three years and it is already started.

**Mr GUNNER:** You have not built it and it will not be built this term either.

Regarding the pipeline, yesterday Treasury told me to ask you about where the project is at, the timetable and decisions around the tender. Could you take us through your information on the pipeline?

**Mr GILES:** I thought I would get Dorothy Dixers from my own side but thanks, Leader of the Opposition. The gas pipeline potential between the Northern Territory and the eastern seaboard is an opportunity for us to garner some economic benefits. It is a very open-ended question so I will take my time explaining. For those who do not know, there is a gas pipeline which runs between Alice Springs and Darwin. There is an offshoot to McArthur River. There is a pipeline which comes from Blacktip and the Bonaparte Basin, onshore right near Wadeye and out to an area around Mataranka.

There is a fair amount of pipeline infrastructure in the Territory, albeit from a small population jurisdiction. Interstate, Western Australia aside, there is pipeline infrastructure which connects Queensland, New South Wales, Victoria, ACT ...

**Mr GUNNER:** Where are we at with the pipeline you are proposing? I was specific in asking about the pipeline which is not yet built, not about the one that has been built.

**Mr GILES:** I will start again. There is a pipeline along the eastern seaboard between Queensland, New South Wales, Victoria, ACT, South Australia and Tasmania. We see an opportunity to connect the pipelines to move gas between those two pipeline infrastructure sets.

There is no doubt there will be a shortage of gas coming into New South Wales in the next couple of years, which will pressure on them. It is not our responsibility from the Northern Territory to provide New South Wales with their gas. They have their own policy and energy challenges, but we see it as an opportunity to connect that gas pipeline and stimulate gas projects in the Northern Territory.

In Central Australia, in Mereenie which is under the guidance of Santos, they have produced conventional and unconventional gas for roughly 40 years. They supplied the Territory's gas for power generation and electricity for most of those 40 years. Recently we get our gas through Blacktip in the northern part of the NT, but in the southern end gas comes from Mereenie in SA. We are developing new fields such as Dingo.

There is between 200 and 260 trillion cubic feet of gas reserves in the Northern Territory which are undeveloped. We see an opportunity to develop some of those, especially in regional parts of the Northern Territory and creating jobs.

Labor opposes jobs for Aboriginal people, especially in regional and remote parts of the Northern Territory. I know the members for Barkly and Nightcliff oppose it, but we support jobs for Aboriginal people and we will continue to drive that. The pipeline is an opportunity to drive jobs in those areas to stimulate road, telecommunications and job development in the gas industry, both upstream and downstream.

In October 2014 we held an industry briefing session at the Alice Springs Convention Centre. Approximately 100 people turned up, much to the surprise of many knockers like those in the Labor Party. People from around the Territory, the country and overseas came to hear what we think is possible.

We were provided with rough data and hypotheticals about where pipelines could go, including Alice Springs to Moomba, Tennant Creek to Mount Isa, Wauchope to Longreach, and others. That presentation showcased things such as seismic activity in those pathways, water courses above ground and below ground, native title or Indigenous land use areas and some of the positive and negative challenges involved in building such a pipeline.

We went out to market. We came back with 11 proponents from around the world and Australia wanting to get involved. As part of our expenditure we have employed consultants to advise us on how best to go to market, how to assess those people coming in, and how to ensure we have full probity - I have to be careful with my answer because processes are currently under way - to a point where we put it down to four different companies. The companies we are talking to are the APA Group; a company known as DUET, or DDG Operations Pty Ltd; Pipeline Consortia Partners Australia Pty Ltd; and another one known commonly as Jemena.

The competitive process is on track, with the release of final proposals to those four short-listed companies going out on 16 April 2015. I did not name those companies in any particular order, just alphabetically. There is a sense of probity around that. They will return their cost proposals and a range of assessments will be done. I will not go through all those assessments because of probity reasons, but we are anticipating, if there are any successful proponents around September this year, announcing the successful

proponent. I say around September because there are many mitigating circumstances and factors in this. Detailed analysis must be done by some of our consultants, which will provide good guidance in this regard, but the time frame I am working to is September. That is not to say it will not be earlier or later, but that is what we are working on. It is anticipated the pipeline will be constructed and operational by 2018.

**Mr GUNNER:** Operational by 2018?

**Mr GILES:** That is the time frame we are working towards.

**Mr GUNNER:** Do you have an estimate of how long it will take to acquire the land for the route of the pipeline?

**Mr GILES:** That question will have to be considered carefully through probity and by the proponents. I do not know if 'acquire' is the right word or not.

**Mr GUNNER:** Is the government considering providing underwriting of any kind, either a capital guarantee, a take-and-pay arrangement or any other kind of underwriting for the pipeline?

**Mr GILES:** No, regardless of the assertions coming from your Labor colleagues who are completely against connecting the Territory to the east coast through a gas pipeline. There will be no government underwriting in any construction of a pipeline from the Northern Territory to the eastern seaboard. I make that clear because I know Labor likes to spread mistruths and lies. I hope that is clear. I can say it again ...

**Mr GUNNER:** It is okay, Chief Minister, you have said it. I appreciate that.

I will leave my questions for outputs.

**Ms LEE:** I have a question about Palmerston Regional Hospital. Who designed the new intersection? Is it true that the design does not take into account the height of the high-voltage power lines that cross the new road?

Is it true that the power line will need to be put underground? If so, what will the cost be and who will pay for the works?

**Mr GILES:** You will have to put that question to the Minister for Infrastructure who did the tender and assessment on the work. In regard to the second part of your initial question about it not being considered, that is not true; it was considered. In regard to how best to move those power lines and the ramifications of that, put it to the Minister for Infrastructure who will be able to advise you.

We provide the project coordination facilitation for Palmerston Regional Hospital, but the road works are a tender designed by the Department of Transport and goes out through Infrastructure so they should be able to answer that. The Minister for Infrastructure is also the Minister for Transport so he should be answers it in one of his output groups.

**Madam CHAIR:** Are there any further questions on 7.2?

**Mr GUNNER:** No, thank you.

**Mr GILES:** Madam Chair, the Port of Darwin was in 7.2, was it not? We did not get any questions about the Port of Darwin. That is very interesting.

**Mr GUNNER:** To clarify, Darwin Port Corporation is Output 13 and any questions on the port will be at Output 13.

**Mr GILES:** Keeping in mind that the Coordinator General is leading the facilitation on the Port of Darwin, which I explained earlier in estimates today.

**Ms FYLES:** We understood that Output 13 was Darwin Port Corporation.

**Mr GILES:** There is an output group for the Port of Darwin, but in relation to the future of the Port of Darwin, as I explained earlier today when providing guidance about where to ask questions, the Port of

Darwin and its future development was just heard and passed over, but we can move to Output Group 7.3, Northern Australia Development Office.

**Madam CHAIR:** That concludes consideration of Output 7.2.

### **Output 7.3 – Northern Australia Development Office**

**Madam CHAIR:** The committee will now proceed to Output 7.3, Northern Australia Development Office. Are there any questions?

**Mr GUNNER:** I am skipping questions on 7.3.

**Madam CHAIR:** That concludes consideration of Output 7.3.

### **Output 7.4 – Regional Coordination**

**Madam CHAIR:** The committee will now proceed to Output 7.4, Regional Coordination. Are there any questions?

**Mr GUNNER:** I will be putting my questions on Output 7.3, Output 7.4 and Output 7.5 through the written question process.

**Mr GILES:** Hang on; can I get a point of clarification? Not only do we not get any questions about Darwin port and its future direction, we also did not get any questions about high-end hotel development, rail lines between Tennant Creek and Mount Isa or international grammar schools. Now we are not getting any questions about north Australia development. Clearly we know where Labor priorities lie.

**Ms FYLES:** We are very limited with time.

**Mr GILES:** You have just passed over the major investment strategies of the Northern Territory going forward, and about job creation in the Northern Territory.

**Mr GUNNER:** I am indicating that I will be asking questions on those through the written question process.

**Madam CHAIR:** Chief Minister, if you can conclude your comments.

**Mr GILES:** I will conclude them in a second. Just for clarification, we spent two hours this morning with the Electoral Commissioner, the Auditor-General and the Ombudsman, yet we do not get a question about the major projects which are guiding the transformation of the economic landscape in the Northern Territory.

**Mr GUNNER:** You took one hour to answer two questions.

**Mr GILES:** We know where your priorities lie. I did not ask the same questions as last year.

**Mr GUNNER:** We will be adjusting our questions for the remainder of the estimates time with the Chief.

**Madam CHAIR:** Thank you. Show each other your peacock feathers later.

**Mr GILES:** Madam Chair, it is not about that. They asked a question from two budgets ago. I gave the answer they wanted.

**Madam CHAIR:** Fair enough. I think everyone has made their point. We will continue to move through the outputs. That concludes Output 7.4.

### **Output 7.5 – Community Engagement and Support**

**Madam CHAIR:** We will now consider Output 7.5, Community Engagement and Support. I note that whilst the Chief Minister is responsible for Community Engagement and Support as a whole, Multicultural Affairs, and Senior and Young Territorians are a subset of Community Engagement and Support. Questions relating to that will be answered by minister Styles on Thursday 28 May. Having said that, are there any questions?

**Mr GUNNER:** I will ask my questions on notice later.

**Mr GILES:** Can I just have a point of clarification? We have also missed Central Australia development as well.

**Madam CHAIR:** As already discussed, Chief Minister, you took an hour to answer two questions so we are moving on.

**Mr GILES:** And the shadow minister for Central Australia never turned up either.

**Mr VOWLES:** I am here now.

**Mr GILES:** Oh, you missed out, Kenny. Kenny is in the audience and he missed his area.

**Madam CHAIR:** That concludes consideration of Output 7.5 and Output Group 7.0.

**OUTPUT GROUP 8.0 – GOVERNMENT BUSINESS SUPPORT**  
**Output 8.1 – Support to Ministers and Leader of the Opposition**

**Madam CHAIR:** The committee will now proceed to Output Group 8, Government Business Support, Output 8.1, Support to Ministers and Leader of the Opposition. Are there any questions?

**Mr GUNNER:** Yes, thank you. Chief Minister, we provided this question on notice; please advise of the details and costs of all ministerial travel broken down in the following way:

For international travel:

- (a) detail each trip, itinerary, purpose and total cost itemised into airfares, accommodation, hospitality and others
- (b) detail who travelled on each trip - please indicate which of these persons are ministerial staff
- (c) detail which of these travels were paid for from ministerial travel allocations and the cost per participant
- (d) detail the travel on which either the minister or ministerial staff took family members, whether it was paid for or not under ministerial allocation
- (e) detail the travel where either the minister or staff changed the class of their ticket to pay for family members travelling, or where members of the family stayed in accommodation paid for by the government
- (f) detail which travel agent was used for the travel.

Interstate travel – do you want me to keep reading out the whole thing, Chief Minister?

**Mr GILES:** I have the question in front of me. You were worried about an hour-and-a-half for five contracts. I do not know if you realise the extent of the question you are asking. You will not get out of here before 5 pm this afternoon if I answer that question. I am just letting you know.

**Mr GUNNER:** Territorians want to know the answer to the travel that you have undertaken, Chief Minister. You actually have an inquiry into this, for which you will not release the terms of reference, or do not have terms of reference for.

For interstate travel:

- (a) detail each trip, itinerary, purpose and total cost itemised into airfares, accommodation, hospitality and others
- (b) detail who travelled on each trip - please indicate which of these persons are ministerial staff
- (c) detail which of these travels were paid for from ministerial travel allocations and the cost per participant

- (d) detail the travel on which either the minister or ministerial staff took family members, whether it was paid for or not under ministerial allocation
- (e) detail the travel where either the minister or staff changed the class of their ticket to pay for family members travelling, or where members of the family stayed in accommodation paid for by the government
- (f) detail which travel agent was used for the travel.

Intrastate travel:

- (a) please provide total cost of intrastate travel by minister and ministerial office.
- (b) please detail travel in which members of the public, including family of the minister or ministerial staff members also travelled.

**Mr GILES:** Thanks very much. For the benefit of the hard-working public employees who prepare information for me to answer ...

**Mr GUNNER:** You can table it, Chief Minister.

**Mr GILES:** Hang on, I have the call. You have asked a very silly question and I am very happy to answer it.

**Mr GUNNER:** A silly question! Travel is a silly question?

**Mr GILES:** People have prepared a lot of information for estimates today about a wide range of things. All the major infrastructure investments in the Territory have now been passed over and you are not asking any questions on them. For the people who are interested in tourism, Indigenous Affairs ...

**Mr GUNNER:** Chief Minister, are you going to answer the question that has been asked?

**Mr GILES:** Hang on a second. Tourism, Indigenous Affairs, Darwin Port Corporation ...

**Mr GUNNER:** Chief Minister, you have been asked a very specific question. Are you choosing to answer it or not?

**Madam CHAIR:** Chief Minister, are you answering the question?

**Mr GILES:** For people who are interested in those other portfolios – you will miss out because of this question.

**Mr GUNNER:** Are you going to answer the question?

**Madam CHAIR:** He is answering the question.

**Mr GUNNER:** He is not anywhere near the question at the moment.

**Mr GILES:** Madam Chair, it is very important that people realise what the inexperienced Leader of the Opposition has just asked me to read.

**Mr GUNNER:** Are you going to answer the question, Chief Minister?

**Mr GILES:** It is 30-page report which you have asked me to read.

**Mr GUNNER:** You are welcome to table it.

**Madam CHAIR:** The Chief Minister has the opportunity to answer the question or table it if he wants to. That is a matter for him ...

**Mr GILES:** This will take until 5 pm today.

**Mr GUNNER:** The Chief Minister is choosing how to answer this question and he is choosing not to table it.

**Ms LEE:** This is the only time of the year we get to scrutinise the government policy ...

**Mr GILES:** I agree with you.

**Ms LEE:** ... the budget and everything else. But if you want to sit here and play silly games and not answer any questions from the opposition, that is your business. This is the public's only chance to listen to what you have to say. Regardless of whether you want to answer the questions or not - we are not worried about State of Origin tonight.

**Mr GILES:** We are all worried about State of Origin.

**Ms LEE:** This is the only time the Northern Territory gets to ask you questions. Whether you answer it or not, it is in the best interest of the public.

**Madam CHAIR:** The Chief Minister is answering the question. The opposition is taking issue with him giving it orally today ...

**Mr GILES:** They asked for it. This is oral estimates.

**Madam CHAIR:** Yes. Most information has been provided orally.

**Mr GILES:** On 6 July 2014 ...

**Ms FYLES:** Just table it.

**Mr GILES:** You asked a question.

**Mr GILES:** If you wanted it tabled, you would have done it through FOI. You asked the question. I warned you about the answer before you asked it. I will answer it.

The travel from date was 6 July 2014 and the travel to date was 8 July 2014. Minister Styles travelled from Darwin to Singapore in his Transport portfolio. His wife, Linda Fazldeen, also travelled from Darwin to Singapore accompanying him on economy class travel. The total cost for minister Styles was \$1236, and for his wife's travel component it was \$522. I am happy to keep going through all of these if you wish.

**Mr GUNNER:** Table it, Chief Minister.

**Mr GILES:** You asked the question.

**Mr GUNNER:** And you can answer it by tabling it. You have the 30-page document in front of you in writing. You can table it and it will be done. Tabling documents is not unusual in estimates.

**Mr GILES:** From 10 July 2014 to 21 July 2014, then Minister for Tourism, minister Conlan, travelled from Alice Springs to Los Angeles and New York, and back to Alice Springs via Sydney for the purposes of his Tourism portfolio, having meetings with a range of stakeholders in the North American market trying to drive up international tourism which is having a significant improvement ...

**Ms FYLES:** Did anyone accompany him on that trip?

**Madam CHAIR:** The Chief Minister answered that at the start of his ...

**Ms FYLES:** No, he did not. He read out who travelled with minister Styles.

**Mr GUNNER:** The details on travel are meant to include who travelled with staff.

**Mr GILES:** Meetings were planned in Los Angeles with the travel trade, including Virgin and Qantas airlines and Tourism Australia. A range of multimedia events were held and undertaken ...

**Mr GUNNER:** Chief Minister, are you answering all the detail that we asked for? Who travelled on each trip, who accompanied them on the trip, which of these travels are paid for by ministerial travel allocations, the cost per participant, and the travel on which either the minister or ministerial staff took family members.

**Mr GILES:** Madam Chair, is it possible to finish the answer to this long-winded question?

**Madam CHAIR:** Are you answering all of the ...

**Mr GILES:** That is exactly what I am doing.

**Madam CHAIR:** Sorry Chief, the Opposition Leader just wants clarification. Are you are answering all those details in your answer?

**Ms FYLES:** On the previous trip we heard who accompanied the minister.

**Mr GILES:** I am not up to that yet.

**Madam CHAIR:** The Chief Minister said he would include it in his answer.

**Mr GILES:** These are very poorly crafted questions today. I am getting through it.

**Mr GUNNER:** In the history of estimates these are the types of questions that we get tabled answers to. It is quite common for answers like this to be tabled.

**Madam CHAIR:** It might be common, Opposition Leader, but it is not mandatory. In the last two days we have not had a lot of documents tabled. If you wanted the documents in writing then perhaps you should have done them.

**Mr GUNNER:** I think people might expect more and better from their Chief Minister.

**Madam CHAIR:** That has nothing to do with it.

**Mr GILES:** Madam Chair, just a point of clarification. What would be asked normally is 'give me a total cost for each minister for travel, airfares and how many staff', not for each individual trip which is what you have asked. You have asked for every trip, reason, cost factor and staff member. Here is all the paperwork.

**Mr GUNNER:** You apparently have the answers and you can table it. You are making the choice to read it. Territorians would consider that you are making a mockery of the process.

**Madam CHAIR:** The Chief Minister has been asked a question. He is in the process of answering the question. He is fully within the realms of estimates to do that.

**Mr GILES:** You have very poorly written questions. I was talking about the reasons for the trips undertaken by minister ...

**Mr GILES:** You are making the choice, Chief Minister. Take responsibility for your decisions. You could table the answer.

**Mr BARRETT:** A point of order, Madam Chair. Standing Order 51 – can we get him to stop interrupting so the Chief Minister can finish the answer to his question, please?

**Madam CHAIR:** Yes.

**Mr GILES:** I was talking about the reasons for the trip by minister Conlan. The total cost for his trip, which was for 11 days in the North American market, from Alice Springs via Sydney to North America was \$16 215. On the same trip was a staff member from the office of the Chief Minister - which covers all ministers and staff within the ministers' offices who are not departmental liaison staff - between 10 July 2014 to 21 July 2014. On that travel route was Tom Slattery, who was chief of staff for then minister Conlan. The total cost of his travel \$12 836.

**Mr GUNNER:** Did any family go on that trip?



**Mr GILES:** On the next trip ...

**Ms FYLES:** A point of clarification, Madam Chair.

**Madam CHAIR:** Sorry, Chief Minister, on that same trip ...

**Ms FYLES:** With minister Conlan, did his wife or any family members go with him?

**Mr GILES:** As much as I am sure you want to slander minister Conlan and his family ...

**Ms FYLES:** It is a legitimate question about taxpayers' money.

**Mr GILES:** Nobody went with him.

**Ms FYLES:** Thank you.

**Mr GILES:** I am very happy for you to raise that and try to slander and slur a good member of parliament, but nobody from his family went.

**Mr BARRETT:** The guy is answering the question, let him answer the question. Stop interjecting with everything you think should or should not be in there. If he did not read someone was on it, they did not go.

**Madam CHAIR:** The minister confirmed at the start that he would meet all of your criteria of the question and so he is moving through that. You can take an omission as it does not exist.

**Mr BARRETT:** Interrupting just speculates and is not really appropriate.

**Mr GILES:** There was a trip from 30 July 2014 to 2 August 2014 for minister Chandler to travel from Darwin through Sydney to Wellington, New Zealand and then back through Sydney to Darwin to attend an education stakeholder conference. The cost of that trip for minister Chandler was \$252. His senior chief of staff, Anthony Jarvis, travelled from 30 July 2014 to 2 August 2014 on the same route from Darwin through Sydney to Wellington and back to Darwin. He was accompanying the minister to those key education stakeholder meetings and the total cost for him was \$3462.

There was a trip on 4 September 2014 for minister Price from Alice Springs to Kuala Lumpur through Sydney, Singapore to Kuching for the purpose of visiting Sarawak to talk to the Ministry of Land Development Sarawak, Malaysia in relation to a range of economic development initiatives. The total cost of that trip was \$13 854.

**Ms LEE:** Was there also a trip made by minister Price to Borneo and Fiji where her husband, Dave Price, joined her? Was her husband's travel paid by the taxpayers of the Northern Territory?

**Madam CHAIR:** Member for Arnhem, I think the Chief Minister is working through all travel.

**Ms LEE:** That was just one lot of travel and it was not noted with this one. If it is in there I would like to know the answer.

**Mr GILES:** Let us hope we get there before 5 pm.

**Ms LEE:** At least it is in *Hansard*.

**Mr GILES:** Accompanying minister Price on that trip was her chief of staff, Mr Paul Mossman. Paul went from Darwin – because he is Darwin based and minister Price is Alice Springs based – to Alice Springs and then followed the same pathway to Kuala Lumpur as minister Price did. The cost of Paul's transport and accommodation and everything for that seven- or eight-day trip was \$12 426.

The next trip is for me as Chief Minister. I went from Darwin to Kuala Lumpur to Kota Kinabalu to Labuan, back through Kota Kinabalu, Singapore, and back to Darwin to attend the opening ceremony of the Sabah International Expo in Kota Kinabalu. That was from 15 September to 23 September. The cost of that trip was \$13 559. Also on that trip, but travelling on different days, was Gary Higgins who – I do not know if he was on the same trip or not. Gary Higgins went on a trip from 16 September to 20 September 2014. I recall he was representing me in Taiwan and travelled from Darwin to Singapore, Taipei to Taichung, back

to Taipei, Singapore and Darwin representing the Northern Territory government at the Australia-Taiwan Business Council. That was quite a successful visit and he was able to attract the Australia-Taiwan Business Council NT to come to the Territory for a conference, which was good. I note he was representing on behalf of minister Westra van Holthe, who must have been busy somewhere else. The cost of that trip was \$13 940.

There was a trip with Ron Kelly on the same dates, 16 September 2014 to – there must be a typo error there. It says 20 October, but it was until 20 September, from Darwin to Kuala Lumpur, Kota Kinabalu and back to Darwin. This was with Ron Kelly, who was accompanying me, and that was a cost of \$4122.

On 17 to 19 October 2014 Steven Klose, who is the chief of staff for minister Westra van Holthe, travelled from Darwin to Singapore, via Brisbane and back to Darwin with the minister. The purpose was leading a Northern Territory industry delegation to promote opportunities for international investment in exploration and mining. That was a cost of \$2901. On the same dates minister Westra van Holthe travelled from Katherine, Darwin, Brisbane, Singapore and back to Darwin for the same purposes. The cost for minister Westra van Holthe was \$2381.

To break up some of the time this is taking, I might ask my colleagues if we could find that trip the member for Arnhem was talking about. Where was that trip to that you mentioned?

**Ms LEE:** Borneo and Fiji.

**Mr GUNNER:** If the Chief Minister will keep reading, if he chooses to take that path, it would be good if he could keep answering the question.

**Mr GILES:** It might be better if I gave you a complete total.

**Mr GUNNER:** You could table what you have got in front of you; the 30 pages broken down would be great, but you are choosing to answer it by reading – and now you have stopped reading. This has gone on for many years, and it is not unusual for a question with a 30-page answer to be tabled. It is not unusual at all; it is how it should be handled. I do not think I can recall someone choosing to read a 30-page answer ever before, in the history of estimates. The Chief Minister is choosing to go down that path.

**Madam CHAIR:** I think last year there was.

**Mr GILES:** No one has ever asked a question like this in the past, which is why. We are trying to find that answer for you, member for Arnhem.

**Mr BARRETT:** FOI it and then come back and ask specific questions.

**Mr GILES:** I am looking through the list to help out the member for Arnhem in this process and at this stage cannot find it. We might take that on notice.

---

### Question on Notice No 3.1

**Madam CHAIR:** Member for Arnhem, would you like to restate the question for the record?

**Ms LEE:** Would you be able to advise us if minister Price's husband, Dave Price, joined her on her trip to Borneo and Fiji, and was her husband's travel paid for by Territory taxpayers?

**Madam CHAIR:** Chief Minister, do you accept the question?

**Mr GILES:** I am happy to accept the question.

**Madam CHAIR:** That question will be 3.1.

---

**Mr GILES:** I am surprised I cannot find it, sorry. I thought it might have been here. Madam Chair, I do not want to have to sit here and read through every one of these.

**Mr GUNNER:** Table it.

**Mr GILES:** It is not a document that gets tabled at estimates.

**Mr GUNNER:** Table it. You are refusing to answer the question now. You have gone from saying you will not table it and insisting on reading out 30 pages, and now you say you will not answer the question at all.

**Madam CHAIR:** Please let the Chief Minister finish. I think he is trying to say he does not want to waste your time.

**Mr GILES:** I do not want to waste your time or tax payers' time.

**Mr GUNNER:** Table it.

**Mr GILES:** It has my personal notes on it. I am not tabling it.

**Mr GUNNER:** Table it. I assume there is a clean set in one of the other folders around you. Having multiple copies of those answers, you can table it.

**Madam CHAIR:** Is it something that could be taken on notice or you could do it as a written question?

**Mr GILES:** I will take it on notice, how about that? That will make it easier.

**Mr GUNNER:** We want the answer, Chief Minister.

**Ms FYLES:** No, we have not asked for it on notice. We want the answer.

**Mr GUNNER:** We are now 20 minutes into this; now you are saying we are not going to get the answer?

**Mr GILES:** No, you will get the answer. I am just saying I am very keen in making sure we cover the range of areas of opportunity in estimates today.

**Mr GUNNER:** We want the answer, Chief Minister. You have it right in front of you so table it.

**Madam CHAIR:** Opposition Leader, the Chief Minister has indicated that version cannot be tabled. He is happy to take the question on notice or read ...

**Mr GUNNER:** There will be a clean set in either of those folders either side of the Chief Minister. He is more than capable of tabling it.

**Madam CHAIR:** That is an unfair assumption to make. The options are, as I understand it, Chief Minister, you can continue to read them all out or you can take it on notice.

**Mr GILES:** I am happy to take it on notice. I tried to ...

**Ms FYLES:** No, we have asked a question. If you will not table, it can be read out, thank you. Taking it on notice is not an option in our eyes.

**Mr GILES:** If you do not want to take it on notice, I will not take it on notice and I will move on to the next question.

**Ms FYLES:** No, read it out. We have asked a question and you are refusing to answer it. Why are you refusing?

**Mr GUNNER:** Table it, Chief Minister.

**Mr GILES:** I will tell you why I am refusing to answer it. I will not sit here for the next three-and-a-half hours wading through each line item in this regard.

**Mr GUNNER:** Table it.

**Ms FYLES:** Well, these are the questions people want answered.

**Mr GUNNER:** You have been given notice of this, Chief Minister. This is not a question that came from nowhere.

**Mr GILES:** Well, I will keep reading it.

**Mr GUNNER:** You were given notice of this question, you can table it.

**Ms FYLES:** He has just indicated that he will keep reading, so we will just listen on.

**Madam CHAIR:** I got two different versions from the opposition of how you want to proceed. It is either it be taken on notice or the Chief Minister reads it out; they are the only two options.

**Mr GUNNER:** There is one position from the opposition, that the Chief Minister answers the question.

**Madam CHAIR:** He will answer the question orally or on notice. Both are answers to the question, they are just different forms of answer. The Chief Minister is putting it to you that you have both options. We need a clear indication of how you would like it to proceed so we can move on with estimates.

**Mr GILES:** Well, if there are any particular questions in detail I can look at that.

**Mr GUNNER:** We want this question answered. The Chief Minister can table the answer. He is choosing not to table the answer so that leaves one option.

**Mr GILES:** Are there any areas of interest that I might be able to hone down and answer better for you?

**Mr GUNNER:** Chief Minister, there are significant concerns about the travel you are taking. You are not allaying the concerns of anyone in the community about travel by the way you are choosing to answer the question.

**Mr GILES:** So this is just my travel, is it?

**Ms FYLES:** No, your ministers.

**Mr GUNNER:** All travel.

**Madam CHAIR:** The Chief Minister has said he will answer the question in full, but it will take some. That is one option.

**Mr GILES:** I am trying to make it easier for you.

**Mr GUNNER:** Table it. That makes it easier for everybody, Chief Minister.

**Madam CHAIR:** Or we can take the question on notice and you will receive the full answer. Both are full answers, they are just different ways of providing the answer.

**Mr GILES:** Right, I will just keep reading it. It will take a long time.

From 19 October 2014 to 24 October 2014, minister Westra van Holthe travelled from Singapore to Darwin to Katherine. That trip was at a cost of \$2250.

From 31 October 2014 to 8 November 2014, Nathan Barrett, the member for Blain, representing me as then Minister for Business, travelled from Darwin, Perth, Doha, Athens, Kos, Kalymnos, Athens, London, Kuala Lumpur to Darwin to help promote the development of the employment and training opportunities in the Northern Territory for trade workers from Greece. That trip cost a total of \$14 450.

Mr Gary Shipway accompanied Mr Barrett on that trip and also took a similar flight schedule. The total cost attributed to Mr Shipway was \$16 100.

From 1 November 2014 to ...

**Mr GUNNER:** Chief Minister, you skipped which travel agent was used for the travel ...

**Mr GILES:** Did you want travel agents too?

**Mr GUNNER:** That was in the question that we gave to you in advance.

**Mr GILES:** The TRIPS system reporting does not provide information to me relating to the travel agent used in each one of those particular trips.

**Mr GUNNER:** This question was given to you in advance, Chief Minister, so that when you came to estimates you would have the answers.

**Mr GILES:** I have a detailed report for each trip undertaken and expenses for the ministerial officers. I can read through that. The report includes indicative itemised costs for travel undertaken, but may vary slightly. It is a downloadable form so I can get it from the government's TRIPS system, but it does not provide information relating to individual travel agents used for each trip.

**Mr GUNNER:** Despite being given notice you are not answering the whole question.

**Mr GILES:** If it was about a travel agent for an individual trip we would have to go back and look at that in more detail.

**Mr GUNNER:** That is why we gave this question to you in advance, Chief Minister. It included ...

**Mr GILES:** How about I take it on notice?

**Mr GUNNER:** The question included which travel agent was used for the travel and now you are saying that despite being given the question on notice, you will not provide that answer.

**Madam CHAIR:** Just to clarify, questions from the opposition were allowed to be put forward to government as indicative areas of response. If the minister and their departmental officials at any point during the hearings do not have the information in front of them, they are able to take the question on notice and then the full answer is provided. This is standard for all sorts of questions across all portfolios. It does not make it any different for this particular question.

**Mr GILES:** Madam Chair, that information would take at least four weeks for departmental officials to find that out; information for each individual travel agent and trip would take at least four weeks, as advised.

**Madam CHAIR:** The question on notice process requires a two-week turnaround. If the indication from the department is that type of inquiry would take four, I imagine ...

**Mr GILES:** For the travel agents it will take at least four weeks.

**Ms FYLES:** We still want the answers read.

**Mr GUNNER:** Kezia tabled her answer yesterday. She just tabled the information. The Chief Minister is taking a different approach to the Speaker.

**Madam CHAIR:** We have been through that, Opposition Leader. The question has been asked in previous estimates and, not to verbal the member for Nelson, but he prefers answers to questions be read out rather than tabled because people listening at home and work are not privy to the hard copy. We have gone through the options. The options are that the Chief Minister reads them or the question is taken on notice.

**Mr GILES:** I do not have the travel information for each individual trip.

**Mr GUNNER:** Keep reading, Chief Minister. Stop wasting time now.

**Mr GILES:** When it comes to the question that was asked, I do not have that information, so I am happy to take it on notice.

**Ms FYLES:** No, you have the information. You have 33 pages, either table it or read it.

**Madam CHAIR:** The Chief Minister is referring to the specific question about the travel agent in relation to that one trip and he has indicated he does not have that specific information.

**Mr GILES:** I do not have the full answer to the extent of your question in front of me so I will take it on notice.

**Ms FYLES:** The Chief Minister has 33 pages of travel information in front of him which he is not willing to table. What is he hiding from Territorians? He needs to keep reading.

**Madam CHAIR:** That is a wonderful news grab, Natasha Fyles. I really hope that it gets up for you, but the Chief Minister ...

**Ms FYLES:** It is not about news grabs, it is about ...

**Madam CHAIR:** Member for Nightcliff, the Chief Minister specifically said he does not have the information about the agent. He will continue to read the 33 pages if you like.

**Mr GILES:** Madam Chair, the question, as I have just had my memory jogged, revolved around the travel agents. I did not remember hearing that at the start. In regard to the travel agent and extent of travel I do not have that information. I am happy to take the whole question on notice.

**Madam CHAIR:** I think the opposition have indicated they do not want that and would like you to keep reading what you have.

**Mr GILES:** I seek your adjudication, Madam Chair, because I do not have the answer to the question so I cannot provide a partial answer to a partial question.

**Mr GUNNER:** You have 33 pages of information in front of you, Chief Minister, we want the information.

**Ms FYLES:** Table it or read it.

**Madam CHAIR:** It sounds to me they are just happy for you to give the answer that you have.

**Mr GUNNER:** We do not know what you are trying to avoid, Chief Minister. We just want the answer.

**Mr GILES:** I am not trying to avoid anything, Leader of the Opposition.

**Ms FYLES:** Then provide the information.

**Mr GILES:** Can you just hang on a second and not be rude, member for Nightcliff. I am aware that there are eight hours today to scrutinise me, and my agencies, in relation to budget estimates. If you have a particular question about something, like the member for Arnhem did, I am happy to chase it up straight away, but if it is a broad brush thing that takes up time and does not get to key points that people in the Territory want to know about, I do not think that is the best use of time. For that reason I am prepared to take it on notice and provide all the information ...

**Mr GUNNER:** So table it.

**Mr GILES:** ... in that regard because I do not have the full answer to your question here.

**Mr GUNNER:** Table it.

**Ms FYLES:** We have made it quite clear we want the information today. If you are not will to table it, read it.

**Mr GILES:** Madam Chair, I seek your guidance because I do not have the answer to this question.

**Madam CHAIR:** Chief Minister, you can only answer as much as you have. I understand they would rather get some of what you have in answer to their question and then the full answer to the question on notice. They are nodding so that is correct. They would rather have part of the answer today and all of the answer tomorrow.

**Mr GILES:** Let us clarify the question. What would you like to know today?

**Mr GUNNER:** You were given the question in advance, Chief Minister. You should be prepared for the question. You have been reading out answers so keep reading. You have the answer in front of you and apparently it is 33 pages. You could table it, that would be the common practice, but you are choosing to read it. You are now delaying the reading of it by talking slower than you have the entire day. I am not sure why you have chosen to go down this path but you have. Answer the question.

**Mr GILES:** If you could rephrase the question, because I do not have the travel agent information in front of me. I can take that on notice. I do not have that with me.

**Mr GUNNER:** The question was provided in writing in advance. You have been answering the question with some details missing. You have the answer in front of you but are now choosing not to even read that answer.

**Mr GILES:** We do not want to get to a sticky point. I think people want better than this.

**Mr GUNNER:** I agree.

**Mr GILES:** I do not have the answer to your question about the inclusion of travel agents and am happy to take that on notice.

**Madam CHAIR:** They have indicated, if I am correct, they are not interested in getting the travel agent information on notice?

**Mr GUNNER:** If the Chief Minister could keep reading out the answer he has so we can at least get something done today.

**Madam CHAIR:** I think, Chief Minister, they are happy with any component of the question which was all travel under Output 8.1. If you could provide that information and the rest ...

**Mr GILES:** How about I provide this. All ...

**Mr GUNNER:** How about you answer the question, Chief Minister. Do not get selective about answering the question. Answer the question that has been asked, which is the purpose of estimates. You can table what you have in front of you or you could answer the question.

**Mr GILES:** I can tell you that total expenditure on travel is \$1.714m ...

**Ms FYLES:** Madam Chair, we have made it quite clear we want the breakdown and the question answered, thank you.

**Madam CHAIR:** The Chief Minister has not finished answering the question.

**Mr GILES:** The GST component is \$120 004. The fare component is \$982 000 and smaller dollars. The accommodation component is \$199 000. The travel allowance is \$229 000 for all travel. If you look at intrastate travel, the travel allowance is \$204 000, the accommodation is \$100 000 rounding ...

**Mr GUNNER:** Madam Chair, this was not the question asked. We asked for the travel to be broken down. He was reading out the travel broken down. He has stopped answering the question and gone on to the totals which have not been asked for.

**Madam CHAIR:** I think the question was about 20 minutes ago. Opposition Leader, why not ask the question again with all of the detail you would like. Then, Chief Minister, you answer the question verbally with all the information you have available.

**Mr GUNNER:** Chief Minister, please advise the details and costs of all ministerial travel broken down in the following way:

For international travel:

- (a) detail each trip, itinerary, purpose and total cost itemised into airfares, accommodation, hospitality and others
- (b) detail who travelled on each trip - please indicate which of these persons are ministerial staff
- (c) detail which of these travels were paid for from ministerial travel allocations and the cost per participant
- (d) detail the travel on which either the minister or ministerial staff took family members, whether it was paid for or not under ministerial allocation

- (e) detail the travel where either the minister or staff changed the class of their ticket to pay for family members travelling, or where members of the family stayed in accommodation paid for by the government
- (f) detail which travel agent was used for the travel.

For interstate travel:

- (a) detail each trip, itinerary, purpose and total cost itemised into airfares, accommodation, hospitality and others
- (b) detail who travelled on each trip - please indicate which of these persons are ministerial staff
- (c) detail which of these travels were paid for from ministerial travel allocations and the cost per participant
- (d) detail the travel on which either the minister or ministerial staff took family members, whether it was paid for or not under ministerial allocation
- (e) detail the travel where either the minister or staff changed the class of their ticket to pay for family members travelling, or where members of the family stayed in accommodation paid for by the government
- (f) detail which travel agent was used for the travel.

Intrastate travel:

- (a) please provide total cost of intrastate travel by minister and ministerial office.
- (b) please detail travel in which members of the public, including family of the minister or ministerial staff members also travelled.

That was provided in advance, in writing to Chief Minister ...

**Ms FYLES:** You have 33 pages, but now you have suddenly stopped reading. Did you see something you did not like?

**Mr GILES:** Madam Chair, a couple of things. One is that Labor members were advised that any questions that were provided before estimates would all be verbally answered today.

**Madam CHAIR:** Correct.

**Mr GILES:** Before estimates they were told that. This is a very poor question that will take hours to go through. They are the rules of engagement at estimates. They may not like how the answers are given, but that is it.

**Mr GUNNER:** We are not getting any answers.

**Mr GILES:** I do not have all the answers to the question that has been asked.

**Ms FYLES:** But you have some of the information and you are not answering ...

**Madam CHAIR:** Member for Nightcliff, let the Chief Minister finish, please.

**Mr GILES:** I do not have them in the context of the question that was asked, I have some information, but I do not have the answers to those questions.

I will say again, for the final time, I will take the question on notice because I do not have all the answers to those questions here.

**Ms FYLES:** We do not accept you taking it on notice; you have some information so read it out. What do you have to hide?



**Mr CONLAN:** I think the Chief Minister has clearly stated how he will approach this question. This may be a matter for the committee to deliberate.

**Ms FYLES:** He has 33 pages of answers in front of him; he is making a mockery of the process by refusing to answer the question. What does he have to hide?

**Mr CONLAN:** Notwithstanding, the Chief Minister has indicated how he will proceed with this question.

**Ms FYLES:** He has had weeks of notice of this question.

**Mr CONLAN:** This might be a matter for the Public Accounts Committee to rule on it. We can rule on that through a voting process or we can meet in camera.

**Ms FYLES:** Using a process of parliament to hide information that Territorians want to understand.

**Madam CHAIR:** Member for Nightcliff, that is completely untrue and out of line. Chief Minister, you are now in a position where this question must be answered on notice.

**Mr GILES:** Madam Chair, just to be clear, for brevity's sake I can provide total expenditure for interstate and international travel, total fares ...

**Ms FYLES:** That is not what we have asked.

**Madam CHAIR:** Member for Nightcliff, do not interrupt.

**Mr GILES:** If you have a specific issue or a question about travel for one minister, or anything like that, I can answer any of those things, but if you want me to read every line it will take hours. For the benefit of people listening ...

**Mr GUNNER:** You can table it, Chief.

**Mr GILES:** I do not think it is the right way. The other component is that I do not have all the answers to your questions.

**Ms FYLES:** Chief Minister, you happily were reading your 33 pages and you suddenly stopped. What did you see that you do not want to share with Territorians? You are trying to find every excuse to not share this information; you could simply table it. You could be long-winded and read it, but you are refusing. What are you hiding? It is unprecedented to have a Chief Minister refuse to answer questions.

**Mr GILES:** Oh, grow up, member for Nightcliff.

**Ms FYLES:** These questions are important.

**Madam CHAIR:** Member for Nightcliff, that is quite enough. We will adjourn for 15 minutes.

I call a meeting of the Estimates Committee in the Ormiston Room. We will meet and have our own deliberations. Chief Minister, if you could please be back at 2.35 pm with your officials it would be much appreciated. Thank you.

---

The committee suspended.

---

**Madam CHAIR:** Thank you, everyone, for coming back after the break and to those listening at home. The Estimates Committee has met. Chief Minister, there are two options for you with answering this question. You can proceed to answer the question with the information you have, even though it is not all of the information that opposition would like, or you can take the question on notice. Those are the two options available to you.

**Mr GILES:** Thank you, Madam Chair. After reviewing this document and finding a note down the bottom of the document that says, 'the data in this report contains TRIPS data and may vary from final actual expenditure', I do not have confidence after starting to read this report that it is actually correct.

I am also advised that the question on notice came in on 19 May, seven days ago. I am told it will take at least four weeks to collate this information properly as a result of that question. It will take two staff four weeks, so we are prepared. I am not that keen on putting staff through that much work for this, but I am prepared to take it on notice and get the accurate information as it relates to the question.

---

### Question on Notice No 3.2

**Madam CHAIR:** Thank you, Chief Minister. Opposition Leader, would you like to clearly state your question for the record?

**Mr GUNNER:** Chief Minister, please advise the details and costs of all ministerial travel broken down in the following way:

For international travel:

- (a) detail each trip, itinerary, purpose and total cost itemised into airfares, accommodation, hospitality and others
- (b) detail who travelled on each trip - please indicate which of these persons are ministerial staff
- (c) detail which of these travels were paid for from ministerial travel allocations and the cost per participant
- (d) detail the travel on which either the minister or ministerial staff took family members, whether it was paid for or not under ministerial allocation
- (e) detail the travel where either the minister or staff changed the class of their ticket to pay for family members travelling, or where members of the family stayed in accommodation paid for by the government
- (f) detail which travel agent was used for the travel.

For interstate travel:

- (a) detail each trip, itinerary, purpose and total cost itemised into airfares, accommodation, hospitality and others
- (b) detail who travelled on each trip - please indicate which of these persons are ministerial staff
- (c) detail which of these travels were paid for from ministerial travel allocations and the cost per participant
- (d) detail the travel on which either the minister or ministerial staff took family members, whether it was paid for or not under ministerial allocation
- (e) detail the travel where either the minister or staff changed the class of their ticket to pay for family members travelling, or where members of the family stayed in accommodation paid for by the government
- (f) detail which travel agent was used for the travel.

Intrastate travel:

- (a) please provide total cost of intrastate travel by minister and ministerial office.
- (b) please detail travel in which members of the public, including family of the minister or ministerial staff members also travelled.

**Mr GILES:** Madam Chair, before accepting that question I have to advise that the answer will not be able to be given within a two-week time frame. It will take more than the two-week standard response time to be able to do that.

**Madam CHAIR:** Can you give a date by which you will have it?

**Mr GILES:** I would say within two months it will be provided. I have just been advised by the Chief Financial Officer that we need an extension of time to do that work. I said it will take at least a month.

**Ms FYLES:** You have 33 pages in front of you and now it will take two months.

**Mr GILES:** I am not sure who the Leader of the Opposition is over there, but I am happy to have that conversation. My advice is it will take at least two staff more than four weeks to do this work.

**Madam CHAIR:** Chief Minister, would you like to ask your officials if Monday 27 July would be a reasonable time frame to have that information completed?

**Mr GILES:** Yes, 27 July.

**Mr GUNNER:** Thank you, Madam Chair.

**Madam CHAIR:** As part of the question and response, can we note in there the due date of 27 July. The Chief Minister accepts that the question will be responded to by that time. That question will be 3.2.

---

**Answer to Question on Notice No 3.1**

**Mr GILES:** Madam Chair, I come back to a question that was put on notice before, number 3.1. The question was, 'Did David Price join Bess Price on a trip to Borneo and Fiji and was this travel paid for by the taxpayer?'

The answer is the agency has no record of any travel paid for David Price from 1 July 2014 year to date at all.

---

**Madam CHAIR:** Thank you, Chief Minister. Are there any further questions on Output 8.1?

**Mr GUNNER:** Yes thanks, Chair. Chief Minister, did you approve minister Price's travel to New York?

**Mr GILES:** I approved the purpose of travel and her travelling.

**Mr GUNNER:** You approved her accommodation choice and her use of a driver?

**Mr GILES:** No, I approved the purpose of her travelling.

**Mr GUNNER:** That requires you to also approve the flights to Washington for a seven-hour visit that cost \$6000?

**Mr GILES:** No, that is not correct.

**Mr GUNNER:** Then how was that booked?

**Mr GILES:** I have a delegation responsibility to approve the trip and the purpose of the trip.

**Mr GUNNER:** You approved her trip to New York, and that includes that decision for the seven-hour visit to Washington that cost \$6000?

**Mr GILES:** I have just answered that question, which was no.

**Mr GUNNER:** You did not approve her flying? How did she fly to Washington for a seven-hour visit that cost \$6000, if you did not approve it?

**Mr GILES:** You should have listened to the answer, Leader of the Opposition - whoever the Leader of the Opposition is over there. I approve the purpose and the intent of the trip. The chief of staff from the minister's office recommends to my chief of staff for the expenditure, and my chief of staff approves the expenditure. Anything to do with the airfares or accommodation component does not come to my level. I approve the trip.

**Mr GUNNER:** Your chief of staff approved the flights to Washington for a seven-hour visit that cost \$6000?

**Mr GILES:** I would have approved the administrative component.

**Mr GUNNER:** So they would also approve the decision about who travelled with minister Price.

**Mr GILES:** Yes.

**Mr GUNNER:** Did minister Price and the adviser use up their ministerial travel contingency funds in total?

**Mr GILES:** I do not have an answer to that question. Have it taken on notice.

---

### Question on Notice No 3.3

**Madam CHAIR:** Could you please restate the question for the record, Opposition Leader?

**Mr GUNNER:** Did minister Price and the people who travelled with her use up their ministerial travel contingency funds in total?

**Madam CHAIR:** Chief Minister, do you accept the question? That question will be 3.3.

---

**Mr GUNNER:** Thanks, Madam Chair. In the House, Chief Minister, you said:

*There are rules about going to the United Nations. I know there has been some consternation about the Waldorf, but the United Nations says which hotels you must stay at. They also say you are not allowed to get a taxi to the United Nations. You cannot walk into the United Nations. You have to use a car service to get there for security purposes, which is what the member for Stuart did. She had an opportunity to mix with the federal Women's Policy minister, Michaelia Cash, who I had an opportunity to speak to about Bess just the other day when I went to COAG.*

Chief Minister, did you know that minister Price's travel cost twice as much as Senator Michaelia Cash?

**Mr GILES:** I will have to take that on notice.

**Madam CHAIR:** Opposition Leader, please restate the question for the record.

**Mr GUNNER:** Chief Minister, did you know that minister Price's travel cost twice as much as Senator Michaelia Cash?

**Madam CHAIR:** Chief Minister, do you accept the question? That question will be 3.4.

**Mr GUNNER:** Were you aware, Chief Minister, that the senator stayed at the Hilton ...

**Mr GILES:** We do not have any oversight over Michaelia Cash's travel expenditure. I will not accept that question; I will just say no. I do not know how much Michaelia Cash spends on her travel.

**Madam CHAIR:** In answer to question 3.4, Chief Minister, your answer is no?

**Mr GILES:** Yes, I have given an answer to the question without taking it on notice.

**Mr GUNNER:** Chief Minister, as you said:

*... there has been some consternation about the Waldorf, but the United Nations says which hotels you must stay at.*

Senator Michaelia Cash stayed at the Hilton, not the Waldorf Astoria. Were you aware when you made your comment that the Waldorf was not the only option for the minister to stay?

**Mr GILES:** Yes.

**Mr GUNNER:** Okay. You thought it was acceptable to stay at the Waldorf instead of the Hilton, which was half the price?

**Mr GILES:** I did not make that decision.

**Mr GUNNER:** It was the chief of staff who made the decision ...

**Mr GILES:** You should look at what I said. I said there are a certain number of hotels that are recommended for staying. She chose to stay at the Waldorf. It is out of the purview of my approval process. She makes her decision in that regard and you can ask her a question about that if you want to.

**Mr GUNNER:** But it is not within her outputs, it is within your outputs. Your chief of staff approved a hotel that cost twice as much as the one that Senator Michaelia Cash chose?

**Mr GILES:** I do not know that. You are saying that.

**Mr GUNNER:** All right. Chief Minister, did you approve the member for Greatorrex going to Germany on a tourism trip after he was the Minister for Tourism, and can you explain that decision?

**Mr GILES:** Yes, I was supposed to go. The ITB conference is very important on a worldwide scale. As Chief Minister it is great to be the Tourism minister, but you also have a range of balancing and competing priorities, such as making sure we build things like the pipeline from the Northern Territory to the eastern seaboard, investing in the Port of Darwin and making sure we get the Palmerston Regional Hospital working sooner than it would. That is why it is 18 months in advance. I do not have the time to attend to a range of different other portfolio responsibilities, like going to Germany for the ITB conference. The member for Greatorrex had a great deal of experience in this area and I was happy for him to represent me there. I received a report stating that it was quite good.

Since we have been in government the turnaround of tourism has been astronomical. Ten years of decline, a high range of investments and motivation supporting the industry, putting money back into marketing, the relocation down at Alice Springs and the balance of staff in Darwin has all been outstanding. Compliments go to the member for Greatorrex for his leadership in tourism. We are experiencing a rebound in numbers, an increase in room rates, occupancy and the number of visitors to the Top End and Central Australia. Some of the current figures are really good. I think it is a testament to the Country Liberals government, the creation of the Tourist Commission and former leadership of Matt Conlan. I would happily nominate the member for Greatorrex to represent me at a tourist function again.

**Mr GUNNER:** How much did that trip cost in total and who accompanied the member?

**Mr GILES:** The date of that trip, I understand, was after 31 March this year. Is that correct, member for Greatorrex?

**Mr CONLAN:** No, it was just before 31 March.

**Mr GILES:** The issue is that it was paid for after 31 March, so it outside the purview of the information we have, because estimates goes to 31 March.

**Mr GUNNER:** Will you take it on notice?

**Mr GILES:** It will come under next year's estimates, I imagine, but ...

**Mr GUNNER:** We are looking at the budget for next year.

**Mr GILES:** Yes, but for the purpose of these questions our figures and information goes to ...

**Ms FYLES:** Every excuse under the sun.

**Mr GILES:** Let us be sensible, member for Nightcliff. Leader of the Opposition, every year at estimates we look to 31 March.

**Mr GUNNER:** There is nothing in the terms of reference that says you cannot answer a question after 31 March.

**Madam CHAIR:** The Chief Minister is correct in what he is saying. It would form part of next year's scrutiny process.

**Mr GILES:** We do not have figures after 31 March. I am advised this trip was done before that and payment was not made until after 31 March, so we are unable to produce those numbers today.

**Madam CHAIR:** I am sure they will make a note for next year.

**Mr GUNNER:** I have never before heard an answer in estimates where someone said, 'Because it happened after 31 March we will not answer it'.

**Madam CHAIR:** It happened yesterday where something fell into the second quarter of the year.

**Mr GILES:** Everyone draws their reports for all information across a range of fields to 31 March. Every estimates, every year, when you are in government and now we are in government it is the same.

**Mr GUNNER:** You might take it on notice. I have seen information prepared to 1 April or later.

**Mr GILES:** Not 31 March, 1 April, so a day later.

**Mr GUNNER:** I am saying that when you have the information, you should answer it. You just said it has been paid for, so the information exists within your government systems, but you are saying you are not going to answer it because it happened after 31 March.

**Mr GILES:** Our reports go to 31 March. We will take it on notice.

---

#### **Question on Notice No 3.4**

**Madam CHAIR:** Please restate the question for the record.

**Mr GUNNER:** Chief Minister, could you please advise the total cost of the member for Greatorex's trip to Germany and who else accompanied the member?

**Madam CHAIR:** Chief Minister, do you accept the question?

**Mr GILES:** Yes.

**Madam CHAIR:** That is question 3.4.

---

**Mr CONLAN:** I am happy to say, for the sake of brevity, I do not know the cost of the trip but I was not accompanied by anyone.

**Mr GUNNER:** Half the question is answered.

**Ms FYLES:** We get more information from you. Perhaps you should jump up.

**Mr GUNNER:** Chief Minister, based on your previous answers regarding minister Price, you would have approved the purpose of the trip for the member for Greatorex to go to Japan when he was a minister. When did you first become aware that a government-issued credit card had been used to pay for a bill of over \$5000 incurred by your former Tourism minister and former chief of staff?

**Mr GILES:** I will take that on notice.

**Mr CONLAN:** I would also like to say this is about the Appropriation Bill 2015-16. The issue being raised was in the 2013-14 appropriation.

**Mr GUNNER:** I believe it occurred before 31 March.

**Mr GILES:** It was for 2013; the member for Greatorex just said that.

**Ms FYLES:** You were aware of the details then. Perhaps you can enlighten us. Are you aware of the date?

**Madam CHAIR:** Member for Nightcliff! Chief Minister, do you want to take that question on notice? Opposition Leader, please restate the question.

---

**Question on Notice No 3.5**

**Madam CHAIR:** Opposition Leader, please restate the question for the record.

**Mr GUNNER:** Chief Minister, when did you first become aware that a government-issued credit card had been used to pay a bill of over \$5000 incurred by your former Tourism minister and former chief of staff?

**Madam CHAIR:** That question will be number 3.5.

---

**Madam CHAIR:** I wish to remind members that this is about the operation and financial management of departments. I understand these are types of financial questions, but ...

**Mr GUNNER:** Money was spent.

**Mr GILES:** This is more than financial or operational is what you are saying.

**Mr GUNNER:** Chief, what did you say when you found out?

**Madam CHAIR:** That does not meet the criteria, Opposition Leader. Perhaps you can rephrase and somehow make it operational or financial.

**Mr GUNNER:** I believe a public servant would lose his job if he was in the same position.

**Madam CHAIR:** You have made a statement; do you have a question, Opposition Leader?

**Mr GUNNER:** What goods and services were received at the Red Rose cabaret bar in Tokyo?

**Mr GILES:** In what regard?

**Ms FYLES:** These were services paid for by the government.

**Mr GUNNER:** A bill was paid for by the taxpayer. I am asking what goods and services were received at the Red Rose cabaret bar.

**Mr GILES:** I will take it on notice. The credit card was used and paid back, and it was more than a financial year ago.

**Ms FYLES:** Would you not agree that if a public servant used a government issued credit card for \$5000 ...

**Madam CHAIR:** This is a hypothetical, member for Nightcliff, and not something to be entertained at estimates. Maybe you could ask the Chief Minister in the corridor afterwards.

---

**Question on Notice No 3.6**

**Madam CHAIR:** Opposition Leader, would you like to restate the question for the record.

**Mr GUNNER:** What goods and services were received at the Red Rose cabaret bar in Tokyo?

**Madam CHAIR:** Chief Minister, do you accept the question?

**Mr GILES:** I am happy to accept the question.

**Madam CHAIR:** That question will be number 3.6.

---

**Question on Notice No 3.7**

**Mr GUNNER:** Is there an invoice for the goods and services valued at \$5119?

**Mr GILES:** I will take that on notice.

**Madam CHAIR:** I think that was pretty clear. Chief Minister, do you accept the question?

**Mr GILES:** Yes.

**Madam CHAIR:** That question will be number 3.7.

---

**Question on Notice No 3.8**

**Mr GUNNER:** Chief Minister, did you satisfy yourself that in respect to the use of the government credit card at the Red Rose there were no breaches of the criminal law, NT financial legislation or policies concerning financial transactions and the use of government-issued credit cards?

**Mr GILES:** I will take that on notice.

**Madam CHAIR:** That question will be 3.8.

---

**Question on Notice No 3.9**

**Mr GUNNER:** When did the CEO receive the letter from the member for Greatorrex concerning recouping the \$5119.54 by salary deductions?

**Mr GILES:** I will take that on notice.

**Madam CHAIR:** I think that was clear. That question will be 3.9.

---

**Question on Notice No 3.10**

**Mr GUNNER:** Was any interest on the amount repaid?

**Mr GILES:** I will take that on notice.

**Madam CHAIR:** That question will be 3.10.

---

**Mr GUNNER:** Is this expenditure recorded in the end-of-year financial statements within the government agency?

**Mr GILES:** No.

**Madam CHAIR:** Are there any other questions on Output 8.1?

**Ms LEE:** Is this in regard to travel?

**Madam CHAIR:** Yes, and support to ministers.

**Ms LEE:** Can you confirm if Bess Price took Paul Mossman to New York, and did he change his first-class ticket to economy? Also, was the travel agent Xana Kamitsis?

**Mr GILES:** Sorry, what was the question?

**Ms LEE:** So you want me to say the whole question again?



**Mr GILES:** Yes, if you could. I did not hear the end part.

**Ms LEE:** Can you confirm if Bess Price took Paul Mosman to New York, and did he change his first class ticket to economy, and was the travel agent Xana Kamitsis?

**Mr GILES:** I will take the question on notice.

---

**Question on Notice No 3.11**

**Ms LEE:** Can you confirm whether Bess Price took Paul Mosman to New York and did he change his first class ticket to economy, and was the travel agent Xana Kamitsis?

**Madam CHAIR:** Chief Minister, if you accept the question, it will be 3.11.

---

**Madam CHAIR:** If there are no further questions I will conclude consideration of Output 8.1.

**Output 8.2 – Government Services and Support to the Administrator**

**Madam CHAIR:** The committee will now consider Output 8.2, Government Services and Support to the Administrator. Are there any questions?

**Mr GUNNER:** That concludes my questions, Madam Chair. I thank the staff of the Department of the Chief Minister for the time they took to help with my questions. I will leave you in the hands of the member for Nightcliff.

**Madam CHAIR:** Thank you, Opposition Leader. If there are no questions I will conclude Output 8.2 and Output Group 8.0.

**OUTPUT GROUP 9.0 – CORPORATE AND GOVERNANCE**

**Output 9.1 – Corporate and Governance**

**Madam CHAIR:** The committee will now proceed to Output Group 9.0, Corporate and Governance, Output 9.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 9.1.

**Output 9.2 – Shared Services Provided**

**Madam CHAIR:** The committee will now consider Output 9.2, Shared Services Provided. Are there any questions?

That concludes consideration of Output 9.2 and Output Group 9.0. Are there any non-output specific budget-related questions?

That concludes consideration of all output groups relating to the Department of the Chief Minister. On behalf of the committee I thank the officers from the Department of the Chief Minister for attending today.

I note that Output Groups 10.0 and 11.0 regarding the Department of the Legislative Assembly sit with the Chief Minister. However, as Madam Speaker by convention administers that department, questions relating to such were answered yesterday.

**OUTPUT GROUP 12.0 – OFFICE OF PARLIAMENTARY COUSEL**

**Madam CHAIR:** I note that while Output Group 12.0, Office of Parliamentary Counsel sits within the Department of the Attorney-General and Justice, the Chief Minister is responsible for this output and will now answer any questions. Are there any questions regarding the Office of Parliamentary Counsel?

That concludes consideration of Output Group 12.0.

The committee will now consider the Darwin Port Corporation business line.

**Mr GILES:** Thank you very much to David, John and Rachel for your attendance today.

**Madam CHAIR:** We will have a short break for changeover. Thank you.

---

The committee suspended.

---

### **DARWIN PORT CORPORATION**

**Madam CHAIR:** Welcome back, Chief Minister. We are here with the Darwin Port Corporation. I note that the Minister for Economic Development and Major Projects is responsible for the *Darwin Port Corporation Act*, except for Part 2, Division 4 regarding the Darwin port's harbourmaster. Questions relating to the latter will be answered by the Minister for Transport on Wednesday 3 June 2015.

I invite you, Chief Minister, as Minister for Economic Development and Major Projects to introduce the officials accompanying you and, if you wish, to make an opening statement.

**Mr GILES:** Madam Chair, from the Port Corporation today I am accompanied by Melissa Reiter to my left, and Chief Financial Officer Anne Coulter to my right. Terry O'Connor is currently travelling for work.

I am pleased to talk about the Darwin Port Corporation's financial performance over the last year and its bright future ahead. The port is a fundamental driver for the economic prosperity of the Territory. It plays an integral role in facilitating trade and opening up new trade opportunities through innovative commercial arrangements.

The port has reached an operating apex in its success as a public asset. In the last three years since 2011-12 profitability has climbed from a modest \$1m to year-on-year record profits, with yet another year exceeding the last, reaching \$17m in 2013-14. For 2014-15, the port is expected to realise a \$15m before-tax profit.

To ensure the port's future success, it is clear that its opportunities exist beyond the constraints of being a government operated business. That is why we are pursuing an ongoing partnership with the private sector to secure the level of investment that is currently beyond what any government in the Northern Territory can offer.

During this period, and in light of a pursuit of private sector investment, the port divested its city wharf assets and transferred associated staff to the Department of Lands, Planning and the Environment as well as the Department of Transport.

To further facilitate the regulatory framework established by the recently passed *Ports Management Act*, the Darwin harbourmaster and his two staff were transferred from the Darwin Port Corporation to the Department of Transport, which will administer this new legislation to form what will be the statutory role of the regional harbourmaster. These changes in staffing have been reflected as a reduction in staffing expenses in 2015-16 by \$3m overall.

The port's financial success in 2014-15 and its forecast opportunities were complemented with Darwin Port Corporation being named the Port of the Year 2014. To put this in perspective, out of all ports in the country our port was the very best performer when assessed on criteria relating to development projects, technical innovation, overall management skills and commercial successes.

In its operational performance, Darwin port continues to realise commercial opportunities, with buoyant trading results in the face of an unstable iron ore market and a significant reduction in harbour construction activities. The 2014-15 year was realised as another record year for cattle exports. There is forecast strong trading growth in cement clinker and petroleum imports, as well as continued enhancement to training and operational performance as a result of projected cargo supporting the construction of the INPEX project.

All of this suggests that the key indicators for the Territory's economy remain positive. In 2015-16 the corporation has forecast a \$7.5m profit as a direct reflection of the trading conditions, a reduction in bulk exports and a revising down of expenditure with the absence of city wharf assets in future operations.

The Country Liberals government continues to work with prospective new export customers and logistic operators to expand the port's business. The new market of Vietnam continues to grow, and this year became the second-largest importer of cattle with 55 024 head, or 12% of total livestock trade, surpassing historic markets like the Philippines and Malaysia.

We welcome the introduction of privatised crane operations by Qube and Patrick stevedores last year. Since that time Qube has commissioned a second harbour crane, an indication of its continued business confidence in the port.

The Marine Supply Base came into operation in June last year and is now returning around \$7m in revenue, and forecast increases in utilisation and new pricing structures to be introduced by ASCO in July 2015.

Piloting services for the third year running have operated at a profit of around \$1.5m, which is down on last year as a result of softening in shipping movements and the port's investment in non-revenue activities, including pilot training and recruitment required to meet the commencement of the INPEX LNG export operations in 2017.

Total trade for 2015-16 is forecast at 3.1m tonnes, which is a revision on the previous year's performance of 3.6m tonnes as a result of a declining commodity pricing, particularly iron ore, and reduced harbour construction activity which peaked in 2014-15 with a reduction in project cargo, and associated pilotage and navigation business lines.

Berth occupancy remains steady overall at 44%, consistent with previous years, with some peaks up to 60%. A full wharf is measured at 65%. The current average is at 39% which demonstrates capacity. This equates to around 1.9 vessels per day, as compared to 2.7 vessels per day for the same period in the previous year.

Our customers remained highly satisfied with the port's performance, with an overall outcome of 85% satisfaction for services across the board. Commercial shipping vessel calls stabilise at 2536 during the reporting period, a drop from the previous year of 4887, largely due to work vessels associated with the construction of the MSB and INPEX construction activities concluding.

I congratulate the board and the hard working people there on their performance, and thank them for their continued efforts. Being recognised as Port of the Year 2014 is a tremendous accolade amongst some very large ports around the nation.

In conclusion, I look forward to any questions the committee may have with regard to the Darwin Port Corporation's financial performance and budget estimates for the coming year.

**Mr DEPUTY CHAIR:** Are there any questions on the statement?

**Ms FYLES:** Thank you, Mr Deputy Chair. By level, how many FTE staff are employed by the corporation?

**Mr GILES:** I do not know if that question is to the statement, or is it?

**Ms FYLES:** You mentioned it in the statement.

**Mr GILES:** There are 100.2.

**Ms FYLES:** And by level?

**Mr GILES:** I do not have information on levels so I will take that on notice. If you are interested, there is one ECO4, three ECO2s and three ECO1s, if that is sufficient, but I do not have any further ...

**Ms FYLES:** Are the rest of the staff administrative or operational below that?

**Mr GILES:** Operational.

---

#### Question on Notice No 3.12

**Mr DEPUTY CHAIR:** Would the member please restate the question for the record?

**Ms FYLES:** Can we have the level of the FTE staff employed by the corporation?

**Mr DEPUTY CHAIR:** That question is allocated the number 3.12.

**Ms FYLES:** Income trends are down across the board. There is a \$12m decrease between the budget and the estimate for 2014-15, and a \$3m decrease in the 2015-16 Budget. In foot note one it provides a brief summary explanation, but can you please provide detailed analysis of the decreases across the four income generating business lines as set out in Budget Paper No 3?

**Mr GILES:** The main thing is the reduction in bulk commodities being exported and the issue of a lower number of vessels at the port.

**Ms FYLES:** Is there any detail or analysis of income trends across the income generating business lines over the forward estimate cycle? If so, can you provide details to the committee?

**Mr GILES:** Yes. I think they are the things I spoke about in the opening remarks.

**Ms FYLES:** Are you able to provide exact details for next year and going forward?

**Mr GILES:** In which particular area?

**Ms FYLES:** In the income trends across the income generating business lines going forward.

**Mr GILES:** I spoke about some of that in the opening statement, plus there is information in BP3 around likely changes in income lines coming forward ...

**Ms FYLES:** Yes, are you able to elaborate on that?

**Mr GILES:** I will grab BP3 and read it for you if you like.

**Ms FYLES:** That data only goes until next year. The following years are part of that question as well.

**Mr GILES:** For the purposes of this process ...

**Ms FYLES:** Surely if we are privatising the port, we would have that data.

**Mr GILES:** It depends on what you are after. If you want to know what we think the acts of pilotage will be - which is a business line - we are forecasting into next year, estimating the total numbers of the vessel, cruise ship and defence vessel calls.

**Ms FYLES:** You have that for the forecast year, do you have it for following years?

**Mr GILES:** We can provide some advice on what we think might occur, but there is a long range on that which takes on a range of assumptions. This could not be relied on too much because things change, as we have seen this year with the change in the commodity prices and the downturn of bulk.

**Ms FYLES:** Have those data projections been done?

**Mr GILES:** Yes.

**Ms FYLES:** What are the implications for declining revenue across the business lines for the impending privatisation of the port and will declining revenue put downward pressure on the possible sale leasing price for the port?

**Mr GILES:** That is a question you need to put to the Department of the Chief Minister.

**Ms FYLES:** You, as Chief Minister, do not want to answer that. We are discussing the port; we are discussing revenue across business lines, but you are refusing to answer that.

**Mr GILES:** No, and I ask Mr Deputy Chair to keep guidance on inflaming commentary within this Estimates Committee.

**Mr DEPUTY CHAIR:** Noted.

**Mr GILES:** I was very clear in the Department of the Chief Minister's area about the port role for the Coordinator General around any long-term leasing of the port. I invited questions at that stage.

In relation to the port and its forecasting for future revenue, I can talk about that. However, the other component comes under DCM and I raised that at the time.

**Ms FYLES:** As the minister responsible - we are talking about the port, but you do not want to talk about that.

**Mr DEPUTY CHAIR:** Member for Nightcliff, according to Standing Order 112 you are not supposed to make inferences, imputations or arguments when asking a question. If you have a question about money, ask it.

**Ms FYLES:** I have asked a question, but the Chief Minister is not answering because ...

**Mr DEPUTY CHAIR:** Have you answered the question to your ability, Chief Minister?

**Mr GILES:** I said the likelihood of any long-term leasing or investment in the port is in the output area of the Department of the Chief Minister. At that time I invited questions on that, but if it is in relation ...

**Ms FYLES:** At this time will we not get an answer?

**Mr GILES:** Can I finish, member for Nightcliff? You are very rude.

**Mr DEPUTY CHAIR:** Please do not interrupt, member for Nightcliff.

**Mr GILES:** If it is in relation to the port and its operation as it presents itself within the purview of Output Group 13.0, I am happy to take those questions.

**Ms FYLES:** You are clearly not going to answer the question so I will move on.

What role has the chairman of the corporation had in providing information, support and advice to the inquiry into port privatisation?

**Mr GILES:** A big role.

**Ms FYLES:** Are you able to elaborate further and provide details?

**Mr GILES:** No, as I said, questions relating to the port privatisation - as you call it - were supposed to be asked in another output area. If you want to ask the chairman what he thought, by all means give him a call.

**Ms FYLES:** This is our opportunity in the estimates process to ask the Darwin Port Corporation questions. We have a question, but you are not able to provide us with an answer.

**Mr GILES:** No, I just provided it. You asked a question about what the chairman said - ring him and ask him.

**Ms FYLES:** Moving on, as you are refusing to answer that one.

**Mr GILES:** No. Mr Deputy Chair, a point of clarification.

**Mr DEPUTY CHAIR:** Member for Nightcliff, you are not following in the spirit of what is happening. We have people here from Darwin Port Corporation, so feel free to ask questions about that. If you want to ask policy questions regarding the Chief Minister's office you should have asked them at that time. Please keep your questions to the relevant output area.

**Ms FYLES:** In the emerging community debate about the future operating arrangements, investment and strategic direction of the Port of Darwin and other Territory ports, the Productivity Commission made a telling point in its recent infrastructure inquiry report, saying:

*Properly conducted cost-benefit studies of large projects, and their disclosure to the public, is an important starting point for ... improving the transparency of decision making.*

Has a properly conducted cost-benefit analysis been undertaken on the proposed privatisation of the Darwin port, and will you release it?

**Mr DEPUTY CHAIR:** Member for Nightcliff, the Chief Minister has already made it clear that questions pertaining to the privatisation of the port should have been asked in the Department of the Chief Minister's output area. You have in front of you the Chief Financial Officer, the Chief Minister and the Chief Executive Officer of the Darwin Port Corporation to ask questions of in this output area. Please keep your questions to that output area.

**Mr VOWLES:** Mr Deputy Chair, will the Chief Minister answer that - if he chooses to or not?

**Mr GILES:** Member for Johnston, you were not here at the time we went through the Chief Minister's portfolio area, but there was a specific output area that looked at all of that. During that time I said that was the time to ask those questions. The officials responsible for all the things we are being asked are not in the room to provide any assistance or guidance.

**Mr VOWLES:** I was just asking. You can answer it or not.

**Ms FYLES:** I will rephrase the question.

**Mr GILES:** I am just answering your question to provide a bit of clarity. The Coordinator General, who works in DCM, has overall responsibility of a team of people who look at that project and a range of other things. That was the time to ask those questions. Staff from the Darwin Port Corporation are not involved in that process so they are not the right people to ask those questions to.

**Ms FYLES:** Obviously you do not want to answer the question, so we will move along.

**Mr GILES:** I am sick of this stuff. These attacks are ridiculous.

**Ms FYLES:** I have asked numerous questions ...

**Mr GILES:** Yes, but what you are highlighting - if I can get through a sentence without you interrupting - is your ignorance of the process, as well as your inexperience. I was very happy to talk about this today because I am proud of what we are doing with the port, the performance of it, the direction and process we have taken, the parliamentary committee and all those things.

I am happy to answer questions in the right area, but for the purposes of the two good officials who have provided good guidance on the Darwin Port Corporation, let us give them questions. They have prepared very well, and what you are asking is not in their purview.

**Ms FYLES:** Chief Minister, we are talking about a major asset that has a huge impact on Territorians, the cost of goods and what they pay. Are you able to tell us whether a cost-benefit analysis has been done?

**Mr GILES:** On what?

**Ms FYLES:** On the proposed privatisation of the port.

**Mr DEPUTY CHAIR:** Member for Nightcliff, this is the third time you have done the same thing. Please keep your questions in the output area we are in. This is your warning and, let me remind you, if you get ejected from this room there is no quorum.

**Ms FYLES:** Chief Minister, what plans and transition arrangements have been made to be put in place if the port is privatised to ensure there is no disruption to the ongoing operation?

**Mr DEPUTY CHAIR:** Member for Nightcliff, did you hear what I said to you?

**Ms FYLES:** I believe that this question is in order because we are talking about the operation of the port. Obviously we passed legislation that we will see a change in its ownership. I am asking about the operation of the port and the plans that are in place.

**Mr DEPUTY CHAIR:** Re-ask your question.

**Ms FYLES:** Chief Minister, what plans and transition arrangements are being put in place for the future running of the port, considering we had a recent change in legislation?

**Mr DEPUTY CHAIR:** Chief Minister, is that within the purview of the people sitting here?

**Mr GILES:** No, I am sorry, it is not.

**Mr DEPUTY CHAIR:** Give me a minute; I will confer with the Clerk.

**Ms FYLES:** We know you want to go home to watch State of Origin, Nathan, but you do not have to threaten me with a quorum.

**Mr GILES:** This is just embarrassing.

**Mr DEPUTY CHAIR:** Last warning. Next question.

**Ms FYLES:** Chief Minister, would you provide the committee with a progress report on some of the items mentioned in the consolidated business plan, including a current target date, percentage completed and cost from last year's annual report?

**Mr GILES:** In regards to what in particular?

**Ms FYLES:** In developing a port-wide program maintenance schedule for port assets and facilities. There are quite a few of them, so I am happy to list them all at once or go through them individually.

**Mr GILES:** Name one and I will get an answer for you.

**Ms FYLES:** Develop a port-wide program maintenance schedule for port assets and facilities.

**Mr GILES:** Melissa Reiter can answer that. Do you want to take it on notice?

**Ms REITER:** That is something that we plan to publish in our annual report, so we can take it on notice.

**Mr GILES:** It will be published in the annual report when it comes out. Are you happy to wait for that? Can we get an answer before then or wait for the annual report?

**Ms REITER:** We can answer before then.

**Mr GILES:** We will take it on notice.

**Ms FYLES:** Do you have any indication in the data you have before you of where the percentages are at this year?

**Ms REITER:** No.

---

### Question on Notice No 3.13

**Mr DEPUTY CHAIR:** Member for Nightcliff, if you could please restate the question for the record.

**Ms FYLES:** Chief Minister, can you please provide the committee with a progress report on some of the items mentioned in the consolidated business plan, including current target date, percentage completed and cost?

Items include the following: develop port-wide programmed maintenance schedule for port assets and facilities; develop critical infrastructure program; construct and manage a tug facility at East Arm Wharf; develop and implement a channel investigation strategy; develop and plan a marine safety management component of the corporation's safety management system; and develop an emergency management system for the corporation.

**Mr DEPUTY CHAIR:** That question is allocated number 3.13.

---

**Ms FYLES:** Adding to that question, has the timing or progress of any of these initiatives been impacted recently?

**Mr GILES:** No.

**Ms FYLES:** In 2014-15 what is the total revenue as at 31 March 2015 from the sale of goods by the corporation?

**Mr GILES:** I have that answer here somewhere.

**Ms FYLES:** I am not sure how you plan to read that out, but if you can provide an itemised breakup of this revenue it would be appreciated.

**Mr GILES:** I do not have ...

**Ms FYLES:** The total revenue from the sale of goods by the corporation.

**Mr GILES:** I understand the question, I am trying to find the proper answer for you. I only have the budget, I do not have actuals. I will have to take it on notice.

---

#### Question on Notice No 3.14

**Mr DEPUTY CHAIR:** Member for Nightcliff, can you please restate the question?

**Ms FYLES:** In 2014-15 what is the total revenue as of 31 March from the sale of goods by the corporation? Can we please have an itemised break-up of this revenue?

**Mr GILES:** Itemised into how?

**Ms FYLES:** A break-up of that revenue. The total revenues as at 31 March from sale of goods by the corporation – it might be broken up; it might not.

**Mr DEPUTY CHAIR:** Do you want it broken up or not?

**Ms FYLES:** I am not sure; I have not seen the data. Once I see the data it will be evident.

**Mr GILES:** I will have a look at it. It will be broken up in pilotage and vessel calls, and a few other things like that.

**Mr DEPUTY CHAIR:** That will be question number 3.14.

---

**Ms FYLES:** In 2014-15 what is the total revenue as of 31 March from the rendering of services by the corporation?

**Mr GILES:** That is the same question as the last question.

**Mr DEPUTY CHAIR:** It said service related industry ...

**Ms FYLES:** The first one was total revenue from the sale of goods. There might not have been any, then there was services ...

**Mr DEPUTY CHAIR:** What goods do they sell?

**Ms GILES:** Yes, but selling goods is selling services.

**Ms FYLES:** What are the reasons for the transfer of the responsibility for the Frances Bay Mooring Basin and the Stokes Hill Wharf to the Department of Lands, Planning and the Environment?



**Mr GILES:** We are looking at doing a potential development on what is nicknamed the Gobi Desert and the Duck Pond to see if we can expand the size of them to provide more service capabilities for vessels into the future.

The ability to put those two together outside the purview of the port has an opportunity for us in the future being able to go to market and develop that in the guise of the previous master plan that was done over the area.

**Ms FYLES:** Were they previously managed by the port?

**Mr GILES:** They were previously managed by the port. The idea is about expanding the Duck Pond, because it is close to capacity now, and increasing the size of vessel berthing spaces. We need to develop that and we saw an opportunity of partnering up with the Gobi Desert, the block of land next door which belongs to Lands and Planning. That is why it has been taken out of the port facility, so we can expand it as an Englobo development.

**Ms FYLES:** That was managed by the port and has been transferred to the Department of Lands, Planning and the Environment. Does the Waterfront Corporation come into that at all, or is it separate?

**Mr GILES:** Separate.

**Ms FYLES:** Was that transfer paid for?

**Mr GILES:** No, it is just a book transfer.

**Ms FYLES:** So it transferred from the Port Corporation across to the Department of Lands, Planning and the Environment.

**Mr GILES:** Yes.

**Ms FYLES:** What was the impact of those transfers on the corporation's expenditure and revenue in 2014-15 and the budget for 2015-16?

**Mr GILES:** We will take that on notice.

---

#### Question on Notice No 3.15

**Mr DEPUTY CHAIR:** Member for Nightcliff, can you restate the question for the record?

**Ms FYLES:** What are the impacts of those transfers on the corporation's expenditure and revenue in 2014-15 and the budget for 2015-16?

**Mr DEPUTY CHAIR:** That question is number 3.15.

**Ms FYLES:** Who owns the assets? Have the assets been transferred from the corporation to the department of Lands and Planning or to the waterfront?

**Mr GILES:** Lands and Planning.

**Ms FYLES:** Is that in relation to the changes ahead at the port? How are concerns raised by port users and stakeholders in the changes that the port will see in the current climate - how have they been in the ongoing consultation? What has been the process around that?

**Mr GILES:** No, that is out of order. That should have been asked in previous output area.

**Mr DEPUTY CHAIR:** Okay; next question.

**Ms FYLES:** I am trying to think how to phrase it best. Can you rule the corporation paying subsidies to the new operator of the port?

**Mr GILES:** Subsidies are paid right now to a range of ...

**Ms FYLES:** Will there be a change in those subsidies?

**Mr GILES:** ... different services. For example, the Duck Pond has a CSO. I am not sure at what level. Stokes Hill Wharf and the Frances Bay Mooring Basin was costing government a subsidy of \$760 000 per annum. The Duck Pond is now a part of Lands and Planning, and Stokes Hill is now part of the Waterfront. This is mainly because it was a non-profit environment for the corporation, and it is relevant to the Darwin Waterfront Corporation because it is part of the tourism precinct. That is where the CSOs go; there is no CSO that goes to East Arm as a port.

**Ms FYLES:** Can you guarantee that port charges will not be increased above CPI in the coming financial year?

**Mr GILES:** You cannot make guarantees about anything. On 1 July they have a review which is CPI.

**Ms FYLES:** On 1 July will you review for the coming year or just implement what you are currently working on then?

**Mr GILES:** Yes, it is implemented on 1 July.

**Ms FYLES:** Chief Minister, are you willing to table the written global questions that you received?

**Mr GILES:** No.

**Ms FYLES:** Can you please provide details and costs of consultancies undertaken by the corporation? Is there a reason why you will not table them?

**Mr GILES:** I am going to them right now, you have asked me a question and I am turning to that page.

The corporation's consultancy expenses incurred in the reporting period were \$432 000, compared with the previous period of \$688 000. The reduction in expenditure is due to the timing of the marine safety assessment and the marine safety management system development, which is occurring in the last quarter of this financial year at a value of \$200 000.

NT consultants made up \$361 000 and interstate consultants made up \$71 000. The majority of Northern Territory consultants relate to advice and project management services on strategic port projects. For example, the Marine Supply Base and the tug pen development at East Arm Wharf.

**Ms FYLES:** Which consultants were not selected through competitive tendering, if any I should say, and why?

**Mr GILES:** Tropical Consulting, which provides advice on strategic projects, \$106 000; Peter Wingrave shipping and logistics advice, \$81 000; CJ Consulting employment-related matters, \$14 000; TechnologyOne financial systems, \$8 000; Karen Christopher legal services, \$7000; and add isrm emergency risk assessments, \$5000. Each consultant has unique corporate knowledge and expertise relating to the Darwin Port Corporation business line.

**Ms FYLES:** Can you provide details of the boards or advisory body for the Darwin Port Corporation?

**Mr GILES:** What would you like to know?

**Ms FYLES:** Who the members are and if they attract remuneration.

**Mr GILES:** They are all publicly available on the website, which is probably the easiest way to find it.

**Ms FYLES:** Do you have the information there, and are you willing to table it?

**Mr GILES:** I think these are ...

**Ms FYLES:** These are the questions that have been asked in other portfolios.

**Mr GILES:** The board members – John Watkinson, Alan Grummitt, Karen Green and Terry O'Connor. Terry is on the board and is the CEO.

**Ms FYLES:** Finally, were there any internal audits or financial investigations conducted for the corporation in 2014-15?

**Mr GILES:** No.

**Ms FYLES:** Thank you, that is all I had on the Darwin Port Corporation.

**Mr GILES:** I thank Anne and Melissa for coming along today. It is good to see we are getting more questions for the port. A couple of years ago I do not think we got any. We are doing better and better. Thanks.

**Deputy CHAIR:** That concludes consideration of this business line. On behalf of the committee I thank the officers who provided advice to the Chief Minister today. The committee will now consider the Land Development Corporation. We will take a two minute break for the changeover.

---

The committee suspended

---

### LAND DEVELOPMENT CORPORATION

**Mr DEPUTY CHAIR:** Chief Minister, I invite you, as Minister for Economic Development and Major Projects, to introduce the officials accompanying you. If you wish, you can make an opening statement regarding the Land Development Corporation.

**Mr GILES:** Thank you very much, Mr Deputy Chair. I welcome John Coleman, Chief Executive of the Land Development Corporation to my left, and Mr Andrew Kirkman, General Manager of the Land Development Corporation to my right.

As the Northern Territory leads the way in the development to push northern Australia, it is essential that adequate land is made available to take advantage of increased investment into the region. The role of the Land Development Corporation is to develop industrial, commercial and residential land in support of the Northern Territory government's trade, investment and economic objectives.

The vision of the corporation is to provide development solutions by ensuring sufficient strategic land is available to stimulate economic growth and create opportunities to meet market demand; set industry standards for quality developments that protect and maintain natural systems, land form and biodiversity; provide strategic advice to government on land release to support government policy; reduce risks through due diligence and the timely release of convenient well-planned and serviced land to meet industry and residential needs; investigate and develop innovative approaches to land development; continue forward planning to make industrial land available in the Darwin Business Park at East Arm, the Berrimah Wishart precinct, Middle Arm, and Brewer Industrial Estate in Alice Springs in collaboration with the Northern Territory Planning Commission; develop other areas of industrial land suitable for use by industries associated with oil and gas, including fabrication and offshore supply facilities, marine and Defence support and industries that support the Darwin port and the AustralAsia Railway Corporation; foster and promote partnerships and strategic alliances with private industry, government and stakeholders; and continue development of the corporation as a governed, capable, influential and collaborative organisation.

In short, the corporation works to meet the Northern Territory's strategic industrial land needs and respond to industries short- and long-term requirements.

Through the Land Development Corporation this government has allocated a total of \$31.6m for the release of industrial land in 2015-16. The major projects include the following: \$9.1m for subdivision works and associated services to create the next stage of strategically located industrial blocks in East Arm Business Park, with a further \$1.3m for general infrastructure headworks in the park; \$7.6m for headworks, with a further \$3.2m for the extension of roads and services at the Transport Industry Precinct at Wishart Road in Berrimah; \$3.2m to develop road access and service for a lease of land at Middle Arm Industrial Precinct; \$3m for the development of heavy industry lots in the Brewer Industrial Estate to support the natural gas, oil and ancillary industries in Central Australia; and \$2m to undertake engineering investigation and environmental studies relating to the marine industry development at East Arm.

In addition to the above, a further \$2.2m is allocated to various other projects. The corporation has undertaken the development and management of industrial land and commercial land within the Darwin

Business Park at East Arm, and it currently has 10 commercial lots available for sale. The corporation is continuing with development works to complete the design and construction of a further 14 commercial lots within the Darwin Business Park. Where required the corporation also assists in the delivery of strategic residential and commercial developments.

During the current financial year the corporation completed the development of stage 1A of the latest Alice Springs suburb of Kilgariff. We released 33 new residential lots on the market, of which 29 have already been sold. The corporation is now undertaking stage 1B of the development, with a further 47 residential lots released to the market.

For clarity, recent articles in the *Centralian Advocate* and *NT News* stating that Kilgariff sales have stalled are completely incorrect. Six lots have already been sold in stage 1B of that development, of which four have been sold since January of this year. Local builders are soon to commence house and land packages in which there has been strong interest. Land prices in stage 1A of Kilgariff range between \$160 000 and \$180 000, representing a good deal for any homebuyer. This project demonstrates my government's commitment to provide affordable housing options in Alice Springs, and the project will have the capacity to deliver homes to meet Alice Springs' growing housing needs for the next 20 years.

The corporation has also undertaken the Zuccoli stage 1 development in Palmerston through a partnership with Urbex Pty Ltd. The total land release in stage 1 of the development will be in excess of 800 residential lots. The first phase of Zuccoli stage 1 development has been completed, with 143 lots including the sale of 13 affordable lots. The second stage of Zuccoli's development consists of 144 single residential lots, eight duplex lots, one multi-development lot comprising 16 dwellings, with one commercial lot that will provide for a greater community centre for this expanding suburb. The Northern Territory government and the Land Development Corporation plan to work towards ensuring there is adequate residential land released to meet the emerging needs of a growing Territory.

The Land Development Corporation also has a project to work with the Tiwi Islanders to identify lands which may be suitable for development. The corporation along with the Tiwi Land Council, Tiwi Aboriginal Land Trust and Tiwi Resources have entered into an agreement aimed at facilitating opportunities for businesses interested in investing on the islands. The framework enables the corporation to work with the Tiwi people and interested investors to identify land suitable for investment and leasing.

Subject to consultation with traditional owners of each specific site, the corporation will be able to lease land for 99 years for the purpose of subleasing to investors on a commercial basis. The corporation is working to attract potential investors to the Tiwi Islands, and it has already released an investment prospectus seeking expressions of interest. The corporation has now received expressions of interest from proponents for various project concepts. The types of project concepts include agriculture, tourism and industrial. The corporation is working with the proponents to assess the initial feasibility of these proposals.

I look forward to taking any questions the committee may have regarding the Land Development Corporation this year. I want to thank Andrew, John and the team at the LDC very much for their hard work today. There have been some amazing achievements with the LDC and many more will be generated into the future.

**Mr DEPUTY CHAIR:** Are there any questions to the minister's statement?

**Ms FYLES:** Thank you, Mr Deputy Chair. Has the corporation received any informal or formal directives about commercial issues?

**Mr GILES:** In what regard?

**Ms FYLES:** It is a simple question. Has the corporation received any informal or formal directives about commercial issues?

**Mr GILES:** No.

**Ms FYLES:** Has the corporation received any directives about price points for lots in the Kilgariff land development project?

**Mr GILES:** The original project was set up under the Lands and Planning department. It was then transferred to the Land Development Corporation after those principles were in place.

**Ms FYLES:** My next question was about the sale price for lots in Kilgariff, which you indicated in your opening speech were between \$160 000 and \$180 000. Have there been any delays with the Kilgariff development, and can you explain why?

**Mr GILES:** All on schedule. It is actually ahead of the Labor schedule, but it is all on our schedule.

**Ms FYLES:** Will any Land Development Corporation assets be involved when the port is privatised?

**Mr GILES:** This is a question that should have gone to the Department of the Chief Minister, but I will check out the LDC stuff.

**Ms FYLES:** No, it is a question for the ...

**Mr GILES:** There is a potential for negotiation, but not at this stage.

**Ms FYLES:** Can you provide the details of the number of occasions, issues covered and concerns raised by Tiwi Islanders during consultations on the corporation's activities, as well as plans for economic developments on the island?

**Mr GILES:** We have had many discussions with Tiwi Islanders, but nothing formal has come in.

**Ms FYLES:** There has been no formal discussion ...

**Mr GILES:** No formal issue has been raised.

**Ms FYLES:** No, I am asking what discussion and consultation is taking place. Has none of it been formal?

**Mr GILES:** A range of meetings have taken place with many officials from a range of departments, including with me. Dozens of people on the Tiwi Islands have been talking about a variety of things, community consultation, forestry mapping, water mapping, talking to the land council.

**Ms FYLES:** Will you take that question on notice?

**Mr GILES:** I am not sure if we can actually answer it.

**Ms FYLES:** It is a pretty simple question. Can you provide details of the number of occasions, issues covered and concerns raised by Tiwi Island residents during consultations on the corporation's activities and plans for economic development on the island?

**Mr GILES:** It might sound like a simple question, but the number of people who have gone there - I think about the amount of ...

**Ms FYLES:** Will you answer the question or not?

**Mr GILES:** I am answering it.

**Mr DEPUTY CHAIR:** Member for Nightcliff, I remind you of Standing Order 69. You asked a very complex and involved question. Please be polite enough to hear the answer. If you want me to read out Standing Order 69 I will.

**Mr GILES:** I have been to the Tiwi Islands many times and spoken about a range of things in the purview of what we are speaking about now.

**Ms FYLES:** Are we talking about the corporation?

**Mr GILES:** That is not what the question was, but I will get to that. The corporation has had more than 30 visits, community consultations and discussions with traditional owners. On top of that, there is a range of government agencies, which I will not get into, and other stakeholders from within government which have spoken to a number of people.

**Ms FYLES:** I regard to the corporation's 30-plus visits, was that within the last financial year?

**Mr GILES:** The last 18 months.

**Ms FYLES:** In the last 18 months. That is all I wanted to know.

The corporation transferred \$1m to the Tiwi Land Council, pursuant to an agreement between the government and the council. There was an up-front payment of a loan in return for leases on the Tiwi Islands. Will you provide the committee with an update on the status of the loan and the leases?

**Mr GILES:** The leases have not been signed. There is intent to sign, but there is a process; it has to go through the federal minister. In regard to the status of the ...

**Ms FYLES:** This is from 22 August 2013. There is still intent to sign a lease, but we are more than ...

**Mr GILES:** We are going through a consultation process.

**Ms FYLES:** Nearly two years later and there is still no lease?

**Mr GILES:** We are not rushing these things. We have been in consultation for a long time.

**Ms FYLES:** Two years is not a rush.

**Mr GILES:** A heads of agreement, signed with traditional owners, went to a full land council meeting. This process is occurring. The next stage is an agreement being signed off between the federal minister and the Tiwi Land Council, then it comes back to the LDC – correct me if I am wrong – which is when we will be able to sign the lease. To get approval for the lease it has to be formally signed off by the Indigenous Affairs minister in conjunction with the rules and obligations set out within the *Aboriginal Land Rights (Northern Territory) Act*.

**Ms FYLES:** Two years later, we had an up-front payment of \$1m, yet we still have not seen a lease put in place. Do you not think that time frame is a bit lax?

**Mr GILES:** No, it is fantastic that we have taken the time to talk about this on a regular basis with traditional owners. The last thing we wanted to do was rush it. This is still going through a process that is clearly set out. Changing to a model of economic development in communities such as the Tiwi Islands requires a lot of information to be put out there and a lot of consultation to occur. That is what we are continuing to do.

**Ms FYLES:** Are you able to provide details of what the \$1m is being used for and when you expect it to be repaid?

**Mr GILES:** It is an upfront payment for the land and it will be covered over time.

**Ms FYLES:** Do we, as taxpayers, not get any more detail than that? The \$1m has been signed, there is no lease in place and we have no time frame on when it will be repaid.

**Mr GILES:** When we do the final processing after it comes back from the federal minister, and have discussions with the Tiwi Islanders from the land council, we can provide more detail about the official lease that will be signed. We have spent a lot of time conducting research and analysis about the best place that the Tiwi Islanders want development to occur, and what that might look like in relation to opportunities for market development. For example, some people might wish to have their land developed, and traditional owners in lots of places on the Tiwi Islands put out nominations for opportunities. Where people might say something could grow well, we then have to send in our land resource management staff - or other experts in the field - to assess water and soil quality, and growing opportunities before we get down to the nitty-gritty about the right area for potential lease and development. That then must go to land council, including community consultation with all the clan groups and so forth. It is a long process and it was quite thoroughly gone through.

**Ms FYLES:** You are telling me in one sentence that it is with the federal government and it has to go through them for sign off, but now you are talking about the community and the Tiwi Islanders. Are you able to provide us with any firm time frames on when we might see that lease signed after your conversations with the federal government?

**Mr GILES:** It is not my conversation with the federal government; it is the conversation between the traditional owners, the Tiwi Islanders and the federal government. That is under the *Aboriginal Land Rights (Northern Territory) Act*. When that agreement is signed off between those two very important

stakeholders, we will be in a position to sign off our lease agreement. That is when we will set out the terms of repayment of those finances.

**Ms FYLES:** Do you have an expectation that it will be repaid soon?

**Mr GILES:** I am not going to make a comment on hypotheticals.

**Ms FYLES:** The 2014-15 estimated borrowing in advances is \$20m, are you able to provide details and a breakup of this item?

**Mr GILES:** Are we still global? What area are we in?

**Ms FYLES:** On the opening statement.

**Mr GILES:** Are you able to repeat the question?

**Ms FYLES:** In the 2014-15 estimated borrowing in advance, the amount is \$20m. Are you able to provide details and a breakup of this item?

**Mr GILES:** It is a long-term borrowing which covers the construction of the business park.

**Ms FYLES:** So that \$20m is all to do with the long-term construction of the business park. Are we able to get further breakdown on notice?

**Mr GILES:** No. This has been going on since prior to change of government - since Labor.

**Ms FYLES:** Are there no further details?

**Mr GILES:** It has been going on for the last ten years.

**Ms FYLES:** Yes, but I am just asking if there are further details on the breakdown of the \$20m.

**Mr GILES:** It is a loan facility set up by government to the LDC as a government body.

**Ms FYLES:** That is all on the opening statement.

**Mr DEPUTY CHAIR:** Are there any questions on the Land Development Corporation?

That concludes consideration of the Land Development Corporation business line. On behalf of the committee, I thank the minister for attending and the officials who assisted the Chief Minister today. We will now move onto consider outputs associated with Aboriginal Affairs.

## **LOCAL GOVERNMENT AND COMMUNITY SERVICES**

### **OUTPUT GROUP 15.0 – OFFICE OF ABORIGINAL AFFAIRS**

**Mr DEPUTY CHAIR:** I note that Output Group 15.0, Office of Aboriginal Affairs sits within the Department of Local Government and Community Services; however, the Minister for Indigenous Affairs is the responsible minister. Questions relating to Aboriginal Affairs will now be answered. Chief Minister, I invite you to introduce any officials accompanying you and, if you wish, to make an opening statement.

**Mr GILES:** Thank you, Mr Deputy Chair. I have a lengthy statement here.

I welcome Mike Chiodo, sitting to my left, Chief Executive of the Department of Local Government and Community Services.

**Mr VOWLES:** Chief Minister, do you want to table your opening statement?

**Mr GILES:** No. The government is committed to strengthening the economic rights of Aboriginal Territorians, while providing additional funding for roads, essential services and housing and vital government services. Budget 2015-16 delivers a number of initiatives and grant programs aimed at reducing disadvantage, while enabling and encouraging increased economic participation of Aboriginal Territorians by providing funding of \$26m over three years. This includes \$4m for the establishment and

ongoing operation of the office of Aboriginal Affairs and \$4.5m over three years for Indigenous development grant programs.

The Community Champions program has been allocated \$18m. A total of 13 champions will be assigned to communities across the Top End and throughout Central Australia. The champions will focus on key communities or regions where economic opportunities are the greatest. To ensure local voices are heard at the highest level of government, each of the 13 communities or regions will be assigned a chief executive officer and senior government employees who will be responsible for championing their interests and projects.

The identified community champions will have responsibility for ensuring each community has an enabling environment for economic development; developing a five-year infrastructure investment pipeline which includes all planned investment from the Commonwealth, Territory and local government, as well as private and community sectors; coordinating professional services support for local Aboriginal businesses to ensure they can deliver value for money for any contracts awarded; and negotiating and setting agreed outcomes to be delivered for the community at the end of the five-year pipeline period, including but not limited to training, employment, enterprise investment, local wealth creation, education and health.

The Community Champion locations and their champions are as follows: Milingimbi and Ramininging, Dr Len Notaras, Chief Executive of the Department of Health; Groote Eylandt, Ken Davies, Chief Executive of the Department of Education; Borroloola, Greg Shanahan, Chief Executive of Attorney-General and Justice; Wadeye, Luke Bowen, General Manager of Northern Australia Development Office; Maningrida Alister Trier, Chief Executive of the Department of Primary Industry and Fisheries; Galiwinku, David McHugh, Chief Executive of the Department of Infrastructure; Gunbalunya/Oenpelli, Rod Applegate, Chief Executive of the Department of Lands, Planning and the Environment; Utopia, Clare Gardiner-Barnes, Chief Executive of the Department of Transport; Ngukurr and Numbulwar, Michael Tennant, Chief Executive of the Department of Business; Yuendumu and Lajamanu, Mike Chiodo, Chief Executive of the Department of Local Government and Community Services; Tiwi Islands, John Coleman, Chief Executive of the Department of the Chief Minister; Hermannsburg, Ron Kelly from the Department of Mines and Energy; and for the Yulara district, including Mutitjulu and Docker River, Tony Mayell, Executive Director of Tourism NT.

The 13 field officers will become the front door to the Northern Territory government for people in remote communities to access high levels of support in the pursuit of economic development, supported by the \$3.25m per year Community Champions grants program.

The grants will allow local people to focus on creating local solutions to gaining economic independence. The Community Champions grant program is designed to enable the community and their champion to jointly identify priority projects, such as small to medium infrastructure projects to set up potential economic multipliers, or small to medium economic development projects with employment outcomes that provide rapid access to funding to support delivery of these projects.

Some examples of the projects that might be eligible for this funding could include a shower block at a tourism site, or seed funding for the purchase of machinery or equipment to support winning a work contract.

We have brought a voice back to the bush through the establishment of regional councils and the 63 local authorities under the local government reforms. An amount of \$2m was provided to regional councils in 2014-15 to strengthen these local authorities. This funding supported a number of regional council projects to increase the participation of local authorities in budgeting and planning processes, upgrading communication between council and local authorities, and employing local authority coordinators in councils.

An amount of \$5m has been provided to regional councils on an ongoing basis for local priority projects determined by local authorities. A further \$100 000 has been provided to the Tennant Creek local authority from the reserves and other organisations program. Local priority projects are requested directly by each local authority to their regional council, and reflect the needs and priorities as identified by the community.

A number of positive initiatives have already been developed by local authorities these include the following: the Yarralin local authority members recommending that \$30 000 of the Yarralin local authority funding pool be allocated to contribute to the upgrade of the multipurpose sports court at Pigeon Hole; the Victoria Daly Regional Council finance committee has approved the allocation, and the Department of Education has also contributed \$55 000 and will manage the project for the upgrade; on the Tiwi Islands,



the Wurrumiyanga local authority members recommended an upgrade to the local swimming pool filtration system.

The pool upgrade was a priority of the local authority because the community uses access to the pool as way of boosting school attendance numbers through its no school, no pool policy. Local authority meetings discuss a range of issues, which include planning, budgeting, local employment and monitoring service delivery within their respective communities.

Regional councils must table and discuss the minutes of local authority meetings, and each regional council has established and maintained the local authority's action items register. A recent snapshot health check of local authorities across all regional councils found that in their first six months of operation, local authorities were delivering on their objectives to deliver a strong local voice and greater accountability for service delivery. The office of Aboriginal Affairs is partnering with a Department of Business to implement the remote contracting policy. Through the remote contracting policy the Northern Territory government is supporting remote economies and communities. The three key actions are setting employment and business development targets; implementing new contract planning requirements; and providing professional business service and support to local Aboriginal businesses.

Targets have been established that will provide more jobs in the bush and business development. By 2017 there will be 2000 private sector Aboriginal jobs, and 70% of tenders in remote areas will be awarded to Aboriginal enterprises and organisations, employing significant numbers of Aboriginal Territorians. The office of Aboriginal Affairs will take the lead role in whole-of-government coordination and planning for remote contracts, including reviewing five-year investment horizons. The office will have the capacity to direct tender processes.

The Indigenous Business Development Program team within the Department of Business provides up-front and ongoing professional services support to local Aboriginal businesses. The Northern Territory government procurement policy will support implementation of the remote contracting policy by enabling best value for money, procurement design and planning that integrates Aboriginal employment and enterprise development outcomes.

The Giles government is committing to providing Aboriginal Territorians with their hand up, not a hand out. We have dedicated \$6m over the next three years to establish the Business in the Bush program to support Indigenous business start-ups, improve the sustainability of Indigenous businesses and increase Indigenous employment participation. The program targets Indigenous business development outside urban areas to support self-sustaining Indigenous wealth creation initiatives, which include:

- *the Bush Business Support and Growth Program – to support established and new businesses to build capacity and sustainability through the provision of workshops and tailored programs;*
- *the Indigenous Business Tender Support Program – to develop capabilities within Indigenous businesses to tender for government, private sector and major project contracts through improved accreditations and systems;*
- *the Bush Business Technology Enabler Program – to support remote small businesses to upgrade technologies to access markets, improve efficiency, increase market penetration and capitalise on the social media commerce market;*
- *the Indigenous Mobility Project – to facilitate workers in low employment regions to take up jobs where there are opportunities for work including further on-the-job skill development;*
- *the Indigenous Employment Program – to expand on the Commonwealth Stronger Futures' Local Jobs program that supports employers who guarantee sustainable ongoing employment. This includes on-the-job training, a partial wage subsidy and support services ...*

A further \$2.54m has been provided over the two years for an Indigenous land administration project team, as well as an additional \$1m over two years for a land suitability team to accelerate the investigation of agricultural potential in regions and Indigenous communities.

To boost Aboriginal employment in the marine industry, \$250 000 has been dedicated for an Indigenous marine training program in Nhulunbuy. To improve the health and living standards of remote communities, we will deliver \$22.53m to upgrade, repair and maintain water and sewage infrastructure in remote

communities which will provide a capacity to support additional housing and expanded government services.

The Territory government is investing \$10.95m for sewage system replacements at Angurugu and Ali Curung; \$6.2m for new water supplies at Yuendumu and Ngukurr; \$4.2m for water storage upgrades at Numbulwar, Ngukurr and Robinson River; \$1m to replace water mains at Wadeye; and \$180 000 to drill a bore for the Ampilatwatja homelands, redrill an existing bore and provide a new water tank stand for an additional homeland.

The Northern Territory government is supporting local economic development opportunities by providing additional funding to support local communities through transport and road infrastructure projects. An amount of \$4.9m is part of a regional economic infrastructure fund which will support remote community business initiatives that rely on transport related infrastructure, including roads, barge landings and aerodromes. Road improvements will receive \$5m through an improving strategic roads infrastructure program. This funding will assist local governments to undertake road projects that enhance economic development and create local jobs.

The \$30m from the strategic economic development roads program will include \$21m to upgrade the Port Keats Road including Saddle Rail Creek and Yellow Creek Crossings; \$6.5m for additional upgrades to extend the seal of Tanami Road; \$1.5m for planning and design of the Pickertaramoor road; and \$1m for preliminary studies to support the design of the Arnhem Highway Adelaide River floodplain upgrade.

A further \$1.8m over three years will establish a regional bus service on the Tiwi Islands. The service will be provided from Paru to Milikapiti, or Pirlangimpi via Three Ways, and will further support the development of local businesses and tourism.

We will continue to strengthen our service delivery. One example of this is the provision of funding through improved patient access to vital services and delivery of quality healthcare to remote Territorians, including \$1.17m to increase the number of Aboriginal and Torres Strait Islander Health Workers in the workforce by an additional 10% each year, and \$920 000 to create a framework that supports Aboriginal community control in primary healthcare and community care services.

A total of \$8.2m has been committed to improve Indigenous student outcomes as part of the government's 10-year Indigenous Education Strategy. This complements the Australian government's \$37.4m commitment through the new schooling implementation plan. The remote Indigenous students will also be supported by new NT Open Education Centre, or NTOEC.

An additional \$9.1m in partnership with the Australian government will deliver a new regional boarding facility at Nhulunbuy. The facility, at a total cost of \$20m, will deliver residential capacity for 40 students, along with a full kitchen and dining room with the ability to expand to a capacity of 80 students in the future.

My opening statement provides a snapshot of the commitment the Giles government has made to Aboriginal Territorians. Our vision is for Aboriginal Territorians to be empowered to participate in the economy while being supported to maintain their strong connections to their lands and culture. I am very happy to take questions.

**Madam CHAIR:** Chief Minister, I am mindful that you have been going for nearly two hours. I will call a 10-minute refreshment break for you and members of the committee.

---

The committee suspended

---

**Madam CHAIR:** Thank you for coming back after the break. We just finished the Chief Minister's statement on Local Government and Community Services. Are there any questions relating to the statement?

**Mr VOWLES:** Yes, Madam Chair. Chief Minister, how many full-time employees are allocated to the office of Aboriginal Affairs and what level is the senior officer managing the day-to-day operations in that office?

**Mr GILES:** They have not commenced as yet, but there will be 25 staff.

**Mr VOWLES:** What levels will they be?

**Mr GILES:** There will be an ECO2 and 3, three SAO2s, one SAO1, four AO7s, 13 AO6s, one AO5 and two AO4s.

**Mr VOWLES:** When will they start?

**Mr GILES:** We are in the process of getting things up and running now. There is a bit of money in the back end of 2014-15 budget, but the budget is mainly for 2015-16. We are in the process of recruiting the senior officer to help set up the office.

**Mr VOWLES:** That is a two- or three-month process normally.

**Mr GILES:** No, we are about to go to interviews, so it is imminent.

**Mr VOWLES:** You have 23 staff?

**Mr GILES:** No, we have allocated 25.

**Mr VOWLES:** Do you have a physical office space?

**Mr GILES:** We will be ready to announce that soon.

**Mr VOWLES:** Not here?

**Mr GILES:** No.

**Mr VOWLES:** Will it be in Alice Springs or Darwin?

**Mr GILES:** Yes, the head office will be based in Alice Springs, but staff will be located at various locations across the Territory.

**Mr VOWLES:** Who will be the most senior Indigenous person in that team? You have not started that recruitment or finalised the recruitment process yet.

**Mr GILES:** To be fair, I probably would not name them in an estimates process.

**Mr VOWLES:** Yes, of course. What level is the highest?

**Mr GILES:** If they can get the highest level job ...

**Mr VOWLES:** We hope somebody will be more than qualified to do that. It would be great to head up such an important area. You are the Minister for Indigenous Affairs and we are calling it the office of Aboriginal Affairs; why is that?

**Mr GILES:** I do not think there is any specific answer to that question. I think, fairly and reasonably, Aboriginal Territorians mainly refer to themselves as that - not everybody does - which is why it is the office of Aboriginal Affairs. If we lived in a jurisdiction where there was a high number of Torres Strait Islanders and we were providing separate policy agenda items for the responsibility of those people, maybe we would take a different approach. If we were in Queensland, for instance, where there is a high population of Torres Strait Islanders we would use different language in that regard, but for this purpose it is about delivering services and policies for Aboriginal Territorians.

**Mr VOWLES:** There is obviously a very big Aboriginal organisation and population in the Territory, they are mixed with a number of different races and Torres Strait Islander is one of those. It was just a very basic question - that is fine.

What administrative arrangements are in place to coordinate activities for staff supporting you on Indigenous Affairs matters, and how is minister Price's Department of Local Government and Community Services - there would be a lot of mismatching.

**Mr GILES:** I did not understand your question. Can you repeat it, please?

**Mr VOWLES:** The administrative arrangements to coordinate activities - how are you going to coordinate between all the ...

**Mr GILES:** It is no different to anything else. It is like the minister for Youth Affairs, Peter Styles - it sits within the social policy section of the Department of the Chief Minister. The agency of Local Government and Community Services provides services for Aboriginal Territorians, whether that is through the local authorities, regional councils or provision of homeland and outstation services.

The opportunity of a greater level of connectivity through the office of Aboriginal Affairs and that agency having the same CEO is a sensible approach. There was consideration given to keeping it within the Department of the Chief Minister, but it would have less opportunity for a seamless delivery than if it sits with the Community Services. Mike has a great deal of knowledge of what is going on as a CEO. The CEO's position has a fair amount of knowledge of what is happening across a range of areas, especially when you look at enabling infrastructure within the strategic overlay of Aboriginal communities. This is whether you look at essential or environmental health infrastructure, such as sewerage services, water, power or housing. Mike has a very good overarching understanding and reporting framework around the architecture there, and this will fit in well with that.

**Ms ANDERSON:** Chief Minister, in your opening statement there is a theme of coordination. Can you elaborate on the relationship you have between the regional councils, the champions you will have on these 13 communities and the land council, which is vital in any kind of economic opportunity in remote Aboriginal communities? As you know, most of the land mass you have named comes under the two big land councils.

**Mr GILES:** Yes, it is pretty good. The coordination elements are the most important things. Previously we got rid of the portfolio of Indigenous Affairs, and there has not been an office of Aboriginal Affairs in the Territory for quite a while, or ever. I am not sure how that works. In 2001 the Office of Aboriginal Development discontinued, so there has not been a dedicated office for about 15 years.

My desire is to see every agency take up the responsibility for everybody in the Territory. Indigenous Affairs, as I have said on many occasions, is everybody's responsibility, more so in the Territory than anywhere else because of the population numbers and the strategic issues we face. Often the coordination of bringing everything together for service delivery is a challenge. That is why we have introduced the agency, as well as a number of other things, like the Community Champions so individual CEOs can have high-level of contact at the ground level outside of Darwin and the community, which is really important. It is also about getting coordination for the CEO, with the staff in the office, to have a high degree of connectivity and networking to get results. I think that is often a challenge in Aboriginal communities.

Being able to coordinate First Circles as a guiding advisory body to Cabinet, government, CEOs and ministers is important. But also working with regional councils and local authorities is important, and that is all part of the overall matrix of community coordination. You mentioned land councils; I had the opportunity to present some of these components to the head of NLC in general conversation, but I am looking forward to a deeper conversation. NLC is a very important stakeholder in all of this. Normally it has been operated at a local community level, but it needs to be operated at a more senior level from an economic point of view. We are very keen to put a range of initiatives towards the two larger land councils to drive change.

We have had a pretty good relationship with Tiwi Land Council for a long period of time, and there has been work done with Anindilyakwa Land Council with which Ken Davies and Peter Chandler have been doing more work than others, from an administrative point of view.

We have already started a conversation with the two larger land councils about improving things and that coordination will work well. One of the areas which is outside the output group in this portfolio but comes under Tourism is ...

**Ms FYLES:** You had better not talk about it then.

**Mr GILES:** I am happy if the member for Namatjira wants to hear more information. We have set up the Indigenous Tourism Advisory Council - I do not know if we have formally announced it yet, but we have spoken about it. We set it up because I identified after taking on the portfolio that there were, in my opinion, insufficient Indigenous employees in tourism, which is part of cultural change. We need to change and drive reform.

I also looked at the number of Aboriginal tourism businesses in the Northern Territory. I do not want to be held to an audit account of this number, but we have about 10 or 11 in the Territory. In the promotion of the Northern Territory and its environmental landscape and pristine qualities from an environmental and

ecological point of view, but also - for want of a better word - its Aboriginality and Aboriginal people from a tourism point of view, I found it disappointing that in 2014 and 2015 you can only muscle around a dozen tourism enterprises owned and operated by Aboriginal people. History is the reason why that is a small number. I am not apportioning blame, but it is about driving change.

We have pulled together an Indigenous, or Aboriginal, advisory council. Not listing all the people, but the administrative heads of the NLC and the CLC, David Ross and Joe Morrison, have agreed to come on board which is good. That is another way we are starting to drive economic reform. There are many pockets in which we can have a coordinated approach. We are also working on a number of issues which are not in this budget process, as a side note. I will not talk about those today, but wherever we can provide collective, coordinated responses, we will get much better outcomes. That is the long answer to your question.

**Ms ANDERSON:** I have another question to elaborate on my first one; with the leasing money that the land councils control on behalf of Central Australian communities, it is a great opportunity for you to see the economic drivers they have used, which are getting results on the ground through the land council process. That is the only reason I bring this coordination argument into this question.

**Mr GILES:** I do not think that was a question, but more a point. You are right; there is a range of opportunities. Many things are positive and many are negative. Too often you only hear the negatives rather than the positive things that are occurring. Working out what some of those opportunities are, especially how you can drive them to be more efficient, more productive and get more people into jobs is there for all to see. Whether it is for rent money or royalties, whatever it may be, there are opportunities and we need to work together collectively to achieve better outcomes.

**Ms ANDERSON:** I have another question; to go back on the question Kenny has asked you on Indigenous and Aboriginal. That is a very important question because if you take Torres Strait Islanders out of the equation, does it mean the group of Torres Strait Islanders living at Finke community are not serviced by the Aboriginal Affairs department or ...

**Mr GILES:** Everyone receives the services. I have received feedback from people in the Territory saying, 'We are not Indigenous; we are Aboriginal'. But you get the other argument as well. We took that view. It does not mean there is less service.

**Mr VOWLES:** Thank you, member for Namatjira and Chief Minister for that very good answer.

**Mr GILES:** Am I being scored, Ken?

**Mr VOWLES:** It is such an important issue. I simply want to ensure we get on and do our jobs. In the end Aboriginal people and Torres Strait Islanders will be affected. This is a service to provide to them, and I will always support that.

I want to go back to the coordination of the office of Aboriginal Affairs; it will be based in Alice Springs. I want a little more information, and I am sure you and Mike probably know, about the coordination of the day-to-day stuff and how that will work?

**Mr GILES:** What day-to-day?

**Mr VOWLES:** I have asked about the administrative arrangements and how that will be coordinated. How will you coordinate the day-to-day running of the office and the rest of Aboriginal Affairs in the Northern Territory from Alice Springs in regards to economic developments? People coming to Alice Springs or Darwin - anything like that.

**Mr GILES:** It will be coordinated the same way that any other agency is coordinated.

**Mr VOWLES:** Will you have an office in Darwin as well?

**Mr GILES:** Yes, I said that before. There will be other staff members across the Territory. The head office will be there, but there will be other staff located across Territory.

**Ms ANDERSON:** Chief Minister, how long will the Community Champions, the CEs, spend in these remote Aboriginal communities?

**Mr GILES:** It is a project going into the future, so it is not time limited. We have put funding towards the grants program for three years, but it is something we see going into the future. One thing I have witnessed from the efforts on the Tiwi Islands is that by having a focus, especially with John Coleman when he was the head of Lands and Planning - he was able to bring good coordination and high interest to the projects. Too often, from sitting in offices in Darwin, it is easy to lose contact. It gets out of your line of sight.

This is a model we want to put forward for the future. It was partly based on an old principle around COAG trial sites many years ago, which were federally run out of FaHCSIA in Canberra many years ago. Wadeye was a trial site. This is what you might call a similar design model but run from within the Territory. I would not say it is a copy, but it follows a similar principle in trying to increase focus. It is about us taking on responsibility and saying this is our job, we are not running to or blaming Canberra and we are not putting our hands out, we are getting on with the job and increasing the level of focus.

**Ms ANDERSON:** What is the relationship between these Community Champions and the former Ginger Bread Men, and now the Geckos, in the communities?

**Mr GILES:** I do not think there is a relationship at the moment; I do not know if it will take off. That is a federal government role. They are important stakeholders in the process, but these Community Champions will be to drive reform from a Territory point of view.

I will not allow us to be reliant on Canberra for delivery of services to Aboriginal Affairs. We are stepping up to the mark and taking responsibility. The Territory has not taken that on before in any government.

**Ms ANDERSON:** I ask because, as you know, these people have been on the ground for the last seven or eight years and they might have collated a lot of information in that time. It is important. Instead of your Community Champions going in - because they will not know the community people or the problems there, but these people have been on the ground so it is good for the coordination process.

**Mr GILES:** That will happen. That is 101 in stakeholder consultation.

#### **OUTPUT GROUP 15.0 – OFFICE OF ABORIGINAL AFFAIRS** **Output Group 15.1 – Office of Aboriginal Affairs**

**Madam CHAIR:** The committee will now proceed to Output Group 15.0, Office of Aboriginal Affairs, Output 15.1. Are there any questions?

**Mr VOWLES:** Yes Madam Chair. In my view and in Labor's view also, two years in government to realise you had to do more to focus and coordinate government services ...

**Mr GILES:** Kenny, do not get political.

**Mr VOWLES:** I am just laying it down. To support economic development in our communities - I know Shaun Hardy was doing some work. What happened to that work? Are you using some of that work? It was around government expenditure in five remote Indigenous communities. If I could get an update on that ...

**Mr GILES:** Member for Johnston, when we are talking about something important and providing good answers you try to get political. Let us just look over time; it has not been three years yet since the change of government, and what have we done? We have done a review of the toxic Labor shires which you put in place ...

**Mr VOWLES:** I said two years not three.

**Mr GILES:** ... and which completely undermined the Aboriginal voice in the Territory. We developed a discussion paper and put it out for consultation to change shires to regional councils, break up the Victoria Daly Shire to be two councils, and put in place 63 local authorities. In my opening statement I spoke about the funding for those local authorities and their operations through the regional councils. I spoke about many changes in projects.

With Aboriginal Affairs, I think you should look at things we have done because enormous things have been done. The change to procurement for government contracts has seen a 16% to 19% increase in Aboriginal employment in some of the tenders going out, the procurement policy and the desired increase

from 8% to 16% by 2020 for Aboriginal employment within the public service, and the commitment for 2000 additional jobs by 2017 in the private sector are all things your government failed to do.

The whole time we have been putting these reforms in place ...

**Mr VOWLES:** Was this the work by Shaun Hardy? I asked a specific question.

**Mr GILES:** The whole time we have been putting these reforms in place we have fought Labor, which has been targeting the Tiwi Islanders forever and a day.

**Mr VOWLES:** Madam Chair, I asked a direct question and I need a simple answer. That is all I ask.

**Mr GILES:** If you want to start getting into politics I am happy to play the game, member for Johnston.

**Mr VOWLES:** It was not about politics; I asked if the work was done by Shaun Hardy.

**Mr GILES:** I am also happy to talk about what we are doing to make improvements.

**Mr VOWLES:** Are you using that work for anything? Were any results achieved? Are the results available? How has the work informed the development of government coordination of Indigenous services?

**Mr GILES:** Everything is taken on board.

**Mr VOWLES:** Thank you, Chief Minister. In 2014 you allowed the National Partnership Agreement on Remote Service Delivery to expire with no replacement federal funding to improve access to government services for the residents ...

**Mr GILES:** What national partnership?

**Mr VOWLES:** ... of our remote communities. What government services have stopped or been reduced in our key remote townships following the end of that partnership, if any?

**Mr GILES:** Can I ask a clarification question? Did you write this question?

**Ms FYLES:** We are questioning you.

**Mr GILES:** I know you did not. What national partnership?

**Mr VOWLES:** Is there anyone in the Northern Territory monitoring the situation and ...

**Mr GILES:** Hang on, member for Johnston. What national partnership?

**Mr VOWLES:** ... has there been any decline in government services in our bush towns? I am going towards the fact that with the federal government there has been talk about \$155m taking over coordination ...

**Mr GILES:** Member for Johnston, you are showing your ignorance here. What national partnership agreement are you talking about?

**Mr VOWLES:** I am asking the questions, Chief Minister. I have just asked for a really simple ...

**Mr GILES:** I am asking for clarity.

**Mr VOWLES:** I have asked has there been any reduction in key remote townships following the end of the partnership agreement?

**Mr GILES:** Let me provide a bit of clarify for you. National Partnership Agreements are coordinated through the Department of the Chief Minister. If you had a question about it, it should have been through that department. You could have also asked questions in regard to your shadow portfolio of Central Australia, but you failed to turn up.

**Mr VOWLES:** I am happy to move on to the next question, because he is saying I am in the wrong portfolio area. I am more than happy to move on to the next question. These are important. We do not need political grandstanding.

**Madam CHAIR:** Chief Minister, are you finishing your comment?

**Mr GILES:** In relation to your question about the expiring National Partnership Agreement in 2014, I am keen for you to advise me which one you are talking about. Has somebody put a question in front of you which you do not understand and are unable to clarify?

**Mr VOWLES:** You are not going to answer the question so I am happy to move on to the next question because I have many. Why did the NT government apply for federal Indigenous Advancement Strategy grants, reducing the pool available for community groups, and what funds did the NTG receive?

**Mr GILES:** We applied for the same grant you applied for when you were in government.

**Mr VOWLES:** What did you receive funding for?

**Mr GILES:** It falls into various agencies. You would remember from when you were adviser to the former Minister for Parks and Wildlife, the previous member for Stuart Karl Hampton, a range of agreements were in place between the Territory government and the federal government regarding funding for a range of things. Off the top of my head, correct me if I am wrong, your government refused to employ Aboriginal people in the public service to a point where unless you got a \$5m grant through the federal Employment department you would not do it.

**Mr VOWLES:** That is not correct.

**Mr GILES:** The Territory government had a range of contracts when you were a senior adviser to a Cabinet ...

**Mr VOWLES:** You received funding for the Learning on Country Program - I can answer that.

**Mr GILES:** Hang on a second.

**Mr VOWLES:** And the justice service.

**Mr GILES:** Madam Chair, can I answer this question?

**Mr VOWLES:** You are not. You are saying we did not employ Aboriginal people, which is a lie.

**Mr GILES:** Can I answer the question. I have been asked a question. There have been a number of contracts between the Territory government and the federal government on a range of service delivery. I remember the former member for Arnhem making a big noise about a contract to employ around 300 people in local government, which was coming to an end when the previous Labor government was in. That was reinstated. These contracts fall into the same purview as those.

**Mr VOWLES:** What is your time table for development of a new Aboriginal Affairs procurement and remote economic development framework policy listed in Budget Paper No 3, page 265, as a new measure?

**Mr GILES:** We already have our remote procurement policy. It has been operational for a while.

**Mr VOWLES:** Who did you consult with?

**Mr GILES:** Lots of people.

**Mr VOWLES:** Can you give me more than that?

**Mr GILES:** Do you want stakeholders? The building industry, the construction industry ...

**Mr VOWLES:** Yes.

**Mr GILES:** Chamber of Commerce, Department of Infrastructure all of those people, there are a few.



**Mr VOWLES:** Are you happy to provide that further, who you consulted with more than that?

**Mr GILES:** No, not really. When you come up with policies you consult with many people all over the Northern Territory. You consult with people around remote contracting. We spoke to many different land councils over the years, individuals, businesses, industry stakeholders - it lead to us forming a policy. The policy is delivering more jobs for Aboriginal people, especially in regional and remote parts of the Northern Territory which is a good thing.

**Mr VOWLES:** Over what time frame did you consult?

**Mr GILES:** I have been working in this area for nearly 20 years, so I would say 20 years.

**Mr VOWLES:** I have been Aboriginal all my life. Is there a time frame you have been working on with this policy?

**Mr GILES:** When you are a senior adviser to a former ...

**Mr VOWLES:** I have asked a question it is really simple. As I said to the staff, we need to get through this so I can get some answers and ask more questions. People want to hear about this area. I am asking for a bit more information. Was there a time frame around this policy development and who did you consult with? Just a bit more detail, please.

**Mr GILES:** The real question is, when you were a senior adviser to a former Cabinet minister, why did you not come up with any policies such as this to drive change and reform.

**Ms FYLES:** You cannot even answer the question.

**Mr GILES:** It has nothing to do with budget estimates. Grow up, member for Nightcliff.

**Ms FYLES:** That is your favourite line.

**Mr GILES:** Because you are immature in all aspects.

**Mr VOWLES:** I am happy to move forward. Which minister of your government is leading the Northern Territory government's negotiations with the Australian government in respect to the Australian government's offer of \$155m lump sum?

**Mr GILES:** I am.

**Mr VOWLES:** Are you negotiating essential service and homelands? Is there a time frame for the federal government, or are you working through that?

**Mr GILES:** That is a question you should have put to me in the output areas under the Department of the Chief Minister because that is where all the National Partnership Agreements are done. That is where they have always been done. Nothing is new; nothing is hidden. It is where they are always done. I am just letting you know.

**Mr VOWLES:** I appreciate that. In the interest of Aboriginal Affairs in the Territory, are those negotiations ...

**Mr GILES:** I am interested in good governance and process within the Northern Territory. National partnerships are always done throughout the Department of the Chief Minister and the relevant agency in Canberra.

**Mr VOWLES:** Will you be leading or participating in policy work looking at viability of Indigenous remote communities and those services?

**Mr GILES:** Yes.

**Mr VOWLES:** Will that be coming out of the Chief Minister's department, not the office of Aboriginal Affairs?

**Mr GILES:** No, you asked who will be leading it. I will be leading it.

**Mr VOWLES:** You will be leading it, but will the office of Aboriginal Affairs be working with you on that? Will you be supporting them?

**Mr GILES:** I hope they do.

**Mr VOWLES:** That is all I am asking, so I do not get it wrong next year. I will make a note right now, Chief Minister, that if I need to come to DCM I will.

**Mr GILES:** Let me explain. When an agreement of this nature is made between the Territory government and the federal government, it is coordinated through the area in the output groups in terms of Strategic Policy Coordination and Advice and Coordination under the Chief Minister's department. It has always done that. Whether that is a National Partnership Agreement on Health or a National Partnership Agreement on Education, it all goes through there.

**Mr VOWLES:** Can you give us an update where those negotiations are or a time frame for when that decision will be made?

**Mr GILES:** I will be very happy to do that in the right portfolio area, but right now we have outputs on First Circles.

**Mr VOWLES:** On Aboriginal Affairs.

**Mr GILES:** You did not turn up for Central Australia either, Kenny.

**Mr VOWLES:** Aboriginal Affairs - I am asking about \$155m taking over the service delivery. That is obviously a very important question.

**Mr GILES:** I know you want those questions answered. That is fair and reasonable, but ask me in the right place. That is the process.

**Mr VOWLES:** A basic question that means a great deal to many people in remote Aboriginal communities and you are telling me I am in the ...

**Mr GILES:** You would think you would get it right if it is that basic.

**Mr VOWLES:** You just keep telling me I am in the wrong. I will tell people that I was asking the Minister for Indigenous Affairs about the \$155m from the Commonwealth to do a remote service delivery and he refused to answer because I was in the wrong portfolio area. Is that right? I am talking about Aboriginal people and you will not talk about it.

**Mr GILES:** That has nothing to do with it.

**Madam CHAIR:** The Chief Minister has - it is in the wrong output.

**Mr VOWLES:** I have finished in that area.

**Mr GILES:** You have to ask in the right output areas. You could ask a question in the right output area about the First Circles, about office of Aboriginal Affairs development grants ...

**Mr VOWLES:** I have questions, Chief Minister. It is obviously a very important issue to Aboriginal people in remote communities.

**Mr GILES:** If it was that important you would have turned up at the right time and asked the question.

**Mr VOWLES:** You are being pedantic about this. This is a very important issue. I hope you can behave and act like a Chief Minister and lead the Territory, and not be a petulant child telling me I am in the wrong area.

**Madam CHAIR:** Member for Johnston, that is enough. Are there any further questions on Output 15.1?

**Mr VOWLES:** No.

### Output 15.2 – Aboriginal Advancement

**Madam CHAIR:** The committee will now consider Output 15.2, Aboriginal Advancement. Are there any questions?

**Mr VOWLES:** You have announced in this year's budget an Indigenous economic development grant program. What will be your role and that of your office of Aboriginal Affairs in developing and administering that program?

**Mr GILES:** The role of the office will be to administer the program, put out the guidelines and identify processes on how to put money forward to some of those projects. My role will be to sign off on them.

**Mr VOWLES:** Just a bit more clarification around who will be eligible for the grants under that program?

**Mr GILES:** We are still working out the guidelines for that.

**Mr VOWLES:** How will applicants be sought, what are the priorities for investment, and who will make the final assessment decisions?

**Mr GILES:** Those areas are still under development.

**Mr VOWLES:** Will that be a public process, as in, calling for who wants to apply for these grants?

**Mr GILES:** We are still identifying the guidelines and processes for that program.

**Mr VOWLES:** You have previously said you have seen native title and the *Aboriginal Land Rights (Northern Territory) Act* as a barrier to development of Aboriginal land. Do you still think that is the case?

**Mr GILES:** It is not a barrier, but some of the processes need to be sped up to assist those traditional owners to carry out developments. That is not an attack on native title or land rights. It is one of the challenges traditional owners have in red tape and regulation. Working with land councils as key stakeholders to work out improvements and make it a more seamless process is a good outcome we can hope to achieve.

**Mr VOWLES:** Can you give an example of barriers that have denied economic development that you see?

**Mr GILES:** I am not in the habit of giving examples or naming people, for fear of putting those people in the spotlight. I am sure you know many people, as I do, who complain about these processes. I am not focusing on the past and looking through the rear vision mirror; I am looking through the windscreen so we can move forward and do things better.

**Mr VOWLES:** The next question is leading on to that. Do you think that allocation of ground water resources and scrapping the development of strategic Indigenous water resources create a barrier to participate in agriculture development on some Aboriginal communities specific to the Katherine region?

**Mr GILES:** No.

**Mr VOWLES:** What is around Aboriginal land rights, Chief Minister? You have come out on the public record in the media many times saying it is a barrier. Today you have said it is not a barrier so are you having a bet each way on that?

**Mr GILES:** No.

**Mr VOWLES:** What other communities or land councils have you approached offering the same level of support as your government, which have provided the Tiwi Land Council with economic development?

**Mr GILES:** Many; I have just named 13 communities, or regions, where we have put in place the Community Champions mob.

**Mr VOWLES:** Land councils? Have you had many discussions with them on this?

**Mr GILES:** I have had discussions with many stakeholders, including land councils.

**Mr VOWLES:** Thank you Chief Minister. I have finished in that output.

**Madam CHAIR:** That concludes consideration of Output 15.2.

### **Output 15.3 – Community Champions**

**Madam CHAIR:** The committee will now consider Output 15.3, Community Champions. Are there any questions?

**Mr VOWLES:** Chief Minister, in Budget 2014-15 you announced a new Community Champions Program to develop business opportunities. How will \$3.25m initially be allocated across the 13 communities targeted under this program? You touched on it in your opening statement, but is there a certain allocation?

**Mr GILES:** That will be broken up into grants, and the guidelines for those are still being determined. It is anticipated that it will be broken up over each of the 13 regions, then there will be a grants process on how to do that. It is an opportunity for the Community Champions to work with the local communities, or those regions, to identify priority areas which will help develop economic activity and create jobs at the end of the day.

**Mr VOWLES:** You are developing those guidelines, or have they been developed already?

**Mr GILES:** I just answered that question.

**Mr VOWLES:** Could you repeat it then please?

**Mr GILES:** Is that because you were not listening? The answer was yes.

**Mr VOWLES:** Excellent. And who developed those guidelines?

**Mr GILES:** I am not sure if you are listening to the answers that I am giving here. You just said am I developing and then you asked who is developing them.

**Mr VOWLES:** Who? Did you personally develop them, that is what I am asking.

**Mr GILES:** They are being developed at the moment. That is not what you asked.

**Mr VOWLES:** I asked who is developing them. Who is not listening? You or me?

**Mr GILES:** I will tell you who did not develop them: you.

**Mr VOWLES:** I am not in government. That is your job.

**Mr GILES:** We are developing guidelines so we can ensure there are grant programs to support these Community Champions to develop economic opportunities, initiatives and jobs in all areas of the Northern Territory.

**Mr VOWLES:** When you go to applications, will they be by invitation or will they go out to the public?

**Mr GILES:** They are yet to be determined because the guidelines are under development.

**Mr VOWLES:** When will those be finished?

**Mr GILES:** In relation to some of the grants programs operating around the purview of Aboriginal Affairs, there is a range of policies, principles and planning guidelines which have been put in place and the development of an ascertaining framework. We have worked closely with those in First Circles in identifying their priorities and the way they would like to see us developing things. Some of those things come under the grants program and others under the Community Champions aspect. There is a desire to get these grant models out straight away, even though we are not at 1 July. For me it is about taking time, chatting with people and getting the model right, ensuring we meet the needs and demands of those communities where people are seeking economic development.

Not everyone in the Northern Territory –I am talking here about Indigenous people - wants economic development and not everybody fully understands what that is, and some of the challenges it presents. For me it is about how we can support people and create private sector jobs. That is what is important. For some the process may be 15 or 20 years; for others it may be one year, but it would be great if it was six months. It is about taking our time to get the models right.

The Tiwi Islands have been very motivated in getting things done, but it takes a long time to do that. While there is a heads of agreement about signing leases on the Tiwi Islands, the leases have not been signed. It has been signed off by the Minister for Indigenous Affairs who has carriage of the *Aboriginal Land Rights (Northern Territory) Act* in Canberra, that being Northern Territory senator, Nigel Scullion.

These processes take time. Rushing out with a bunch of guidelines and advertising - we get a range of applications come in and I am sure people can adhere to the guidelines with money to go out, but the question is would things change? We need to make sure we have a process that supports economic development with a major eye on growing jobs in the future.

We will continue to work on those components for the guidelines to get those outcomes. I will not rush these things; I will not rush the Community Champions or the employment of staff. We are working through things systematically and methodically to ensure we get the right people in the right place at the right time to get jobs up and running. As we all know, people are consulted up hill and down dale, and they are made false promises with people are acting like seagulls flying in, leaving some business and taking off. It is about slowly achieving change for the longer term. That is what we are determined to do.

You repeat your question about the guidelines and they will be done in due course. We want to get the right model. In a lot of cases the right project may not be there yet in a specific community. It is about finding the right project that comes along and achieves the most outcomes. A good example is the work that can be done for the communities close to the Tanami Road. The more the Tanami Road is sealed the more people will be connected, the more business opportunities open up and the more we can start to work with people.

The opportunities in the member for Namatjira's electorate that will present themselves as \$25m is spent over two years to seal the Mereenie Loop. Many people in Hermannsburg who are interested in economic development are excited by the prospects of more tourists visiting. Downstream opportunities of development can occur, so it is probably fair ask if those opportunities are there right now or do they present themselves after the sealing of the Mereenie Loop?

We are working very closely on some of the opportunities in the early phase at Ngukurr, and we may be able to get some of the grants there earlier and hold some back in other communities. The overall infrastructure layout is not quite developed, which will see the downstream development of those jobs.

One thing I have been presented with on a number of occasions over a number of years is communities saying they want to build service stations. I am sure many people want a service station, but it is not always the right business model or the right location. You often need to increase passing traffic to ensure your trade is there so you can have a good level of impact on your variable cost versus your fixed cost to make your business model work.

I am not saying a big service station at Hermannsburg is the right way to go, but sealing the Mereenie Loop road is often seen by those in the tourism industry as the major economic driver for Central Australia, especially in the south western region of Central Australia. Maybe in time there will be more traffic and it could be a business model. However, a grant now might not be the right way to go for that business; it might be for later on. We will continue to harness all the information we have to make sure we get the model right to develop it into the future.

Look at what we are doing on Litchfield Park Road. I think it is \$28.5m going towards the sealing of that road, including the bridge over the lower Finnis River. There is also the \$10m or \$12m we are putting into infrastructure in the parks. That will see more people travelling between Darwin and Litchfield through Litchfield Park Road. The community along Litchfield Park Road now has a very good business opportunity. Having them come forward with procurement around construction of road infrastructure is something we may support which may advance things quite early. I think that works well.

We have spoken about Ngukurr in the past and the two bridges being built over the Wilton and the Roper River. We are working with our remote procurement policy framework, trying to set up a joint venture,

working intensively through the Community Champion, the CE of the Department of Business, to set up the business model with Yugul Mangi and the community there to create joint tendering for those bridges.

We also want to work with gravel extraction to provide the key ingredients to build bridges and roads there, and any potential savings could be put towards the road between Ngukurr and Numbulwar to improve the level of amenity for residents and visitors who drive that route. Any grant program or money that we need to put towards assisting a business case model or otherwise for that, I will seek to take advice and guidance at that point in time.

They are some of the things we can see coming from a grants management program.

**Mr VOWLES:** Thank you very much, Chief Minister. As I said, Labor always will support Indigenous economic development and opportunities throughout the Northern Territory.

**Mr GILES:** You fight it pretty hard, particularly on the Tiwi Islands. I think a former Labor minister flew to Singapore trying to stop development on the Tiwi Islands.

**Mr VOWLES:** In that answer you said you might roll out the Community Champions Program one by one, not as it comes out.

**Mr GILES:** No, I did not say that.

**Mr VOWLES:** You said there is a great project in Wadeye or somewhere else.

**Mr GILES:** The Community Champions Program will be rolled out at the same time and they are just starting. What I said was our level of investment in individual communities around opportunities will occur sporadically wherever those opportunities present themselves.

**Mr VOWLES:** I am still asking for a time frame of when the community grants paper will come out. Are we talking in the next three to six months?

**Mr GILES:** I anticipate it will be done within the next 15 months, definitely. It will be done before the next budget.

I say that with tongue in cheek, member for Johnston. It will be done in due course; we are working on it now. We do not want to rush these things; we want to get them right. When it is announced I am sure you will see it coming through a press release in your inbox.

**Mr VOWLES:** I am sure somebody will read it out to me.

**Mr GILES:** Clearly somebody is writing your questions for you, so maybe they will read that ...

**Mr VOWLES:** Maybe they should be writing your answers, but let us get back to it.

Will homelands residents be able to apply for these Community Champion grants and funding grants? Forgetting the guidelines, will they be considered?

**Mr GILES:** Wait until the guidelines come out.

**Mr VOWLES:** Surely you and the department are working on them now. We want everybody to have that opportunity.

**Mr GILES:** Yes, they are in progress. Let us not get stuck on a progress point.

**Mr VOWLES:** Regarding the CEO Community Champions, in your opening statement you mentioned who they will be; have they been given key performance indicators around their performance in this role?

**Mr GILES:** I had a meeting with all of them last Thursday morning and gave them some instructions about what I expect to see, that is, high-level community engagement with a vision of driving economic development and reform. Economic development is not something you can put in a box and say, 'These are the rules'. Economic development on a world scale is measured by advancements in economic, social, cultural and environmental progression, albeit combined with technological advances throughout society.

Putting that in writing about how it works, especially for each individual community, and recognising some of the challenges we face in the Northern Territory presents us at a different point. It is a real opportunity and a sense of freedom for these CEOs, or Community Champions, to set the agenda and work with people at the local level.

**Mr VOWLES:** Regarding those key performance indicators, you mentioned in one of your previous answers flying in and flying out, will they have a set ...

**Mr GILES:** I do not think I spoke about flying in and flying out.

**Mr VOWLES:** No, you were talking about people have been consulted up and down Aboriginal communities around that. Will your Community Champions go there, stay for a couple of days and have the relevant stakeholder meetings instead of just flying in and flying out?

**Mr GILES:** I anticipate as much.

**Mr VOWLES:** Will the public be open to this role, as in, are there indicators of what they are doing? Will reports be put out, will it be ...

**Mr GILES:** I anticipate that every time we have success Labor will get up and attack it like they have on the Tiwi Islands.

**Mr VOWLES:** I do not think that will be the case, Chief Minister.

**Mr GILES:** It has been the case to date.

**Mr VOWLES:** We will welcome any success in Aboriginal communities, economic development opportunities and employment.

**Mr GILES:** Member for Johnston, I think what you should do for the next two minutes is keep talking so that you do not allow us to get to the Tourism portfolio or allow us to sing the praises of how well we have done in that industry.

**Mr VOWLES:** Your Indigenous Affairs portfolio and the regional economic opportunities that our people will have always will be encouraged and supported by the Northern Territory Labor Party, and we will continue to do that.

With the CEO Community Champions are there any salary benefits or penalties for doing that extra role or is it part of their remuneration already?

**Mr GILES:** I am not going into individual CEO's remuneration, but you do not get paid extra for taking on this role. It is a responsibility of government under my guidance as Chief Minister in trying to drive reform to help Aboriginal people in the Territory.

**Mr VOWLES:** That is a great answer. That is all I needed to ask around that. It is part of their role and I appreciate that. I am finished with that.

**Mr GILES:** I will make a closing statement, thank you, Madam Chair.

**Madam CHAIR:** That concludes consideration of Output 15.3. Are there any non-output specific budget-related questions?

Chief Minister, if you would like to make your closing statement.

**Mr GILES:** Thank you very much to Mike Chiodo, the Chief Executive of the department, and Noelene for her support role today.

I thank everybody in the agencies and the CEOs who are involving themselves in the Community Champions framework.

Thank you also to all of those Tourism officials who helped prepare information for estimates around tourism today. It is unfortunate that Labor cannot get their house in order and get us to the tourism portfolio ...

**Ms FYLES:** If you had not wasted time shutting down estimates. We are happy to go on now ...

**Madam CHAIR:** Member for Nightcliff.

**Mr GILES:** It would have been very good if we got to tourism because we are kicking enormous goals in tourism ...

**Ms FYLES:** We are more than happy to stay in here and ask questions.

**Mr GILES:** ... and what is happening within 18 months is a significant shift in the tourism industry.

**Madam CHAIR:** Do you want to do tourism in one minute?

**Ms FYLES:** I am happy to stay for a while.

**Mr GILES:** A point of order, Madam Chair! Am I able to hold the floor and not be interrupted under standing orders?

**Madam CHAIR:** You are, Chief Minister.

**Mr GILES:** Thank you very much to those Tourism officials who have done such a good job in preparing for estimates, thanks for coming along today and for doing the preparation. It is unfortunate we did not get there, but the industry ...

**Ms FYLES:** You wasted 20 minutes shutting down estimates because you did not want to answer questions.

**Madam CHAIR:** Member for Nightcliff, you are already on a warning.

**Mr GILES:** The industry tilt towards tourism in the next 18 to 24 months has been well prepared and supported through this budget. It is one of the biggest budgets for Tourism we have ever seen, especially with infrastructure and the grants programs. I look forward to supporting the tourism industry.

I am not surprised Labor did not get there. We are kicking some amazing goals and will continue to do so.

**Madam CHAIR:** Thank you. That concludes consideration of outputs relating to Aboriginal Affairs. On behalf of the committee I thank the officers who assisted the Chief Minister today. That also concludes consideration of Tourism, because it is now 20 seconds to 5 pm.

**Ms FYLES:** Madam Chair, in consideration of the time we will put our questions through the written questions process for Tourism. They will be asked and we will hold the government to account.

**Madam CHAIR:** That is no problem. That concludes proceedings for today. The 2015 Estimates Committee public hearings will resume tomorrow, Thursday 28 May at 8.30 am. We will see you all bright and early with the Department of Primary Industry and Fisheries.

---

The committee suspended

---