

The Estimates Committee of the Northern Territory Legislative Assembly convened at 8.30 am.

**Mr CHAIRMAN:** Good morning, everyone. As Chair of the Estimates Committee of 2008, I formally declare open this public hearing of the Estimates Committee of the Legislative Assembly of the Northern Territory on this day, Tuesday, 17 June. I extend a warm welcome to everyone.

While this is the seventh year of the Estimates Committee process, and procedures adopted throughout the sittings have become accepted practice, there are a number of areas regarding the conduct of the public hearings I should place on record.

First, I table a copy of the resolution of the Legislative Assembly tabled 11 June 2008, which refers to the Schedule of the Appropriation Bill 2008 and related budget papers to this committee. The role of the committee is to now examine and report on the estimates of proposed expenditure contained in that bill. As in previous years, membership of the Estimates Committee is the same as that of the Public Accounts Committee. However, the terms of reference allow for other members of the Assembly to participate in the public hearings, provided that the composition of the committee never exceeds seven members. The membership shall always consist of three government members, three opposition members and one Independent member.

To assist Hansard, I will advise the membership of the committee at the commencement of every session. I will also acknowledge for the record when there is a change of membership of the committee throughout the hearings.

I also report that, at the first meeting of the Estimates Committee, the member for Port Darwin, Ms Kerry Sacilotto, was appointed as Deputy Chair of the committee in accordance with paragraph 8 of the Terms of Reference.

As with last year, the committee has accepted the Standing Orders Committee's suggestion that a minister should restrict their opening remarks to a maximum of five minutes. Members will be in a position to question the minister, or Speaker, on issues that may have been raised within the opening remarks. Where an issue can be directly related to a particular output within the budget, that matter can only be addressed through the process of the interrogation of individual output groups as they relate to the appropriate portfolios of the agency.

Representatives of the media are present during the hearings and are able to report and rebroadcast proceedings of the process, having obtained written permission from the Speaker in accordance with paragraph 32 of the Terms of Reference.

To clarify the operations of the committee over the next four days, I wish to advise that, in accordance with the resolution of the Assembly, particulars of proposed expenditure contained in the Appropriation Bill 2008 will be considered on an output group by output group basis and, within each output group, output by output. A total of 45 hours has been scheduled for ministers and agency officers to appear before the committee.

I take this opportunity to remind all members it is incumbent on them to maximise their time over the next four days so that all agencies are provided with a time frame which will enable thorough investigation of specific issues within their particular output groups.

The order of output groups is set out in the Schedule of Ministers Appearance, which has been provided to all members. Over the next four days of public hearings, we will work through this document as the agenda for the Estimates Committee.

It should also be noted that, to allow questions to be addressed to minister with principal administrative responsibility for particular portfolio areas, it has been necessary to set out the schedule so that it varies somewhat from the listing of agencies in Budget Paper No 3. Where a minister will be available for questioning on output groups that sit within other portfolios, these have been clearly identified in the schedule. I will be reinforcing the fact that questions regarding those particular output groups need to be addressed at the time the minister is appearing before the committee, as once an output group has been completed it will not be revisited.

The previously accepted method of allocating questions throughout the public hearings has worked well in the past and the same process will be adopted during these Estimate Committee

hearings. I propose to invite shadow ministers to ask their questions first followed by members of the committee, Independent members and, finally, members addressing electorate issues.

Procedures for dealing with Questions on Notice are contained in the Estimates Committee Information Manual 2008, copies of which are available at the back of the room. I take this opportunity to reinforce the importance of the process I will be adopting when a question is taken on notice. When a minister or the Speaker indicates they are unable to answer a question during the committee process, or they will provide an answer at a later time, I will immediately request the member who raised the matter to clearly and concisely restate the question. This will allow agency officers who are present to note salient points of the topic at the same time as the question is being relayed to the minister or Speaker. This process will also assist Hansard and the Committee Secretariat staff when they come to processing the formal question for the Chairman's signature. I will then ask the minister if he or she accepts the question taken on notice. If it is accepted, I will immediately allocate a portfolio specific number which will clearly identify that particular question. Agency officers and ministerial staff should take note of the question number and ensure it is clearly identified in any response tabled by the minister during the public hearing process or at some later date.

Half-hour meal breaks only are allowed for over the period of the public hearing. We will be breaking between 1 pm and 1.30 pm for lunch and 6 pm to 6.30 pm for dinner.

The schedule of questioning will be strictly adhered to. In the event that questioning of a portfolio concludes before the allocated time, the next minister will not commence before their scheduled time. There are many agency officers involved in these hearings and the last thing the Estimates Committee wants to be responsible for is a feeling of uncertainty as to when officers may be called to assist their ministers during the questioning process.

Witnesses should be aware that the evidence given to the committee is protected by parliamentary privilege. However, I also remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Legislative Assembly pursuant to the Powers and Privileges legislation. Officers should also be aware that when they are requested by their minister to provide answers to questions, they are not required to comment on matters of policy.

For the purposes of the efficient recording of *Hansard*, I request that ministers introduce those officials who are accompanying them at these hearings. As well, when a minister or the Speaker refers a question to an officer, that officer needs to clearly identify him or herself at the time for the *Hansard* record.

I thank the staff from the Legislative Assembly, including the Committee Secretariat who have already worked tirelessly behind the scenes to make sure the operation of the whole Estimates Committee process can be delivered in an effective and efficient manner.

I note that here on the panel, as well as me, we have the Leader of the Opposition, member for Blain, Mr Terry Mills; Mr Matt Conlan, member for Greatorex; Mrs Fay Miller, member for Katherine; Ms Kerry Sacilotto, member for Port Darwin; Alison Anderson, member for Macdonnell; and Mr Gerry Wood, member for Nelson.

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

**Mr CHAIRMAN:** The committee will now proceed with the consideration of the estimates of proposed expenditure for the Department of the Legislative Assembly in accordance with each schedule.

Madam Speaker, welcome. I ask you to introduce the officials who are with you.

**Madam SPEAKER:** Thank you, Mr Chairman. I introduce the Clerk of the Assembly, Mr Ian McNeill; the Deputy Clerk, Mr David Horton; the Chief Finance Officer, Ms Coralee Holland; and Mrs Vicki Long, Director Parliamentary Services.

**Mr CHAIRMAN:** Thank you. In relation to the proposed expenditure contained within the Appropriation Bill 2008, do you wish to make an opening statement with regard to the Legislative Assembly of the Northern Territory?

**Madam SPEAKER:** Mr Chairman, I am pleased to report that my department has achieved its program outcomes for 2007-08 within budget allocation, adjusted throughout the year to compensate for wage increases and variations to members' entitlements dictated by the Remuneration Tribunal Determination and Administrative Arrangements.

I reiterate that about half of the department's budget is considered non-discretionary; that is, the department has no scope to adjust this funding throughout the year to compensate other areas of operation with expenditure. Thus, the total discretionary funding is \$11.825m.

The major variations for 2007-08 and the revised 2007-08 estimates are outlined on page 38 of the Portfolio Budget Statement.

The increase in funding for 2008-09 of \$1.2m includes: \$133 000 for member-based salary adjustments; \$883 000 for repairs and maintenance; and \$80 000 for the increase in the Parliament House security contract.

Parliamentary sittings have maintained a consistent pattern again throughout the year with an average of nine hours per day for each sitting day; there were 34 sitting days. This has resulted in a less than 1% increase in operational and personnel costs for 2007-08. As such, the cost of production of the *Parliamentary Record* of about 3600 pages, which is 5.5 volumes, remains the same. Performance standards also remain high with the Question Time verbatim *Hansard* delivered within two hours of each sitting day, and the edited *Parliamentary Record* produced within four weeks.

As members will be aware, I have been keen to continue to improve our education programs and encourage members of the community to visit our parliament. During the year, I have been pleased with the response with a significant increase in visitors attending by way of the advertising and word-of-mouth campaign conducted. The use of part-time staff has minimised the cost of conducting tours, and the offer of morning tea during sitting days has done much to improve relationships between the parliament and the public on an informal basis. Visits by schoolchildren have been maintained, with some 50 schools visiting this year with a total of 2741 students.

One of the department's outputs is the Outreach Education program conducted by the Education unit. The Education coordinator accompanied me to the Tiwi Islands and assisted in the conduct of role plays on parliamentary procedure with students from Pularumpi school, Milikapiti school, the Catholic school, and Xavier CEC. In addition, teachers were provided with resource packs to assist in ongoing development of a parliamentary education program. A total of 160 students from 10 classes participated in the road show.

In May, two officers from the Parliamentary Relations and Education Unit conducted a comprehensive road show in the Katherine region. A total of eight schools - Bulla Camp school, St Joseph's College, Katherine School of the Air, Kintore Street Special School, Casuarina Street Primary School, Katherine High School, Clyde Fenton Primary School and Ngukurr CEC - participated in the road show. The Parliamentary Relations and Education Unit visited 29 classes with participation from 635 students. It was the first time that the unit has conducted Interactive Distance Learning (IDL) programs with Katherine School of the Air students. These programs require considerable planning and travel; however, the cost of each visit has been contained to \$5000 per trip.

Turning to the maintenance of Parliament House, I am pleased to report on the significant amounts of capital works, minor new works, and repairs and maintenance carried out during the year. With a budget of \$2.607m for minor new works and repairs and maintenance, a complete upgrade of the Parliament House security system has been undertaken including a new access control system and digital surveillance cameras. This work has been programmed to coincide with the cabling upgrade to the building where the projects were dependent on the improved cabling system. The department has provided considerable time and effort in managing the cabling project in concert with the Department of Planning and Infrastructure officers as the prime contractors. Where possible, additional painting and recarpeting has been carried out as each floor cabling upgrade is completed. Despite the inconvenience with relocation and removals of building occupants, the project has progressed extremely well and will be complete in September as planned.

A much-needed upgrade of the building's lifts has now commenced with Lift 1 due to be upgraded in this parliamentary year. Planning and funding has been made to complete the lift upgrade in the coming year.

The ongoing problem and continuing degradation of the Parliament House sound and vision system is well recognised and the project scoping for an upgrade of the system is now under way. This project is planned to be carried out during the 2008-09 budget year at an estimated cost of \$300 000.

As I previously advised, the age and presentation of this building is important to the image of the Northern Territory. As such, and with the funding available, my department will continue to focus on the building integrity and its appearance, including the surrounds to Parliament House.

Quarterly statements and monthly financial statements continue to be provided to members to ensure accuracy and transparency of the administration of members' entitlements under the provisions of the Remuneration Tribunal Determination. Members will also be aware of the annual audit of members' travel which confirms the accuracy of the schedule of members' travel and telephone usage, which is tabled during the first sittings of the calendar year.

The surveys conducted by the Parliamentary Services Unit have been beneficial in meeting performance requirements for members, and a further survey is planned during 2008-09 to be conducted by an external consultant.

On Thursday last week, I tabled the department's 2008-09 Portfolio Budget Statement which continues to provide detailed information on output and sub-output level across the department. This document has proven to be a useful management tool and continues to be refined over time with the experience gained with its use and level of information. I draw the committee's attention to the document which I will refer to from time to time during the hearing.

Mr Chairman, I take this opportunity to thank officers of my department for their work over the year and, in particular, their preparation for this Estimates Committee process. I am now happy to take questions in relation to the resource allocations and expenditure for 2007-08, and the forecast for 2008-09.

**Mr CHAIRMAN:** Thank you, Madam Speaker. Are there any questions relating to the statement?

**Mr MILLS:** Thank you, Mr Chairman. Good morning. On behalf of the opposition, I say how much we have appreciated the support we have through the Legislative Assembly. I take particular note of the education community and the outreach work. That is a very important role and I am pleased to hear that go from strength to strength, not to mention the meals keeping us together and talking to each other - a bit of sanity in the place.

There is one thing, Madam Speaker, in your report that I did not quite catch. You made reference to an external consultant. It was towards the end. I am not sure if it was Parliamentary Services or ...

**Madam SPEAKER:** Mr Chairman, do you want me to answer that?

**Mr CHAIRMAN:** Yes. I will not be intervening.

**Madam SPEAKER:** You do not wish me to go through you?

**Mr CHAIRMAN:** I will take it that everyone is. If there is a need to step in for a point of order or something, then I will do that. Or, if you think a question is inappropriate, you can refer that to me.

**Madam SPEAKER:** I was just using the usual practice of speaking through the Chair, Mr Chairman. I will speak through you. Because I am the Speaker, I am very fixed on rules.

**Mr Mills:** Leading by example.

**Madam SPEAKER:** Thank you very much for the question, and thank you very much for the compliments to my department. I believe that my agency does everything it can to support members in their work.

The matter you are raising relates to a consultancy about services provided to members and was distributed to each electorate office and to each member. I will ask Mrs Long to respond to that. Is that what you ...

**Mr MILLS:** I am not sure. It is just that there was a lot of information in your report. I thought you may have been forecasting an external consultant to do something.

**Madam SPEAKER:** No, I was not. However, each year we do have a survey of members about how they feel particular services are being delivered. That was what I was referring to.

**Mr MILLS:** Okay, that is fine.

The cabling works, Madam Speaker. Are you able to provide a bit more of a detailed brief on what was expected, where we are at now, and where do we expect to be and when?

**Madam SPEAKER:** What was expected was that it would be a lot better than it is at the moment, Leader of the Opposition. As you would be aware, the building was completed in 1994 and, as a result, we are currently using very outdated ICT cabling in this building. There is a \$6.5m project which is being undertaken for the department by Infrastructure and Planning. Sitzler Bros won the tender for this program. As I understand it, we are on target to be finished by the end of September. At this stage, Levels 5 and 4 have been completed, with all of the other floors intended to be finished by the end of September.

**Mr MILLS:** Right. There are no variations to the contract? Are there any variations at all?

**Madam SPEAKER:** No, there are no variations to the contract.

**Mr MILLS:** Okay. I take this opportunity to ask: what will be improved as a result of all this? It is one of those remarkable bits of work where so much happens and, when it is finished, you cannot see a thing. What evidence will there be for those who visit this building as to the return on that \$6.5m?

**Madam SPEAKER:** It is a very good question, Leader of the Opposition. I might ask somebody who knows a bit more about ICT than I do. I believe it will actually mean that we can have more computers in offices without as much difficulty and, if you move around in your office; that things such as audiovisuals - if we were going to have another APEC conference in the main hall - we would not have to have cables everywhere. There are special things now in the main hall that would make that a much simpler process. In the Chamber, it will mean also an update of audiovisual capacity in there, and with the upgrade of the sound and vision system, that would also be better. I will pass on to Captain Horton to respond.

**Mr HORTON:** David Horton, Deputy Clerk. Further to Madam Speaker's answer, the issue of data flow has always been a problem in the building. Members may be well aware that the system tends to slow down at significant times during the day through the heavy usage. The decision was made, well over a year ago now, when the upgrade became necessary and, in consultation with DCIS and DPI, and providers around town, it was agreed that the best solution was to upgrade the cabling to Category 7 cabling. I am not a technician, but I think the original cabling was known as Token Ring and it was about Category 2 or something, so that is the subtle difference.

The ability of the Category 7 cabling is that all the systems within the building can actually run off the same cabling. This building has a number of systems, such as the security systems, the Building Management system, and so on, and the ability to operate off one cable simplifies the whole process. It has been quite a challenge putting the cabling in, and that has necessitated quite significant intrusion into the building fabric. The work being done now, hopefully, when it has to be done, perhaps in 10 or 20 years' time, will make it a lot easier. That is the whole basis of upgrading the cabling to what is, I am told, the best standards that are available in today's IT environment.

**Mr MILLS:** Thank you. I have heard the same things and I have great faith as well, but is it working? We have moved back to the fourth floor, the fifth floor has moved back in – is it working? Is it living up to the expectations?

**Madam SPEAKER:** Leader of the Opposition, I would have to say that I am not in an area which has been upgraded yet. I will pass on to Captain Horton.

**Mr HORTON:** If I could just add to that, my understanding is, not that you can physically see anything as you say, but I have had feedback that the data rate, or the flow, and the freeze-ups and things that occur have been minimised. I suspect the proof of the whole thing will be when it is fully completed. We have somewhat of a hybrid system at the moment, where some floors are still operating on the old cabling, and there are some changeovers through the communication areas that are set up around the building, that eventually the whole system will be operating on the same cabling. I am afraid at this stage, I cannot quantify that change.

**Mr MILLS:** Okay, thank you. I would like to go to environmental issues. Are you keeping an eye on the use of electricity in the building, and how are we tracking?

**Mr CHAIRMAN:** I remind everyone that we are just referring to the opening statement at this stage. Output groups will be done according to how they appear in the schedule. I am not sure, but if you are happy to answer at this time, then I am happy to let it go, but it can also come in under Output 1.3, Building Management Services.

**Madam SPEAKER:** I am happy to take it now if that is easier.

**Mr MILLS:** And then if another member wishes to elaborate on this I guess it will be fair then if ...

**Mr CHAIRMAN:** I am happy to be questionable in the approach ...

**Mr MILLS:** Good point.

**Madam SPEAKER:** Thank you, Leader of the Opposition, for that question. Yes, the Parliament House is considerably aware of environmental impact and has been involved with the Greenhouse Challenge Project of the Commonwealth. It has been participating in this project through providing annual data on energy consumption data. Also, the Northern Territory Energy Smart Building Policy: the Legislative of Assembly provides data for the Department for Planning and Infrastructure for inclusion in the annual Building Energy and Greenhouse Project.

It is also involved in the Energy Efficiency Project which is being conducted by the University of Sydney. The Legislative Assembly is participating in the National Energy Efficient Project titled Low Energy High Rise being undertaken by the Warren Centre in Sydney University. The project is studying the energy efficiency practices in key buildings and developing low-cost measures to improve energy efficiency. A survey was completed in May which is the first stage of the project. The Legislative Assembly is also contributing, as required, to the Northern Territory government's Climate Change Policy which is to be published in February 2009.

An energy audit was undertaken in 2004 and the majority of recommendations have been implemented. These included light sensors, low energy bulbs, timer switches and improvements to the Building Management System to incorporate control timing of the airconditioning. The Department of the Legislative Assembly has exceeded the 1.5% reduction target for energy intensity set for 2006-07 achieving a reduction of 11.37%. Seventeen of the 23 facilities in the department's building portfolio reported a reduction in their energy intensity compared to the baseline year. The reductions reported in most of the electorate offices in the Northern Territory varied from 4% to 34%.

Parliament House is the largest energy consuming facility in the agency's building portfolio and, as such, dominates the results. The installation of low-load chiller facility in 2004-05 continues to contribute to the reduction in energy consumption and intensity at the facility. Energy management at Parliament House was further improved with a provision of separate airconditioning for the Parliamentary Education Office, dynamic control of outside airconditioning to the number of people in the building, and a cooling tower controls upgrade.

Other measures included those implemented in response to the energy audit and which included light sensors, low energy bulbs, timer switches and the improvements to the Building Management system.

In 2008-09, it is proposed that the Legislative Assembly's Energy Management Group will also be considering a range of ongoing energy management including environmentally green workplace in 2008-09. The energy management focus will also be expanded to include water and consumables such as paper.

**Mr MILLS:** Thank you.

**Mr CHAIRMAN:** Does this conclude your questions in the opening statement?

**Mr MILLS:** Yes, it will conclude my questions on the opening statement. Thank you.

**Mr CHAIRMAN:** Are there any other members who have questions? No?

The committee will now proceed to consider the Estimates of Proposed Expenditure contained in the Appropriation Bill 2008 as it relates to the Legislative Assembly of the Northern Territory. Once again, the Assembly has provided additional information to that provided in Budget Paper No 3 in form of the Portfolio Budget Statement of 2008-09 which was tabled during last week's sittings. It maybe worthwhile for members to use that document as a reference in their consideration of the Assembly's estimates.

#### **OUTPUT GROUP 1.0 - PARLIAMENTARY SERVICES** **Output 1.1 – Assembly Services**

**Mr CHAIRMAN:** I will now call for questions on Output Group 1.0, Parliamentary Services, Output 1.1, Assembly Services. Are there any questions?

**Mr MILLS:** The question relates to services to the committees. I note in the document before us there is a calculation of the level of service in proportion to each of these committees. As we speak now, is this accurate or have there been some variations from the time this was put together?

**Madam SPEAKER:** Mr Mills, can you just tell me which page you are looking at?

**Mr MILLS:** Yes, it is on page 16, the explanation of major variations.

**Madam SPEAKER:** And you are asking ...

**Mr MILLS:** Further investigation of these variations and what we have outlined there on page 16 where it refers to the amount that is used to run the committees being a pool. But what you have there is PAC, \$8200; Substance Abuse committee, \$32 000; and so on. Is this accurate from the end of the financial year or is this an estimation?

**Madam SPEAKER:** It is estimated until the end of June.

**Mr MILLS:** Oh, it is an estimation until the end of June, right. From the time of putting these figures together, have there been any significant variations?

**Madam SPEAKER:** No, there have not been, Leader of the Opposition.

**Mr MILLS:** How many reports have been presented/tabled from these committees? It may help if I am a little more accurate. It is the reports that have been published in the House.

**Madam SPEAKER:** We are just locating the information. As this is taking a fair amount of time I will take it on notice. We do actually have the information here.

**Mr CHAIRMAN:** That is all right, Madam Speaker. When you have found it you can inform us. If I could just ask the Leader of the Opposition for the purposes of *Hansard* to restate that question?

**Mr MILLS:** Mr Chairman, I seek the number of reports that have been published and tabled from each of these committees.

**Mr CHAIRMAN:** Can I just clarify: the number of reports presented/tabled in the Assembly?

**Madam SPEAKER:** I understand the question.

**Mr CHAIRMAN:** If we have a response, we will not take it on notice. I will just ask you to restate your name prior to answering.

**Mr HORTON:** In October 2007, the Substance Abuse committee tabled a report, and the other one was the Environment committee report which was tabled just recently. The only other comment was an interim statement by the Sport and Youth Committee.

**Mr MILLS:** I think there was also a report by the PAC.

**Mr HORTON:** Sorry, in addition, the Public Accounts Committee report.

**Mr MILLS:** Thank you. What is the cost of the Substance Abuse committee report? The cost of that report to the public?

**Madam SPEAKER:** The cost of printing the report was \$16 972.

**Mr MILLS:** Okay, thank you. How many copies were published?

**Madam SPEAKER:** I am sorry, I do not have that information. I will take that on notice.

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#### Question on Notice No 1.1

**Mr CHAIRMAN:** Can I ask that the Leader of the Opposition, for the purposes of *Hansard*, to restate the question.

**Mr MILLS:** The number of reports published by the Substance Abuse committee.

**Mr CHAIRMAN:** Madam Speaker, are you prepared to take that question on notice?

**Madam SPEAKER:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 1.1.

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**Mr MILLS:** The same for the Environment and Sustainable Development committee, the cost of the publication?

**Madam SPEAKER:** \$1200.

**Mr MILLS:** And how many?

**Madam SPEAKER:** I am unable to answer that, but I will take it on notice.

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#### Question on Notice No 1.2

**Mr CHAIRMAN:** Okay, could I ask you to restate the question for the purposes of *Hansard*?

**Mr MILLS:** How many reports have been published by the Environment and Sustainable Development committee?

**Mr CHAIRMAN:** Madam Speaker, are you prepared to take that on notice?

**Madam SPEAKER:** Yes.



**Mr CHAIRMAN:** I allocate that question No 1.2 for *Hansard*.

**Mr MILLS:** Thank you. I have a question about vehicles. Does that come under this category, Assembly Services, or Output 1.2, Members and Client Services?

**Madam SPEAKER:** Output 1.2.

**Mr MILLS:** Okay. I will leave it until then.

**Mr CHAIRMAN:** Is that is the end of your questions on Output 1.1, Leader of the Opposition?

**Mr MILLS:** Yes.

**Mr CHAIRMAN:** Are there any other members who have questions on that output group? Member for Nelson.

**Mr WOOD:** Good morning, Madam Speaker.

**Madam SPEAKER:** Good morning.

**Mr WOOD:** Welcome to another exciting week. Most of the 2007-08 Portfolio Budget Statement and 2008-09 have, in their opening dot points under Strategic Issues, on page 6, the statement:

*Ongoing requirement to modernise parliamentary practices and procedures to conform with contemporary practices and public expectation ...*

Madam Speaker, could you say what procedures we are looking at to modernise our parliament?

**Madam SPEAKER:** Member for Nelson, what we are talking about here is the upgrading and reviewing of the Standing Orders of the parliament, plus other procedures within the parliament. Also, the upgrading of the sound and vision system which will make a huge difference, as we notice today, to members being able to hear, particularly in debates, but also to visitors to the parliament as well.

**Mr WOOD:** Are we looking at changing procedures? I see the statements there that, basically, you changed the hours to be more family friendly. However, I just wonder, sometimes. We start at 10 am and most people start work at 8 am. I am not saying we do not start work at 8 am elsewhere, but I wonder whether we look at hours to reflect what the community works in the sense of when you are on the job. Is there any talk about changing that, or increasing things like Question Time, which I always think is a very valuable part of procedures in parliament? Are any of those things being looked at?

**Madam SPEAKER:** Member for Nelson, those are matters for the Standing Orders Committee. They are the sort of things that should be brought to the attention of the Leader of Government Business, in her role as the Chair of the Standing Orders Committee.

**Mr WOOD:** In relation to recording of what happens in parliament, why cannot we simply have both radio and television broadcasts every hour of every day that parliament sits?

**Madam SPEAKER:** My department is looking at the upgrading of the sound and vision system of Parliament House. We are looking at that being available should the Standing Orders Committee decide that that is the appropriate way to go. A proper scoping of sound and vision requirements to develop options is being undertaken.

**Mr WOOD:** Madam Speaker, from a philosophical point of view, could you say whether you support the idea that parliament should be able to be broadcast for every hour that it sits?

**Mr CHAIRMAN:** If you wish to answer that, Madam Speaker, that is for you. I remind members that this is about budgetary allocations as forecast.

**Mr WOOD:** Mr Chairman, yes, that is exactly why we have accrual accounting because that gives us that ability to question government policy. The issues that are raised in estimates are part of the portfolio.

**Mr CHAIRMAN:** You are not asking about government policy. You are asking for a personal expression of opinion by the Speaker.

**Mr WOOD:** Could I then rephrase the question?

**Mr CHAIRMAN:** Before we go on, I will come back to what I said at the outset. Madam Speaker, if you are happy to take that question, then I will allow it. If you prefer not to, then I will allow the member for Nelson to rephrase the question.

**Madam SPEAKER:** Thank you, Mr Chairman. The question obviously is out of order. As the Speaker, I can advise you that you are not meant to ask me for my opinion. However, I will make the comment that there is a reference before the Standing Orders Committee which has been referred to the committee by the parliament. The committee, which includes members who are here today, is looking at the whole issue of broadcasting and rebroadcasting. At the moment, as you would be aware, we have broadcasting only of Question Time and other important events such as the Opening of Parliament, but we have opened up our broadcasting brief to be able to listen to the entire proceedings of the parliament on the website.

**Mr WOOD:** In relation to the internal cameras in parliament itself, are they going to be upgraded to a digital-type?

**Madam SPEAKER:** Mr Wood, we have allocated \$300 000 towards upgrading the sound and vision system for Parliament House and yes, the cameras will be improved. I believe Mr Horton has some details.

**Mr HORTON:** The current cameras are analogue cameras. They are fairly old and sometimes throughout the building they literally black out. It is proposed to upgrade the cameras to the new digital type.

**Mr WOOD:** Thank you. There was a note in Budget 2007-08 in relation to an increase in relation to the catering services. I will start that question again. There was an additional spending for catering services of \$70 000 and that was shown as additional spending. Later on, it was shown as a reduction in funding. What was the reason for that?

**Madam SPEAKER:** As you will be aware, Mr Wood, we went from having one caterer and, then, there was a period where the department took over the catering service. That is how much it cost us to upgrade the kitchen and run the catering service, which is Speaker's Corner Café, for a period while we were waiting to get a new tenderer in place. That is what that is about. In the next financial year, it is not there because we were not running that service. We have a new tenderer in place, Karen Sheldon Catering.

**Mr WOOD:** That question should have gone to Management Services, sorry.

**Mr CHAIRMAN:** I will not let you ask it again.

**Mr WOOD:** I noticed that the strategic issues talks about 'continuing administrative support to the Statehood Steering committee to promote the benefits of statehood to all Territorians'. I believe there was an extra \$250 000 put in the budget to help that.

**Madam SPEAKER:** There is a total budget of \$600 000.

**Mr WOOD:** Is it the job of the Legislative Assembly to promote statehood, or is it the job of the Statehood Committee to promote statehood?

**Madam SPEAKER:** It is the job the Legislative Assembly to ensure it is administered properly. It does not have any role in its policy. Questions relating to that should be directed to the Chief Minister who has responsibility for that. We only have administrative responsibility for the money and assist them with staffing.

**Mr WOOD:** That may be true, but I did look at Output 1.0, under the sub-outputs in the Portfolio Budget Statement ...

**Madam SPEAKER:** What page are you talking about, Mr Wood?

**Mr WOOD:** Page 19 or page 20. I saw a difference between what was described as the role of the Statehood Steering Committee, which is under Assembly Services, and the actual objectives which seem to be slightly different. The strategic issues actually said 'continuing administrative support to the Statehood Steering Committee to promote the benefits of statehood to all Territorians'. So, it is not the job of the Legislative Assembly to be promoting statehood; they just provide the administrative resources for it to do that?

**Madam SPEAKER:** That is correct.

**Mr WOOD:** In relation to Hansard, it comes under this section, Mr Chairman. I must admit whilst I have great praise for the work Hansard does, there are times when I have difficulty getting information from the Hansard web page. Is there, from time to time, a review of the user friendliness of that web page? A review to see whether what has been put forward is the best possible model so it can be used as efficiently and easily as possible?

**Madam SPEAKER:** I believe we do review on a reasonably regular basis. If there are specific things we would be happy to try to address the issues you have as concerns.

**Mr WOOD:** There are a couple of examples. One is, when you click on the website and you look up, I think, Questions by Subject, you will get questions by subject, whether it is anything from gamba grass to equine flu, it will be marked under that. But, when you choose Bills by Subject, or Debates by Subject, you do not get that. You get a range of categories. Then you have to find out what you are looking for in another section. It seems that, where it categorises one thing under subject, it is a slightly different version when it comes to Debates.

Questions by Subject will clearly state what the questions were. Debates by Subject categorises the type of debate. So it could be a Message from the Administrator; it could be a Condolence Motion; it could be this and this and this. Then you have to go another site to find out where you were going. That might seem all right for people, I suppose, who know what is the system is about.

If it is a debate, I expect to see 'Debate' - what could it be a debate under? It could be under Statehood. So I would expect 'Debate – Statehood'. But it does not go that easily. It goes Debates, then Bills, it might go to Condolence Motions, it might have other things. It does not seem to me that it is necessarily uniform in the approach for anyone trying to find information.

Another area, believe it or not, in the last sittings of parliament, I wished to ask a question about gamba grass. I clicked on gamba in the search area, and I had a question that I had asked last year. But the question I already asked this year did not appear for some reason. Then, when I checked just before the sittings last night, all of a sudden it came up. In other words, there was a question last year that appeared through the search engine. This question this year, exactly on the same subject, gamba, which you would expect to come up again, would not come up. I found it simply by going to the date of the debate because I knew I had asked the question. I do not know whether it is because there are technical issues in getting all the information from the previous sittings, be transformed into another ...

**Mr CHAIRMAN:** Member for Nelson, I am going to have to butt in. Is there a question at some point?

**Mr WOOD:** I will give you an example, I believe that some of what we see on the web page needs looking at, and whether it is worth having an independent person look at that, to say, make it more user friendly? That is what I am looking at.

**Madam SPEAKER:** Mr Chairman, certainly, the issues you raised are significant ones. I would be happy to send out a letter to members and electorate officers asking for feedback on the website and their capacity to find things from Hansard. I believe there might be a differentiation between the *Daily Hansard* and the most current *Parliamentary Record* - those which have been completed. That may be why you were unable to find the reference you were looking at. I am

happy to find out about that anyway. I certainly consider the issues you have raised very important and I will commit to writing to members about it.

**Mr WOOD:** Thank you, Madam Speaker. Perhaps I need some training. It might be, for members who have some difficulty with trying to find the information, that we update ourselves with what is going on.

**Mr CHAIRMAN:** Any further questions?

**Mr WOOD:** I will leave mine until the next section.

**Mr CHAIRMAN:** Are there any further questions on Output 1.1?

**Mr MILLS:** Mr Chairman, I would like some clarification on the issue of statehood. I understand the administrative services that are provided to the support of the Statehood Steering Committee; however, the function of the promotion of statehood - wouldn't you say? - is the role of the parliamentary committee rather than, as I believe you indicated in your answer, the Chief Minister?

**Madam SPEAKER:** Certainly, within the budget of the Statehood Steering Committee there is money for the promotion of statehood. Is that what you mean?

**Mr MILLS:** I was confused by the reference to questions related to the promotion of statehood to be referred to the Chief Minister, when it is the purpose of the parliamentary committee, in a bipartisan way, to promote statehood, which is above politics.

**Madam SPEAKER:** I am sorry. I probably misunderstood the original question.

It is true that, in my role as the Speaker and as someone administering a department, I do not have any direct relationship between what that committee does and what my department does. In that sense, it is an administrative role in the same way that it is for all other committees. So, I am not directly involved with that. However, the Statehood Steering Committee has a budget of its own of \$600 000, and it does have significant money in there for looking at the promotion of statehood.

**Mr MILLS:** Thank you, Madam Speaker. Would you say that the Statehood Steering Committee is a creature of the Legal and Constitutional Affairs Committee, or a creature of the Minister for Statehood?

**Madam SPEAKER:** I will ask the Clerk to respond to that.

**Mr McNEILL:** Ian McNeill, Clerk of the Legislative Assembly. Mr Chairman, clearly, because of its terms of reference there is a direct relationship. Mr Mills is correct in stating that the Statehood Steering Committee is, effectively, a creature of the Legal and Constitutional Affairs standing committee. However, there has been developed a fairly intricate pattern of communications and interrelationships between the Minister for Statehood and the Chair and Co-Chair of the Statehood Steering Committee, and the Chair and members of the Legal and Constitutional Affairs Committee. There is also an agreement to communicate any formal communications between those various bodies through the Office of the Clerk, as a post office or as a broker.

If we could take that particular question on notice, we can provide a schematic representation of those relationships as they have been agreed to by all parties, and which were amended in a minor fashion with the change of portfolio arrangements made last year.

**Mr CHAIRMAN:** Are you happy for that?

**Mr MILLS:** I am happy for that to be tabled. There is a finer point in the midst of this. I seek the opinion of Madam Speaker ...

**Mr CHAIRMAN:** Without wanting to cut you off, can you we deal with the question on notice part and then you can come to the finer point. I do accept there is something else there you want

to get at. But, Leader of the Opposition, for the purposes of *Hansard*, would you restate that question?

**Mr MILLS:** The question is ...

**Madam SPEAKER:** It would be easier if we simply table that schematic rather than put it on notice?

**Mr MILLS:** Yes.

**Mr CHAIRMAN:** If you are happy with that, then that is fine with me.

**Madam SPEAKER:** We will table it for you. Yes.

**Mr MILLS:** The question is: who really is responsible directly for statehood? The schematic diagram may assist in that, but the next question ...

**Mr CHAIRMAN:** The basic question that that is going to come back to is: what is the relationship between LCAC, the Statehood committee, and the Minister for Statehood?

**Mr MILLS:** Yes.

**Mr CHAIRMAN:** That is the basic one which the schematic will answer.

**Mr MILLS:** Perhaps. It will illustrate how things are arranged.

**Mr CHAIRMAN:** I am trying to get the thinking of that on the record. If that is the basic question, we can do it that way and that ensures for the opposition that the information will be coming in a schematic, and I can then allow the Leader of the Opposition to proceed on his interrogation of this particular area. So, Leader of the Opposition, if you want to just restate that question for the purposes of having the schematic come back to this committee.

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### Question on Notice No 1.3

**Mr MILLS:** Well, it is not a question I actually asked, but I will ask now for tidiness. Could I please have a copy of the schematic diagram that describes the interrelationship between the Legal and Constitutional Affairs Committee, the Statehood Steering Committee and the Chief Minister?

**Mr CHAIRMAN:** Madam Speaker, are you prepared to take the question on notice?

**Madam SPEAKER:** Yes, I am.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 1.3.

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**Mr MILLS:** The nub of this is perhaps resolved by an opinion by the Legislative Assembly through Madam Speaker; that being, with the creation now of the Statehood Steering Committee and the development of relationships between the Minister for Statehood and the shadow Minister for Statehood, who has, obviously, a lesser role, would it be the opinion of the Speaker that the control of the statehood agenda has tilted more towards the political than the Legislative Assembly?

**Madam SPEAKER:** Leader of the Opposition, thank you for the question. However, I believe that it is not actually in my portfolio area. While I have administrative responsibility for those two committees in terms of making sure their budget is spent appropriately, I am not involved in any way with anything to do with policy aspects of those committees. So I am unable to answer that question. I ask you to refer that to the Chief Minister.

**Mr MILLS:** With respect, Madam Speaker, the role of the Legislative Assembly is more than just administration. It is the administration of the principles by which these matters are administered; that being, it is the role of the parliament to guard against any political intrusion

when it comes to matters that have been referred to the parliament, and the question of statehood has been referred to the parliament. So more than administrative, it is the administration of that principle. Is the question of statehood firmly in the hands of the parliament or, are you concerned in any way that the question of statehood is now being subject to increased political involvement through this new arrangement?

**Mr CHAIRMAN:** Madam Speaker, I will allow you the choice. My view as Chairman is you provided an answer to that on the previous question, but also that it is seeking a personal view. I will leave it your discretion.

**Madam SPEAKER:** The answer I gave before really covers this one. I suggest that, as a committee - and I believe you are on the Statehood Steering Committee, Leader of the Opposition - that if there are issues you are concerned about, you need to raise that with the committee itself. If you believe there is some form of political interference then that should be raised within the committee.

I have to say my role as the Speaker in relation to all committees is at arms length. For example, I am not aware, except committees to which I belong, of actual things that are happening in those committees. So it is very hard for me to make any comment on that. That is actually my role: to ensure that the administrative arrangements for committees such as the Public Accounts Committee, and the Estimates Committee, are happening appropriately. It is not my role to look at what that committee is specifically forming an opinion on.

**Mr MILLS:** As a means of clarification, it was really when the lines of communication between the different agencies were described, it raised the question: 'Who watches this to ensure it stays within the domains of parliament rather than the political?' Thank you, Madam Speaker. I am finished with that.

**Mr CHAIRMAN:** Are there any further questions in relation to Output 1.1? That concludes consideration of Output 1.1.

### **Output 1.2 – Members and Client Services**

**Mr CHAIRMAN:** The committee will now proceed to Output 1.2, Members and Client Services. Are there any questions, Leader of the Opposition?

**Mr MILLS:** Thank you, Mr Chairman. I am compelled to ask if any vehicles changed before the expected changeover date, Madam Speaker.

**Madam SPEAKER:** Yes, there have been a few vehicles returned. The member for Macdonnell's vehicle was returned earlier as the vehicle was unsuitable for travelling the rough terrain in remote areas in the member's electorate. There was no cost to the agency for its return. Member for Blain, you had a change of vehicle. You did not require a four-wheel drive and so you elected to return your vehicle earlier for a smaller vehicle.

**Mr MILLS:** I am still driving it.

**Madam SPEAKER:** You are still driving it? That is not the information ...

**Mr MILLS:** It is in the system, I understand.

**Madam SPEAKER:** The member for Nhulunbuy had a vehicle returned earlier as the vehicle was unsuitable for travelling around the rough terrain in remote areas in the member's electorate. The estimated cost for the early return was \$5000.

**Mr MILLS:** On the member for Blain, to be fair, what was the estimated cost?

**Madam SPEAKER:** It does not say. We are not aware of any cost.

**Mr MILLS:** Do you have a list of the type of vehicles that the members are driving?

**Madam SPEAKER:** No, we do not have that information here.

**Mr MILLS:** Is it available?

**Madam SPEAKER:** The type of vehicle? That is, specific information on each member's vehicle?

**Mr MILLS:** Yes.

**Madam SPEAKER:** I would be willing to provide a general list of the types of vehicles. For security purposes - this has been an issue in the past - we would not actually list specific details of each member's vehicles.

**Mr MILLS:** No, just the type.

**Madam SPEAKER:** Yes, the type of vehicle is fine.

**Mr MILLS:** Nothing more specific than the type of vehicle. I understand, from my own experience, a member can request a vehicle that is not on the list.

**Madam SPEAKER:** That is correct, but the member has to have a reason for requesting a specific kind of vehicle.

**Mr MILLS:** That is correct. I understand that. How many such requests have been made for variation?

**Madam SPEAKER:** I will pass to Mrs Vicki Long.

**Mrs LONG:** Vicki Long, Director Parliamentary Services. The Speaker has the power under the Remuneration Tribunal Determination and the administrative arrangements to approve a four-wheel drive for members if it is deemed to be required for operational purposes. The following members have an ongoing approval for a four-wheel drive based on their remote electorates: the members for Arafura, Arnhem, Barkly, Daly, Goyder, Macdonnell, Nhulunbuy and Stuart. Members provided with Speaker's approval for a four-wheel drive on an individual basis are the member for Casuarina who had a four-wheel drive approved due to his portfolio as the Minister for Primary Industry, Fisheries and Mines; yourself, member for Blain, approved due to your electorate commitments and ease of transport; and the member for Drysdale based on his position as Chairman of the Youth and Sport committee requiring visits to remote communities.

Members are entitled to vehicles that are listed under the government Executive Contract Officer 4/5 listing, or similar vehicle. So, should a member request a vehicle that is not actually on that specified list, we seek the advice of the Director of NT Fleet as to whether the requested vehicle is of the same standard as one of those vehicles. We are guided by NT Fleet. There have been some cases of that, but we do not have the details at the moment.

**Mr MILLS:** That will be sufficient. Thank you, Mr Chairman.

**Madam SPEAKER:** Mr Chairman, I have this schematic of statehood which I want to table.

**Mr CHAIRMAN:** Thank you, Madam Speaker. Are there any further questions on this output group? Before we continue, Madam Speaker, would you or any of your officials require a short few minutes? We have been going for a little over an hour now.

**Madam SPEAKER:** Mr McNeill indicates he would like a break.

**Mr CHAIRMAN:** With the indulgence of the committee, before we get on to the member for Nelson's questions, I will just say as quick as we can so that there is a very limited break in the questioning because it is not a formal break.

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The committee suspended.

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**Mr CHAIRMAN:** If we could reconvene, please? Member for Nelson, if you would like to continue your questions?

**Mr WOOD:** Mr Chairman, my question is in relation to travel. Recently, I travelled to the University of New South Wales and to south-east Queensland. I was told that the department would prefer my travel arrangements be done through a travel agent rather than me doing it through the web. Is there any reason that is a requirement and, if so, could you explain why?

**Madam SPEAKER:** Thank you, Mr Wood. I am not aware of that being a requirement. I encourage you to continue to book your fares over the web if you wish to do so. Some members choose to use a travel agent, but there is certainly no obligation. You can organise your airfares over the phone, via the Net, or via a travel agent. The department is merely there to assist you and should be able to book your fares, as well.

**Mr WOOD:** My understanding was that - and I do not know all the intricacies of how my fares are collated - it was easier for the department to - I do not know whether it was to collate what I had done - rather than me doing it myself. That was the information I got on that trip, and we actually booked it through Travelworld. Normally, I would have just got on the Internet and booked it myself. The advice I had from the department is that they would prefer me to do it through a travel agent.

**Madam SPEAKER:** Mr Wood, I am concerned that you have been given that advice because, as far as I am concerned, it is inaccurate. As I said, you can book your fares in any way that you choose to - either via the Internet, by phone, or you can use a travel agent. In relation to your travel, I will follow up that specific incident with the Travel Clerk. We have a new Travel Clerk, so there may be some confusion in the changeover. That is the only explanation I have. Certainly, you are not obliged to use a travel agent.

**Mr WOOD:** Thank you, Mr Chairman.

**Mr CHAIRMAN:** Member for Greateorex?

**Mr CONLAN:** Thank you, Mr Chairman. Madam Speaker, we were talking about vehicles before. Have you had to pay for any damages to members' vehicles and, if so, can you outline whose vehicles they were?

**Madam SPEAKER:** Member for Greateorex, unfortunately, we do not have that information here. We will have to take it on notice.

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#### Question on Notice No 1.4

**Mr CHAIRMAN:** Member for Greateorex, for the purposes of *Hansard*, would you kindly restate your question?

**Mr CONLAN:** Certainly, Mr Chairman. Have you had to pay for any damages to members' vehicles and, if so, whose vehicles were they?

**Mr CHAIRMAN:** Madam Speaker, are you prepared to take that question on notice?

**Madam SPEAKER:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 1.4.

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**Mr WOOD:** Mr Chairman, may I ask another question in this category?

**Mr CHAIRMAN:** If the member for Greateorex wishes to continue with his line, we will wait until he is finished.

**Mr CONLAN:** No, I have finished on vehicles. I have another question.

**Mr WOOD:** I have another question in relation to IT services after hours. For some reason, my computer seems to break down after hours, such as, all of a sudden, no password. That is what happened this weekend to me. I could not use my Internet from Friday to Monday morning, either at my electorate office or in parliament. For some reason, the password I had just been



given fell off the system. I used Webmail where I could. This has happened before. Is there some sort of process that a member can go through? Is there a number we can contact for emergency help? We are in the game of politics to some extent - well, to a large extent. We work on weekends. We look at putting out press releases and answering queries. Without that communication it is very difficult to operate. It has occurred on a number of occasions. I have not been able to get any assistance simply because I have no one to ring to help me fix the problem.

**Madam SPEAKER:** I am advised that the Help Desk does answer the phone on the weekends and so should be available.

**Mr WOOD:** Through the Chair, I have rung the Help Desk on the weekend. It might have been - I am not sure what day, but I did not get a response that would have enabled me to contact anyone. It was just like a recorded message. However, I may be wrong there.

**Madam SPEAKER:** I will pass that to Mrs Vicki Long, Director Parliamentary Services.

**Mrs LONG:** The Help Desk should be diverted to the Data Centre after hours, which will then take calls. If you have had that situation, then we can look into that for you.

**Mr WOOD:** Yes, that would be good. It is very frustrating if you cannot do your job, especially on weekends. Thank you.

**Mr CONLAN:** Mr Chairman, my question relates to members' electorate offices' expenses. Have there been any unbudgeted expenses incurred in relation to members' offices, or services to members, over \$10 000, or any single item valued at over \$10 000? If this has occurred, can you outline the nature of the expense incurred and to which member these expenses were related?

**Madam SPEAKER:** Can I clarify the question, Mr Chairman? Are we talking about electorate officers?

**Mr CONLAN:** Electorate offices.

**Madam SPEAKER:** Electorate officers?

**Mr CHAIRMAN:** No, the building, not the people.

**Madam SPEAKER:** So you are talking about repairs and maintenance?

**Mr CONLAN:** Yes, essentially.

**Madam SPEAKER:** Or, are you talking about ...

**Mr CONLAN:** Just expenses incurred in relation to the electorate office, so repairs and maintenance. Yes.

**Madam SPEAKER:** Sorry, they are quite different things. Expenses relating to the electorate office are quite a different thing to repairs and maintenance.

**Mr CONLAN:** Yes, Madam Speaker. I will re-read that question for you. Have there been any other unbudgeted expenses incurred in relation to members' offices, or a service to members, over \$10 000, or any single item valued over \$10 000? If it has, can you outline the nature of those expenses?

**Madam SPEAKER:** There are four electorate offices which have had expenditure over \$10 000. In the case of the electorate of Brennan, the electorate office had an expenditure of \$14 454 replacing the flooring throughout the office and repainting the office. The Daly electorate office was replaced with a new electorate office and it was \$176 337. The Greatorex electorate office: the construction of a kitchen, cupboards and repairs to reception desk plus repainting office was \$14 792. The Port Darwin electorate office: construction of additional storage facilities throughout the office was \$15 505.

**Mr CONLAN:** How many other electorate offices have been moved? You mentioned the Daly office.

**Madam SPEAKER:** No other electorate office has been moved.

**Mr CONLAN:** Mr Chairman, in relation to the Millner electorate office, in every likelihood it will cease to become Millner in the new electorate of Fong Lim. Is there any provision in this year's budget to move that office? If there is, or if there is not, can you explain why? Also will not such a move be the second move in just a few years for that office?

**Madam SPEAKER:** Member for Greatorex, you would be aware that the Redistribution Committee report only came down yesterday and that electorate is now quite different to the Fong Lim electorate. Whoever wins the seat of Fong Lim, as any member who wins the new seat and takes over an electorate office, has the right to approach the Speaker to have that office moved should that be required. In the case of a redistribution, where the electorate office is no longer in an electorate, that would certainly be a reasonable case for having an electorate office moved. There would be other things that would be taken into account, as well. For example, perhaps the member for Johnston may wish to move into that electorate office because the member's electorate has moved as well. These are not things I have discussed with anyone I should say; these are just comments. That would be the process.

**Mr CHAIRMAN:** Are there any further questions in relation to Output 1.2? That concludes consideration of Output 1.2, Members and Clients Services.

### **Output 1.3 – Building Management Services**

**Mr CHAIRMAN:** The committee will now consider Output 1.3, Building Management Services. Leader of the Opposition, do you have any questions?

**Mr MILLS:** Some information, if you have, any related to security and security breaches. Have there been any security breaches in the past financial year?

**Madam SPEAKER:** Could you give me more detail on what you mean by 'security breaches'?

**Mr MILLS:** I am glad you have asked for the clarification because I thought that could be quite a difficult one to answer with the changes that have gone on with the building, and those in the building having some difficulty knowing which lift you are allowed to use and which not. I am talking about outside intrusion. I just want to know that our system that has being put in place is protecting the parliament. For example, Question Time last Thursday there was a character who had an outburst. Have we had outside entry through our security system to the parliamentary precinct?

**Madam SPEAKER:** Leader of the Opposition, I am advised that there has being nothing that has compromised the security at all.

**Mr MILLS:** Good. I am happy with that. I will not going any further. It is testing the security itself by asking the question.

**Mr CHAIRMAN:** Any further questions in relation to Output 1.3? Member for Nelson.

**Mr WOOD:** Madam Speaker, in relation to security, in the 2007-08 Portfolio Budget Statement it said that this was a performance forecast: 'The security contract, which is a major input for this Output, is due to be re-tendered during 2007-08'. First of all, why was it re-tendered, and has the tender being completed?

**Madam SPEAKER:** Member for Nelson, it was three-year period contract and so it was re-tendered.

**Mr WOOD:** It does not mean it was a tender that had a mistake in it and could not be tendered for? Sometimes when a job goes out once and there are no successful people applying for that tender, they sometimes use the phrase it has being re-tendered. So it is not that?

**Madam SPEAKER:** No, it was simply that it had come to the end of the period of the contract which was three years and so it was re-tendered in the normal process.

**Mr WOOD:** Just some clarification, the Library Services that we have operating here, what is the arrangement? Do they pay a lease to operate there?

**Madam SPEAKER:** I will pass over to the Clerk.

**Mr McNEILL:** Since the time of the occupation of the building, the then government and the then Speaker agreed to the proposition that the Northern Territory Library should occupy the area which it now does. In doing so, they also took over what was then our Parliamentary Library Unit and absorbed that into the Northern Territory Library as it now sits in the Parliament House building. There has been no requirement over the years for the library to contribute anything by way of rent, or any financial contribution, to the upkeep of the building except for those particular items of their fittings and equipment that they are particularly responsible for. The Parliamentary Library Service, in turn, provides that research and reference capacity for members and their staff, again, free of charge. This is subject to a Service Level Agreement which is, from time to time, refreshed by both the Legislative Assembly and the Northern Territory Library.

**Mr WOOD:** Thank you. Madam Speaker, that was my second question: do we pay anything towards the Parliamentary Library Services, or are they just another function of the Northern Territory Library? That has answered my question.

In relation to the Gift Shop, is that also leased or is it run by a private body?

**Madam SPEAKER:** Mr McNeill.

**Mr McNEILL:** Historically, that area that is now occupied by the Craft Council Gift Shop was purpose designed and constructed to provide a sub-post office for the parliament. In the event of the conclusion of the construction of the building, it turned out that the then Australia Post Manager was more interested in selling tea towels and souvenirs than stamps and providing a mail or postal service to the parliament. The then Speaker decided that we could dispense with the offer of providing space for the Post Office and that craft shop facility was offered to the Craft Council, which has maintained it ever since on, effectively, a peppercorn rental basis.

**Mr WOOD:** Madam Speaker, in relation to the café - you may have answered some of that previously - we have had a change of management, I believe, in the last 12 months. Was there any reasons for the previous managers pulling out of operating the café and, if so, why?

**Madam SPEAKER:** I will get the Clerk to respond.

**Mr McNEILL:** After a process of seeking expressions of interest, the catering for the building was taken up by BJI - I think in October/November 2006. During the period of their occupancy, negotiations continued in respect of the conclusion of a lease with that organisation. That negotiation took place over an extended period of some 10 months when we were under the instruction and dealing with, as our advisors, the Department of Justice. In the event, a satisfactory conclusion of the lease was not able to be concluded, and negotiations for the conclusion of the lease proceeded, and their incumbency finished in October 2007. Since that time, we have sought and installed the new caterer, Karen Sheldon. The contractual arrangements with Karen Sheldon Catering have been concluded amicably under, again, the advice of the Department of Justice.

**Mr WOOD:** Ever since I have been in parliament, there have been a number of people run the café. I am just wondering whether there some intrinsic problems with trying to operate that café on a commercial basis?

**Madam SPEAKER:** Mr Wood, there have been, in the past, issues to do with running the catering service, the level of Protocol and other functions in the building, and how many functions the Speaker's Corner Café should receive. There have been issues with that, as well as seasonal issues. In the current contract with the caterer we worked through most of those issues, and we are hopeful that this will be a very successful business operation.

**Mr WOOD:** Right. Thank you.

**Mr CHAIRMAN:** Are there any further questions in relation to Output 1.3? No? That concludes consideration of Output 1.3 and, indeed, of all outputs.

On behalf of the committee, I thank you, Madam Speaker, for attending. I also thank your officers from the Department of Legislative Assembly for their attendance and advice today.

If I could just add that, from my perspective as a member of the Legislative Assembly, the classroom tours where the schools come in to do a tour of parliament have been extremely successful. My compliments to Ms Young, who provides those tours to the students.

**Madam SPEAKER:** Thank you very much, Mr Chairman. I thank the staff who have put this together today for being here with me. It is a terrific department to be the Speaker of and I am very grateful for their assistance. Thank you very much.

**Mr CHAIRMAN:** We will now have a break until 10.30 am. I might just let people know the horrendous noises were as a result of some technical issues not work people. They have been resolved now. If not, they will be working on them prior to the Treasurer attending.

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The committee suspended.

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**MINISTER LAWRIE'S PORTFOLIOS**

**NORTHERN TERRITORY TREASURY**

**Mr CHAIRMAN:** Treasurer, if you would like to introduce the officials accompanying you and, if you wish, make an opening statement?

**Ms LAWRIE:** Thank you, Mr Chairman. I will make a brief opening statement in relation to my responsibility as Treasurer. This covers questions relating to Treasury, the Central Holding Authority and the Northern Territory Treasury Corporation.

I have with me the Under Treasurer of the Northern Territory, Ms Jennifer Prince, and other senior Treasury staff which includes Mr Tony Stubbin, Assistant Under Treasurer; Ms Jodie Kirkman, Assistant Under Treasurer; Mr Craig Vukman, Executive Director of Revenue; and Commissioner of Territory Revenue, Mr John Montague from Treasury Corporation will join us later. As we progress through, I will introduce other Treasury staff who may be required for individual output areas.

The estimates process is now embedded as an important method to achieving greater government transparency and accountability. It is the seventh accrual budget presented by the government with agency information disaggregated by output classification.

Budget Paper No 2 provides whole-of-government financial information. It includes the Territory's consolidated financial statements according to the requirements of the *Fiscal Integrity and Transparency Act*. It contains an overview of the fiscal strategy underlying the 2008-09 Budget, and an analysis of the Territory's financial position and outlook. It also includes summary details on the Northern Territory economy, budget initiatives and Territory revenue.

Budget Paper No 3 presents agency-based budget information for all agencies subject to the *Financial Management Act*, as well as more detailed information on Territory revenue. Budget Paper No 4 provides details of government's capital works and infrastructure expenditure. The budget-related books include a comprehensive report on the Territory economy, as well as a budget Overview and Regional Highlights.

As Treasurer, I will address a number of issues from my whole-of-government perspective, including financial and accounting policy issues applying to the 2008-09 Budget. Requirements of the *Fiscal Integrity and Transparency Act*, including financial statements for the general government and non-financial public sectors in the fiscal strategy; whole-of-government financial issues, including relevant parameters, debt and liabilities; revenue, including taxes, royalties and GST; revenue measures in the 2008-09 Budget; and community service obligations and dividends. I will also address any issues in relation to the overall cash and program position of the infrastructure budget. Details on individual projects are to be addressed by ministers responsible for those portfolios, and I will answer questions in relation to my own portfolios.

As shareholding minister for Power and Water, I will address issues in the budget that affect Power and Water, including community service obligation payments, dividends and tax equivalent payments. Operational or other policy questions relating to Power and Water should be directed to the Power and Water representatives who will appear before the Government Owned Corporations Scrutiny Committee.

Mr Chairman, I am happy to answer any questions from the committee relating to the responsibility for the Appropriation Bill and budget papers, and for the Northern Territory Treasury, the Central Holding Authority and the Northern Territory Treasury Corporation.

**Mr CHAIRMAN:** Thank you, Treasurer. I have some quick housekeeping. I firstly welcome the officials. In the event that the Treasurer does refer something to you, I ask you to state your name clearly for *Hansard* purposes before answering the question. It is a bit artificial, but we need to do that every single time there is a reference, as well.

I also note that Mr Wood has been replaced by Mrs Braham, the member for Brainting, on the committee.

I now invite questions relating to the opening statement. Please note, members, that after questions relating to the statement, there will then be questions in relation to whole-of-government. So, in relation to the Treasurer's statement, I call on the Leader of the Opposition.

**Mr MILLS:** Thank you. I will not ask any questions on the statement, I will go to whole-of-government.

**Mr CHAIRMAN:** No other questions? All right, that concludes questions in relation to the opening statement.

#### **Whole of Government Questions – Budget and Fiscal Strategies**

**Mr CHAIRMAN:** The committee will now consider Item 1 on the schedule, Whole of Government Questions, Budget and Fiscal Strategies.

**Mr MILLS:** Mr Chairman, Treasurer, officials. This is the first time, Treasurer, that I have met with you in this capacity. In times past, with the former Treasurer, we would deal with a range of generic-type questions to start with to get them out of the way before we started to deal with some of the line items. I trust that is okay?

**Ms LAWRIE:** Leader of the Opposition, I have been briefed that has been the tradition in the past. I am happy to stick with tradition.

**Mr MILLS:** Thank you. Some of these may appear a bit pedestrian, but do not worry too much about that because we know what we are up to.

Treasurer, could you please provide a list of all staff in your department by level?

**Ms LAWRIE:** Certainly, we have that information here. I ask the Under Treasurer to retrieve it. The interesting thing about Treasury, once you get the list, is we have some gender breakdowns, as well. There is certainly a majority of female staff in Treasury, and they are a very young staff, as well.

**Mr MILLS:** So you have broken it down by gender?

**Ms LAWRIE:** Yes, we have.

**Mr MILLS:** Ethnicity?

**Ms LAWRIE:** Not ethnicity, no. We do have classification by gender as of the 12 June of this year. In total, we have 115 - and there is a 0.5 there, so we obviously have part-timers - women, 71 men, a total of 186.7 staff.

**Mr MILLS:** Can that list be provided to me?

**Ms LAWRIE:** Certainly, I am happy to table that.

**Mr MILLS:** Mr Chairman, what is the procedure? Do I now ask again for that?

**Mr CHAIRMAN:** No, we are simply tabling copies of those documents which will be provided to each of the members. I am not sure about the numbering of those, but there should be a number on them as required. Perhaps you could keep asking questions while that is coming?

**Mr MILLS:** Yes. Next question, Treasurer: how many executives work for the department - that is, both executive contract and non-contract - and how many of these executives have personal assistants, executive assistants, executive information coordinators or administrative assistants?

**Ms LAWRIE:** As you will see when the tabled paper comes, we have broken the classifications down to the EO1 through the EO6 level. You will see where those numbers fall and the agenda. We are doing calculations for you now to aggregate those numbers because we broke them down into classification levels rather than an executive grouping. Because we are

Treasury officials, we are doing the calculations as we move. In terms of the how many have administrative assistants working for them, can you just repeat that second half of your question?

**Mr MILLS:** Certainly. Just to clarify, we are looking at executive contract and non-contract that would be provided.

**Ms LAWRIE:** Yes.

**Mr MILLS:** Okay. The second part of it then is: how many of these executives have personal assistants, executive assistants, executive information coordinators, or administrative assistants; that is, details of the support provided to the executives?

**Ms LAWRIE:** I am happy to pass on to the Under Treasurer for the specifics in the administrative support provided to the executive group. Within the executive contract group, we have 24.1 staff.

**Mr MILLS:** And 24.1 - have you broken it down in gender?

**Ms LAWRIE:** You will get all of that, yes. It is on the first table of data I gave you of the classifications, gender, and where they fall. The Under Treasurer is able to provide the advice in terms of PAs and admin assistants and ...

**Mr MILLS:** Right. Sorry, the 24.1 refers to what?

**Ms LAWRIE:** The executive contract staff.

**Mr MILLS:** How many executive contract staff? Is there contract and non-contract?

**Ms LAWRIE:** As I said, I refer to the Under Treasurer to give you the details of the breakdowns, as well as who has PAs and assistants.

**Ms PRINCE:** Jennifer Prince. Mr Mills, on the schedule that we tabled, you have a full listing of all staff by level and gender. For the executive level staff, we have given you EO1 through to ECO6. The summary totals of that are 12.7 females from EO1 to ECO6 and 11.4 males - a total of 24.1. We have a number of staff who work part-time which comprises the numbers. In secretarial support staff, we have nine staff in Treasury who are classified as secretaries or executive assistants. Most of the groups in Treasury have a group coordinator, so most of the executive staff do not have personal assistant. However, there is a support person that is available to the group or the division, who do a range of activities that support the whole of the area. You will find the support staff also listed on that schedule that you have.

**Mr MILLS:** What is a NAP?

**Ms PRINCE:** An apprentice.

**Mr MILLS:** All right.

**Ms PRINCE:** National Apprentice Scheme.

**Mr MILLS:** All right, okay, so there is one female. What is an FOITS?

**Ms PRINCE:** That is a FOIT, Finance Officer in Training.

**Mr MILLS:** All right.

**Ms PRINCE:** You will recall we have quite a significant graduate training program. We have 15 FOITS this year. We had about 15 last year.

**Mr MILLS:** Excellent. So the AO2s, AO3s, AO4s, they can be classified as providing assistance to the executive levels?

**Ms PRINCE:** Mr Mills, not all of those would be providing assistance in the way a personal assistant provides assistance. Some of those AO2s would be in our Registry area. A number of

the AO4s would be group coordinators. Many of them would be policy officers - usually people who have come out of their fourth year and have been appointed to the public service. Most of those AO4s would be in our Financial Management, Economics, or our Revenue Divisions as policy officers.

**Mr MILLS:** Are there any executives with more than one support person in any of their roles?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, I think the only person who has one whole support person is me. The rest of the executives in Treasury share support staff.

**Mr MILLS:** Thank you. I am just curious, Treasurer; this is the first time we have had very clear reference given to gender. I have no issue with gender, but how important is gender in making a decision of a staff appointment?

**Ms LAWRIE:** Treasury, like any other agencies, would follow the public service merit principles. We, in government, obviously are very interested to see gender breakdowns where that information is available.

**Mr MILLS:** Is this a particular interest you have taken? I do not recall this being front and centre in the past?

**Ms LAWRIE:** I am happy to pass over to the Under Treasurer in regard to that.

**Ms PRINCE:** Mr Mills, we provide our information by gender every year. We do that in our annual report. We have always done it in our estimates briefings. We certainly did it last year. Perhaps you did not have these sorts of presentations tabled last year. I cannot recall.

**Mr MILLS:** Right.

**Ms PRINCE:** There is also a public sector requirement for agencies to present information by gender in their annual reports. I believe the Public Service Commissioner also presents information by gender in his own report. Regarding ethnicity - I think you raised that question before - there is a voluntary opportunity for public sector employees to register their ethnicity on their PIPS data, so that may or may not be included. There has been a significant encouragement across the public service in the last couple of years for indigenous employees to register their indigenous status. Again, that is not compulsory and we do not have complete information to allow us to present that information in our annual reports.

**Mr MILLS:** Thank you, Under Treasurer. May I, therefore, ask - this is a digression – about indigenous employment.

**Ms LAWRIE:** As the Under Treasurer goes to that information, I reiterate that, whilst we try to capture indigenous employment, we recognise the figures may not be wholly accurate because it is not a mandated system. It is a voluntary system whereby public service employees can identify their ethnicity - and indigenous is within that category. Whilst we have figures, we never claim them to be 100% accurate because it is a non-mandated system.

**Mr MILLS:** I understand that.

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, we do a census each year. At the last census, we had one of our trainees, one of our NAPs, was indigenous along with four other staff. We do have an indigenous employment strategy and we make significant attempts with all of the high schools to encourage people to think about employment in the public sector and in Treasury. We have specific elements that encourage indigenous people to apply. The number is not as high as we would like.

**Mr MILLS:** You say five. Did I get that correct?

**Ms PRINCE:** Yes.



**Mr MILLS:** So compared to last year, the year before?

**Ms PRINCE:** Mr Mills, it has been about that level for the last few years.

**Mr MILLS:** Okay, thank you. Treasurer, how many EO1s have been rolled over to EO1 contract positions in the last year?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, I am not absolutely sure. I think it is two, relying on my memory. We have a fairly strict rule about moving people from the EO1 level to the ECO1 level. They have to have been at the EO1 level for at least 12 months, usually two years, and they have to have demonstrated quite considerable expertise in their duties. We find in the professions we employ, it is a very competitive field. To ensure we both attract and retain people, we need to think about their levels of remuneration.

**Mr MILLS:** What is the rationale for moving someone from EO position to a contract position?

**Ms LAWRIE:** Leader of the Opposition, I would have thought the Under Treasurer just explained that rationale. However, if we need to go back over that ground again, Under Treasurer.

**Ms PRINCE:** Mr Mills, we use a system of competence and responsibility so that, if someone is in charge of a discrete unit, a policy area, and is responsible for complex issues or a number of employees, they may be moved from an A08 level to an EO1 level and, then, if they continue to demonstrate increasing competence and expertise, we would consider transferring them from an EO1 level to an ECO1 level.

**Mr MILLS:** It is initiated by a request of an employee?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** No, Mr Mills, it is a management decision. All of our positions, including our executive level positions in Treasury, are JESed. When a position becomes vacant and is readvertised, we also go through the re-JESing process. We review it quite rigorously, and it is a management decision as to whether we consider moving someone from an EO1 level to an ECO1 level. That depends whether they have met those criteria I outlined earlier.

**Mr MILLS:** Thank you. Treasurer, how many people in your department, either in part-time or full-time roles, are providing corporate services?

**Ms LAWRIE:** In terms of Treasury?

**Mr MILLS:** Correct.

**Ms LAWRIE:** I will get the Under Treasurer to look at those figures.

Leader of the Opposition, I know the single largest budget response you gave was that you would sack public servants. I find this a curious line of questioning in the context of the importance of the Territory's budget and economic outlook.

**Mr MILLS:** Well, that is an interesting comment, Treasurer, but if you can keep your smart comments to yourself, we will get on. My job is to ask you questions ...

**Ms LAWRIE:** His comments are curious given the context of the Territory's economic outlook.

**Mr MILLS:** ... not to throw that nonsense around the place. Behave yourself. There is more to come.

**Mr CHAIRMAN:** We can all just focus on the questions and, hopefully, we will get the response from the Under Treasurer in a moment.

**Ms PRINCE:** Mr Mills, we classify 30.4 FTEs as included in our Treasury services area. That number includes me and the Deputy Under Treasurer. Because of our whole-of-government

responsibilities, we do not classify them to other groups in Treasury. It includes our secretariat unit, our IT group, the Registry, our Corporate Services and General Services. It includes the people responsible for preparation of the Budget Papers - all of the production people involved. So, it is a large grouping of people.

I am not sure whether that would meet your definition of corporate services, but we group together all of the people that provide services either in a whole-of-government sense or to other areas of Treasury under that grouping.

**Mr MILLS:** Okay, I accept that. Thank you.

How many people in the department, Treasurer, either in part-time or full-time roles, provide building management services?

**Ms LAWRIE:** Leader of the Opposition, there is one person who liaises with NT Properties.

**Mr MILLS:** Thank you. Are there any people in your department who are providing, on a full-time or part-time basis, IT support functions?

**Ms LAWRIE:** Yes. The Under Treasurer just included them in the Corporate Services grouping. Would you like some specific numbers?

**Mr MILLS:** Yes.

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We have five people in our IT area, two of whom are working on specific projects.

**Mr MILLS:** They are short-term projects?

**Ms PRINCE:** No, we have a series of medium- to long-term projects we are working through. We have a large number of business systems, as well as a range of corporate systems, so they have a rolling schedule of programs.

**Mr MILLS:** Thank you. With those two and, globally, the five, what is the relationship between their operation and DCIS?

**Ms PRINCE:** The arrangements with DCIS and the management of IT services is that DCIS provide some central services, and access to strategic IT management services to agencies. We have access to a strategic IT person for about 30% of that person's time. That was not included in the five we directly employ. We also receive advice from the DCIS people who manage IT contracts on behalf of whole-of-government. They are available to us for consultation on a range of things. However, we generally employ our own IT staff.

**Mr MILLS:** Thank you. Treasurer, how many jobs have been reviewed and subject to JES since 2001?

**Ms LAWRIE:** I am happy to take that question on notice. We do not have that information here.

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#### Question on Notice No 2.1

**Mr CHAIRMAN:** Leader of the Opposition, for the purposes of *Hansard*, would you restate that question?

**Mr MILLS:** Could you tell me the number of jobs that have been reviewed and subject to JES since 2001?

**Mr CHAIRMAN:** Treasurer, are you prepared to take that question on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question no 2.1.

**Mr MILLS:** Thank you. Related to that - I would assume this would be on notice, too - is how many have variations in positions contributed to wages/employee expenses in the department?

**Ms LAWRIE:** No, you would have to repeat that question.

**Mr MILLS:** How have variations in positions contributed to wages/employee expenses in the department?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, I am not sure we could provide that information to you, simply because our staffing year-to-year is influenced by many things, including the number of FOITs we recruit and, then, subsequently place; the turnover we have; and the people we are able to recruit to replace them. All of those things affect our total staffing numbers. I do not believe we could reliably estimate changes that have flowed from the JES process, because we have so many changes each year.

We also would have a change in profile each year, depending on, as I have said, the graduates we are placing when they finish their FOIT year, and other recruitments we are able to achieve.

**Mr MILLS:** Thank you, Under Treasurer, I will leave it at that. When I see the tables and all the information provided we may pursue that further.

Treasurer, how many staff in the department are still members of NTGPASS or Commonwealth Superannuation?

**Ms LAWRIE:** We are unable to provide that detailed information to you. I am advised it is confidential information for the employee. The employer does not have that information, so Treasury does not know.

**Mr MILLS:** You do not know how many? I am not asking for the names of the people.

**Ms LAWRIE:** Yes, that is right.

**Mr MILLS:** You do not know how many?

**Ms LAWRIE:** That is right. They are not required to indicate which super scheme they are part of. The Under Treasurer is happy to elaborate.

**Ms PRINCE:** Mr Mills, when we introduced changes to the superannuation arrangements in 1999, we made a deliberate decision to not differentiate between employees on their superannuation status, but all agencies have the capacity to fund superannuation costs to the 9% level. Any costs above that - costs that may be related to employees who are members of NTGPASS or CSS - are managed internally so there can be no differentiation between staff on their superannuation status, whether they cost you more or less in their superannuation arrangements. From an employer's point of view, our obligation is to make sure everyone is covered by superannuation arrangements. Individuals have their own arrangements, either with the Superannuation Office or with their own fund.

**Mr MILLS:** Then, how can you accurately calculate your liabilities or your obligations if you do not know how many are on NTGPASS or Commonwealth Super?

**Ms PRINCE:** Those liabilities are calculated centrally. They are not proportioned to agencies, except in excess of the 9% amount, the superannuation guarantee level. Agencies are responsible for paying that 9% amount to a central fund or to employees funds if they are members of funds other than NTGPASS or CSS. However, the NTGPASS and CSS liability is managed centrally by the Superannuation Office and within the essential holding authority. The Superannuation Office does have that information, at the whole-of-government level. It is not relevant for Treasury as an agency or, indeed, any other agency, but it is relevant from our whole-of-government responsibilities.

**Mr MILLS:** From the whole-of-government perspective, which is this line, does that information, therefore, flow from the superannuation agency to Treasury?

**Ms LAWRIE:** Yes, on the whole-of-government basis, not on a Treasury agency basis.

**Mr MILLS:** So, that information comes as a global figure? Is that correct?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** It is prepared annually in a whole-of-government sense. It not only includes current members of the public sector but, in the case of CSS employees who have retired and who are in receipt of benefits, that information is provided to the Superannuation Office by the CSS in Canberra.

**Mr MILLS:** So, in talking about whole-of-government here, Treasury would not know how many in the public service are NTGPASS and Commonwealth Super?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, we know how many people there are in the public sector or who have retired, but we do not know - nor do we need to know - how many of those people are in Treasury or in the department of Health, the Department of Justice or any other department. I thought when you asked the question initially you were talking about Treasury as an agency.

**Mr MILLS:** I was initially, but I have had to move. I am therefore, to save asking this question of other agencies - and Treasury would be the right place - are you able to then advise in the public sector, how many NTGPASS and how many Commonwealth Super?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We do have that information. I am not sure whether I have it here, but we can obtain it for you. It would be active members of NTGPASS, as well as active or retired members of the CSS.

**Mr MILLS:** That is good, thank you.

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#### **Question on Notice No 2.2**

**Mr CHAIRMAN:** If you want to have that as a question on notice, we will have you restate the question for *Hansard*.

**Mr MILLS:** From a global, whole-of-government, whole-of-public-sector perspective, how many members of the public service are active members of NTGPASS, and current or active Commonwealth Super?

**Ms LAWRIE:** I am happy to take that question on notice.

**Mr CHAIRMAN:** For the purposes of *Hansard* that is question No 2.2.

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**Mr MILLS:** Thank you, Mr Chairman. Treasurer, we understand that executive contract officers have private use of vehicles as part of their contract provision. They pay a contribution for this. How many other staff are able to have either home garaging of their vehicle, or some factor of private use?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We have no employees in that category, Mr Mills.

**Mr MILLS:** No employees in that category who use vehicles or who have home garaging?

**Ms PRINCE:** Who have home garaging.

**Mr MILLS:** Treasurer, what is the total number of vehicles in the department fleet?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, as at 17 June 2008, we have 20 vehicles allocated to Treasury. Six of those are four-cylinder vehicles and 14 are six-cylinder.

**Mr MILLS:** Are any of those fuel efficient types? The hybrids?

**Ms PRINCE:** We do not have any hybrids.

**Mr MILLS:** Of that total number, how has that increased over the past 12 months?

**Ms PRINCE:** Mr Mills, at 30 June 2007, the total number was 21, so it has gone down by one.

**Mr CHAIRMAN:** Excuse me, Leader of the Opposition. Can I ask for any mobile phones to be switched off in this room. Thank you.

**Mr MILLS:** Treasurer, what is the fuel bill for the department of the last 12 months?

**Ms LAWRIE:** Leader of the Opposition, I do not believe Treasury has that information here. I will quickly check the officials. No, they do not have the fuel bill information here. I will take that on notice.

**Mr MILLS:** In that case, presuming the rest would not be here, I will put a few related questions together and we will see how that goes. I will not push the issue. What is the fuel bill for the department for the 12 months? How does this compare to the two years previously? What measures are in place to deal with increasing fuel costs? Perhaps you could deal with that and where you have cut programs to cover increasing fuel costs?

**Mr CHAIRMAN:** Treasurer, are you prepared to take that question on notice?

**Ms LAWRIE:** No, obviously I am happy to provide the fuel bill and the comparison between the years, but the other two questions are political and quite nonsensical. I am not going waste Treasury officials' time chasing down political spin questions. I am happy to have the fuel prices debate here.

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### Question on Notice No 2.3

**Mr CHAIRMAN:** If you can restate the first part of that question.

**Mr MILLS:** Yes, okay. What is the fuel bill for the department of the past 12 months and how does this compare with the two years previously?

**Mr CHAIRMAN:** Are you prepared to take that question on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 2.3.

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**Mr MILLS:** Thank you, I will revisit these which you classify as political spin. I thought you fronted a government that made a big play about being efficient and set targets and so on. I assumed there would be policies implemented to give some flesh to those announcements. It is as simple as that.

**Ms LAWRIE:** I am sure the minister with responsibility for the Territory fleet will be able to expand on the policies. I am aware the government has gone to the mandated use of four-cylinder vehicles being introduced across the fleet so, when you do year-on-year comparisons from the last couple of years going forward, you will see increasingly four-cylinder vehicle numbers rising and six-cylinder vehicle numbers decreasing. I am aware the minister who has responsibility for that portfolio is able to talk about the use of hybrids. That is the government's policy. I have sat

around the Cabinet table when we introduced that policy, so it is a Labor government policy. It did not exist under CLP. We are moving to a fleet reliant on four-cylinder vehicles, where appropriate.

I have to point out, of course, that such is the nature of the Northern Territory terrain that we will be reliant on four-wheel drive vehicles across our fleet, across our agencies, so we will never completely eradicate the reliance on the larger cylinders.

**Mr MILLS:** Well, that was not too hard, was it? It was not too hard.

**Ms LAWRIE:** Stop patronising.

**Mr CHAIRMAN:** I will ask, on both sides, if we could just stick to questions and answers and leave the rest to one side - that is across the board.

**Mr MILLS:** Hear, hear! Treasurer, what measures have been taken to instigate car pooling when visiting remote communities? Any measures?

**Ms LAWRIE:** Okay. I am reliably informed that, in the last 12 months, the only visiting remote communities that Treasury officials have done is when there was a recent visit by the Commonwealth Grants Commission, and they car pooled on those occasions.

**Mr MILLS:** How many traffic accidents were department vehicles involved in?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, the only one that I ...

**Mr CHAIRMAN:** Sorry, Under Treasurer, if you can announce yourself. As I said, it is artificial, thank you.

**Mrs Braham:** I feel very sure they know who she is by now.

**Ms PRINCE:** Mr Mills, the only one I can recall is when someone was leaving our basement and there were trucks lined up in the back lane and that person was not able to get out. I do not know that you could call it a traffic accident as such, but there was some minor damage to the vehicle. I am not aware of any others.

**Mr MILLS:** Right. Would you be aware, though?

**Ms PRINCE:** Yes, because all of those reports have to come to me.

**Mr MILLS:** Including speeding fines?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** I am not aware of that information usually. Individuals pay their own. I am not aware of how many that we have had in the last 12 months.

**Mr MILLS:** Thank you, Under Treasurer. Treasurer, can you provide a list of any consultancies that were engaged during the course of the year?

**Ms LAWRIE:** Yes, I will just retrieve the consultancy information. Leader of the Opposition, we have had a consultancy service on the demographic, statistical and social research that contributed to the Australian Research Council Linkage Project. That was a partnership agreement with Charles Darwin University for \$260 414. We have had a consultancy regarding ongoing licence fees and reconfiguration of existing business systems, **SUPERB**, to include pensions and an additional public sector superannuation scheme, an additional module calibre, and the NT Death and Invalidity Scheme. That was a whole-of-government contract worth \$175 281. There was a further consultancy Mainframe TAXAD, application enhancements, which was a whole-of-government contract worth \$110 620. We had actuarial advice on the government's superannuation liabilities - that was a panel contract worth \$94 037. The NTGPASS triennial evaluation occurred; that was again a panel contract for \$54 313. We had the *NT Stamp Duty Act* and stamp duty valuations; that was a whole-of-government contract for \$69 234. We

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had the review network crisis in 2009, regulatory reset, panel contract, for \$44 485. There was the Review of the Implementation of Member Investment Choice and Better Superannuation, a panel contract worth \$45 050. We had actuarial services, a panel contract worth \$21 530. There was Prudential Supervision of TIO, that was a CofE \$32 094. There was the Information Technology Services First Home Owner Grant Application Charges, purchase of statistical data and graphic design and editing service; various procurements there for \$24 823. Finally, the National Electricity Market Advice Panel contract was for \$14 400. The total of consultant expenses as at 31 May 2008 is \$946 281.

**Mr MILLS:** How does that compare to last year?

**Ms LAWRIE:** This compares with an expenditure of \$1.83m on consulting services at the same time to May last year.

**Mr MILLS:** How many of the consultancies ended up being more expensive than the initial costing?

**Ms LAWRIE:** I am advised we would not have that information.

**Mr MILLS:** Where would that information be found?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** I believe you are asking how much did the actual vary from the estimate? I presume you are asking the estimate before we went to tender, rather than the estimate during the period when the work was being done?

**Mr MILLS:** Probably what I am saying is - you have a project, you set a cost, you budget for that. You then tender for that, a tenderer is chosen, and the work is finished. You would assume that it is the same as what the tender amount was prescribed for, but it may be more. I am interested in those ones that have varied from the original arrangements.

**Ms LAWRIE:** Variations on tender is what you are referring to? Under Treasurer.

**Ms PRINCE:** Not the variation on our original estimate of what the tender might cost, but the variation after the tender was let and before the work was done, correct?

**Mr MILLS:** I will take that line, yes.

**Ms PRINCE:** I do not have that information here. We can obtain it for you through the morning. Usually the arrangements we enter into are fixed price for a particular job. We will obtain any variations for you, if you like, through the morning.

**Ms LAWRIE:** We will take the variations on tender question on notice.

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#### Question on Notice No 2.4

**Mr CHAIRMAN:** Would you like to restate the question, Leader of the Opposition?

**Mr MILLS:** I seek information on variations on tender.

**Mr CHAIRMAN:** Treasurer, are you are happy to take that on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** I allocate that question No 2.4.

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**Mr MILLS:** Treasurer, you read from a list of consultancies. Are you able to table that document?

**Ms LAWRIE:** Yes, I am happy to table the document.

**Mr MILLS:** Through the Chair, Treasurer, could you list each property that is leased by or on behalf of the department?

**Ms LAWRIE:** NT Properties, of course, lease the properties on behalf of the department. It would be appropriate to ask the relevant minister. Government agencies have properties leased on their behalf by NT Properties. It is a centralised leasing system, so that would be to the relevant minister who is appearing later in the estimates week.

**Mr MILLS:** Is there some transaction between the department for a lease on a property that you hold?

**Ms LAWRIE:** No, it is all centralised through NT Properties.

**Mr MILLS:** How many square metres of property, office space, does the department have per employee?

**Ms LAWRIE:** Again, I have sought advice. It is an NT Properties question. NT Properties have that information.

**Mr MILLS:** Well, with respect, the answer to this questions may be of benefit to your department. I have visited the department and they seem to be fairly congested.

**Ms LAWRIE:** Treasury is a very modest agency. They set the best benchmark across government for efficiency and willingness to get along and work beside each other. You are right. I am delighted with the strength of the team in Treasury. I have visited them and they are not in a new office block by any stretch of the imagination. However, quite appropriately, issues of leasing and office space are NT Property questions.

**Mr MILLS:** Are you assuring me, Treasurer - and I really trying to help your department here - that if I go to the appropriate agency as you directed me, they will be able to tell me the employee square meterage as relates to your department?

**Ms LAWRIE:** I am not going to assure you of anything. I am not going to take questions on behalf of another minister. What I can assure you is that NT Properties manage the lease arrangements, look at the office space requirements, and have the data in and around office lease arrangements. All of that is done centrally. I have advised you of that. I am not going to sit here and assure you as to what is and what is not within the databases of NT Properties. I have never been the DCIS minister.

**Mr MILLS:** That is interesting, but I want to be assured before I move from my position here of asking questions in the best interests of the public sector - particularly the Treasury - what is the square metre comparison with the employees in Treasury?

**Ms LAWRIE:** As I have said to you Leader of the Opposition - I can only repeat the answer. The issues around the property, square meterage, and the leasing arrangements are done on a whole-of-government basis by NT Properties, which sits within the DCIS portfolio.

**Mr MILLS:** But you cannot assure me that they will be able to provide that information?

**Ms LAWRIE:** As I have also said to you, I am not going to sit here and make assurances on behalf of another agency that I have never had portfolio coverage of.

**Mr MILLS:** So you are happy to bat it away with no assurance I am going to find that answer away from here?

**Ms LAWRIE:** Leader of the Opposition, I am not batting it away. You well understand the processes of government.

**Mr CHAIRMAN:** Treasurer, I just interrupt here. There is no point getting into an argument as to batting away or not. You have being provided with the same answer twice, Leader of the Opposition. The Treasurer has made clear what she feels she can or cannot answer. If you have further questions, I invite you to ask those questions, thank you.



**Mr MILLS:** All right. Treasury, you say they are a happy crew and they do a fantastic job in Treasury. Do the levels of occupancy in Treasury vary from a government standard? Is there a standard that you are aware of?

**Ms LAWRIE:** Leader of the Opposition, I am assured they meet the government standards for office accommodation.

**Mr MILLS:** You are sure they are?

**Ms LAWRIE:** I am assured they are.

**Mr MILLS:** So, you would like me to check with the DCIS minister just to double check, to find out for you. If I can I will come back to you and let you know how that goes.

**Ms LAWRIE:** You may.

**Mr MILLS:** Treasurer, how long does it take for you to fill vacancies on policy advertised?

**Ms LAWRIE:** I am happy to refer that question to the Under Treasurer regarding the employment processes of her staff.

**Ms PRINCE:** I could not give you an average time; different types of vacancies take different amounts of time. We have discussed in this process in earlier years we, like all agencies, do have some difficulty recruiting some specialist staff. Our strategy in Treasury for a number of years has been to appoint or take in most of our recruitment through the appointment of our FOITs after they have completed their year in training. That has been a very successful recruitment practice for us. Most of the promotions that happen in Treasury are from internal appointments. Most of those have, in fact, come through our graduate process.

**Mr MILLS:** Thank you, Under Treasurer. I recognise the value of the FOIT scheme and the trainees you bring in. But, broadly speaking, if you advertise a position, with the processing of that advertisement to the job filled by way of interview and so on, do you have a time frame where that should occur?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Yes, Mr Mills. I am sorry if I misunderstood your question. We do have a strict recruitment policy; that is, that we have a two-week period for advertising and we have a four-week period during which a selection committee is appointed, who go through the process, and reach a conclusion. Obviously, if they do not find anyone suitable, then we will not appoint anyone. However, they are the time frames we follow.

**Mr MILLS:** Okay, and that being the benchmark or the time frame, are there instances where that time frame has been exceeded?

**Ms PRINCE:** There has been occasionally, and that is usually because referees that applicants have nominated have been difficult to contact, or people have not been available for interview at a particular time. But we usually try to keep to those time frames, and we monitor our performance.

**Mr MILLS:** Thank you. Treasurer, once again, I acknowledge the fine work of the department with regards to trainees. That has been an ongoing success story and an important way of recruiting, particularly many young Territorians. What sort of vacation employment for university students is provided through Treasury?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, we have a very active vacation employment program. I am not sure if you are aware, but we provide a number of cadetships for people studying at CDU. We offer all of those vacation employment if they so choose.

We also look favourably on any requests that come to us: Northern Territory government scholarship holders are offered vacation employment. If any of those are referred to us, we always try to take them. In fact, I think we have 12 planned to be employed by us in the July period.

It is an interesting process because having that number of vacation employees actually puts quite a strain on managers. However, we take the view that it is often a successful way of encouraging people to think about Treasury and the public sector. That is why we take in as many as we do.

**Mr MILLS:** That is good, thank you. Treasurer, how many in the department are carrying leave at levels beyond the maximum?

**Ms LAWRIE:** I am happy to take that question on notice.

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**Question on Notice No 2.5**

**Mr CHAIRMAN:** Could you restate the question for *Hansard*, Leader of the Opposition?

**Mr MILLS:** Thank you, Mr Chairman. How many staff are carrying leave at levels beyond the maximum?

**Mr CHAIRMAN:** Treasurer, are you prepared to take that question on notice?

**Ms LAWRIE:** Yes, Mr Chairman.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 2.5.

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**Mr MILLS:** The next questions relate to advertising, Treasurer. What is the cost of artwork for campaigns in your department?

**Ms LAWRIE:** Most of our artwork, Leader of the Opposition, is associated with the production of the budget papers. I think we had very finely designed budget papers this year in the artwork. There are graphic designed budget paper covers, identified estimate of \$10 000. The fact sheet graphic design template is \$7000.

**Mr MILLS:** The graphic design related to the first homebuyer grant application changes or charges?

**Ms LAWRIE:** That would be within the fact sheet in the budget associated papers. We had a fact sheet around, obviously, the stamp duty changes, so it would be captured within that global fact sheet template figure of \$7000.

**Mr MILLS:** The production of the budget and any material related to the budget; was there any translation work done?

**Ms LAWRIE:** No, not at this stage, and certainly not by Treasury.

**Mr MILLS:** The material that circulated around the budget time - letterboxes, direct mail and so on - is that a cost borne by Treasury?

**Ms LAWRIE:** I guess it depends on the description of letterbox. Certainly, Treasury provides a business mail-out that goes to dedicated addresses, but any other sort of general home letterbox mail-outs around the budget are expenses carried by the Department of Chief Minister.

**Mr MILLS:** Are you aware, Treasurer, of what went out to promote the budget?

**Ms LAWRIE:** In terms of Treasury, yes.

**Mr MILLS:** Well, you told us you sit around the Cabinet table, so you would be aware of the other stuff that went out, too?

**Ms LAWRIE:** I am broadly aware local members have produced newsletters and the like. Whether or not individual local members have followed up with letters to specific targeted people, I could not say.

**Mr MILLS:** You cannot say?

**Ms LAWRIE:** No.

**Mr MILLS:** I am referring not to what local members put out. My home, for example, received a direct mail to my wife. I know that, at the post office box at the Palmerston Post Office, the bin was full of glossy brochures that had, obviously, been sent out from somewhere. It certainly was not the member for Brennan. That did not come out from the Treasury, that came out from the Department of Chief Minister? Is that correct?

**Ms LAWRIE:** Well, without having the documents you are referring to in front of me, I suppose, because I have advised clearly, obviously, the documents you may be referring to could be the Department of Chief Minister budget information. However, I can confirm they are not the Treasury information.

**Mr MILLS:** Right, okay.

**Ms LAWRIE:** If you want to table the documents, we can source the material.

**Mr MILLS:** Oh, really? Of course, you can. I know where; we have it worked out ...

**Ms LAWRIE:** Seriously, if you are asking the question, if you want to table the documents, we will source the material for you.

**Mr MILLS:** Yes, well, perhaps just go down to the bin at the post office - full of them. Anyway, it does not come from Treasury, it comes from Department of Chief Minister?

**Ms LAWRIE:** Well, again, Mr Chairman, I have not seen the documents he is referring to; it is a supposition.

**Mr CHAIRMAN:** I have to say, in fact, the Treasurer cannot say anything other than regarding her department, and she said that, Leader of the Opposition.

**Mr MILLS:** Yes, I heard that. What is the cost of delivery of each of your campaigns in your department: the cost of promoting it, television ads or anything like that, ads in the newspaper?

**Ms LAWRIE:** In the budget communications campaign for the Budget 2008-09, there was placement of radio advertising for \$17 000 and placement of print advertising for \$30 000.

**Mr MILLS:** Any details on those print ads? Is it just general print ads or are they ...

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, I think it was just the one-page ad that goes in the *NT News* and the regional papers with budget highlights and major changes.

**Mr MILLS:** How many of these ads bear the photograph of the Treasurer?

**Ms LAWRIE:** None, sadly.

**Mr MILLS:** No? Well, your face did appear, so it must be the Chief Minister who sent those out. We will pursue that later. So, do not worry, your face is out there.

**Ms LAWRIE:** Beautiful!

**Mr MILLS:** What is the cost to the department and how many people are involved in media and marketing management? You have described a couple of campaigns.

**Ms LAWRIE:** You want the cost to the department of the budget communications - the global cost?

**Mr MILLS:** The cost to the department of the campaigns you have described - global cost.

**Ms LAWRIE:** All right. In the budget communications campaign, it includes the budget papers, which is the printing of the books, the CDs, the packaging and distribution. It includes the fact sheet kits, which includes the presentation folders, the envelopes and postage, the fact sheet covering letter and the collation. It includes, as I have indicated, the graphic design, which is the budget paper covers and the fact sheet template. It also includes the advertising, as I have just mentioned, on radio advertising and placement of print advertising. The global cost of that was \$246 000.

**Mr MILLS:** Okay. How many staff are involved in these projects?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We have a communications group of about four people. None of them are involved in media management or marketing. Their responsibilities are to provide internal communication services, and assistance with printing, preparing and laying out publications. When the budget papers are in full production, that number would increase to about seven or eight with part-time people, simply because the document production task is so large.

**Mr MILLS:** Would those four who are there assist in the layout of the advertisement that goes in the newspaper, for example - the structure of the radio advertisements?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** They generally liaise with the newspapers in the placement of the advertisements, and manage the text. Our role is to ensure the information is accurate and we work closely with the Treasurer's office in the layout and the information included.

**Mr MILLS:** So, with the ads on the radio, for example, that group of four would be involved in the creation of that advertisement?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** I am not sure whether 'creation' would be the correct word. In terms of working out how long the radio advertisements will be, we give advice on the sort of information that should be covered and confirm its accuracy. We deal with the Treasurer's office in constructing what that message would look like. I think you are asking whether we assist in packaging the message. Most of those advertisements are really presenting factual information.

**Mr MILLS:** All right. I am just curious, when you say you are liaising with the Treasurer's office regarding the advertisement. Is the advertisement the creature of the department or the Treasurer's office?

**Ms LAWRIE:** Well, certainly, the whole budget production process, from design of the covers of the budget papers to the design and the content of the budget, the fact sheets, the radio advertisements, the print advertising, is a close working relationship between the Treasurer and the Under Treasurer and their relevant staff. That is how budget production processes work.

**Mr MILLS:** What other campaigns, apart from the budget, have you been involved in?

**Ms LAWRIE:** On advice, Treasury does not run any other campaigns apart from the budget - that is a pretty big one.

**Mr MILLS:** Well, you did speak about a fact sheet. Is that not a campaign?

**Ms LAWRIE:** Well, that is part of our budget. We have fact sheets that go out as kits of information. For example, I will take around to the regions the Regional Highlights, which have a series of fact sheet inserts in them to provide information on budget highlights around education, health, law and order, infrastructure, stamp duty cuts.

**Mr MILLS:** How many staff are in the departmental secretariat, Treasurer?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** There are four, Mr Mills.

**Mr MILLS:** Can you describe their role?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Yes, I can. Their role is to provide management of all of the comments that Treasury provides on Cabinet submissions that go through to Cabinet. We provide comments on all Cabinet submissions, so they record those documents as they go in and out. They manage the process throughout the agency. They are also involved in correspondence that is referred to the department from the Treasurer's office. They manage the information flow backwards and forwards. They are also responsible for liaising with the Cabinet Office and the Legislative Assembly on documents tabled in the Assembly.

**Mr MILLS:** Treasurer, does your office contain a departmental liaison officer?

**Ms LAWRIE:** No. For Treasury, no.

**Mr MILLS:** Do you have an intention of having a liaison officer from Treasury?

**Ms LAWRIE:** I am quite satisfied with the Treasury advice I am receiving from my advisor so, no.

**Mr CHAIRMAN:** We have been going a bit over an hour, so I ask if anyone would like a couple of minutes break to stretch the legs at all. If you are happy to continue, I am happy.

**Mrs Braham:** Could we get the Leader of the Opposition to complete this particular section so we can actually get on with the budget.

**Mr CHAIRMAN:** I ask whether it is a convenient point for him. I am in your hands if you want to keep going.

**Ms LAWRIE:** We are fine to keep going if the members of the committee ...

**Mr CHAIRMAN:** If you indicate, Treasurer, if there is a point that you want to have a break.

**Ms LAWRIE:** I absolutely will.

**Mr MILLS:** Treasurer, can you provide a list of external source reviews and audits?

**Mrs BRAHAM:** When are you going to get to the budget, Terry?

**Mrs MILLER:** You just wait your turn.

**Mrs BRAHAM:** We are all waiting.

**Mr CHAIRMAN:** Member for Braitling.

**Mr MILLS:** You go through this every year.

**Mrs MILLER:** You chose to be Independent.

**Mrs BRAHAM:** What was that remark, member for Katherine?

**Mr CHAIRMAN:** I ask that the chatter across the committee table cease. We are here to ask ministers, the Treasurer and officials questions. I understand there is a length of questioning going on. As far as I am concerned as Chair, it is within the whole-of-government purview. I do not think it particularly puts anyone in a good light to have arguments across the table. So, Leader of the Opposition.

**Ms LAWRIE:** I am happy to respond to that question, Mr Chairman. I am advised the consultancy information tabled previously contains some relevant audit externals to the department. Apart from that, of course, is the Auditor-General's report.

**Mr MILLS:** Thank you. Treasurer, do you have a term of reference to the issues reviewed by auditing committees?

**Ms LAWRIE:** By auditing committees?

**Mr MILLS:** Yes.

**Ms LAWRIE:** Could you please repeat the question.

**Mr MILLS:** Do you have a term of reference for auditing committees, say, for example, any other committee - external audits that are conducted as it adheres to a term of reference?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** As part of our senior management group, we have an audit and risk review function. We schedule a number of those audits. For each audit we do, we would establish terms of reference. I do not have the terms of reference here for the audits we have done this year. We also have discussions with the Auditor-General about our internal audit processes.

**Mr MILLS:** Would you have an internal audit process with regards to the use of credit cards?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We have not done such an audit, Mr Mills. I think we have five credit cards in the department. Their use is strictly controlled. We have an internal review process for doing those, but with so few, we have not found it necessary to have an audit of that process.

**Mr MILLS:** Have there been any investigations into IT abuse within the department?

**Ms PRINCE:** I am not quite sure what you mean by IT abuse in this context.

**Mr MILLS:** Inappropriate use of IT. Private e-mails, for example, that would be the most benign, down to other more serious concerns.

**Mr CHAIRMAN:** I will query if you are bringing this in within the Budget and Fiscal Strategies, Leader of the Opposition, as a whole-of-government perspective?

**Mr MILLS:** This is an investigation into the operation of this department, and if there are appropriate measures in place to ensure that everything is in order.

**Mr CHAIRMAN:** It is getting close to a line but I will leave ...

**Ms LAWRIE:** I can advise that in terms of Treasury, they are a hard-working tightly-knit team, so there have been no concerns about any unacceptable or unauthorised use of e-mails or other IT. There has been no requirement to do any audits.

**Mr MILLS:** I understand this is perhaps a difficult area. We did talk about cars and so on. This is just another use of office equipment. You say there is no need for audits. Does that mean you are unaware of whether there is a problem of any kind? How would you know?

**Ms LAWRIE:** Leader of the Opposition, I have been advised the way Treasury works in teams there would be an awareness raised if there was any excessive reliance on the IT systems and what is occurring. The nature of the work is team structured units and there are no concerns, so no audits have been undertaken. Under Treasurer, do you have anything to add?

**Ms PRINCE:** Mr Mills, there are certain sites that are blocked from the whole-of-government point of view. Certain staff can have access to those sites if they have a work reason to do that. We do not have anyone in that category in Treasury. We monitor e-mail usage in terms of the amount of traffic that goes on. There are some areas of Treasury, because of the nature of their

work, that have a high traffic flow, but it is nothing out of the ordinary. If there are any concerns we can have investigations if that appears warranted. We certainly have not had that in the last year.

**Mr MILLS:** With the use of the IT, Internet and so on, do you have a system in place to safeguard the use of and to ensure the integrity of the use of the equipment for the right purposes within the department?

**Ms PRINCE:** Mr Mills, in the same way that we do not monitor every phone call that is made in Treasury to ensure that it is 100% work-related, we also do not monitor every single e-mail that goes in and out of Treasury to ensure that it is work-related. However, we do monitor flows, and the amount of information that can be downloaded from the Internet is monitored. It is also covered in volume terms for each work station through the whole-of-government contract. We also monitor after-hours access to the building so we know who is coming and going. All of that is recorded through a fob key system. We know if there is any unusual traffic. We think the arrangements that we have in place are reasonable for our purposes. At particular times of the year, at budget time for example, we increase our level of security, both physical and electronic.

**Mr MILLS:** Thank you, I appreciate the answer. Treasurer, are you able to table your agency procurement management plan when you are procuring services, consultancies and so on?

**Ms LAWRIE:** We do not have the procurement management plan here, but I am able to table it at a later stage.

**Mr CHAIRMAN:** Do you want to put that on notice, or did you just want it tabled later one?

**Mr MILLS:** No, I put it on notice, thank you.

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#### Question on Notice No 2.6

**Mr CHAIRMAN:** Okay, if you could restate the question, Leader of the Opposition

**Mr MILLS:** I request tabling of the agency procurement management plan.

**Mr CHAIRMAN:** Treasurer, are you happy to take that on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 2.6. I add, somewhat belatedly, for department officials: if you can note the number of each question so it is easier for us to track what it relates to when information comes back, thanks.

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**Mr MILLS:** When it comes to procurement, Treasurer, do you extend the conflict of interest to senior public servants and the management board who have responsibility for procurement?

**Ms LAWRIE:** I am happy to refer the question to the Under Treasurer, because we handle procurement for anything under \$50 000 within Treasury. Anything above ...

**Ms PRINCE:** Mr Mills, we have a draft conflict of interest policy based on the public sector-wide policy. Our intention was to make that available, not only to contract staff, or staff in sensitive positions or, potentially, sensitive positions such as those responsible for procurement, but also offer the opportunity to all staff who might want to complete a conflict of interest form simply for their own protection.

**Mr MILLS:** As a draft at the moment? Are you aware of any conflicts of interest that have been identified regarding probity?

**Ms PRINCE:** Mr Mills, our view about conflict of interest is that conflicts of interest are very difficult to avoid, particularly in a small place like the Territory. The important thing is how conflicts of interest are dealt with. Our policy is based on the principle that each individual is responsible for continually reviewing their conflict of interest. We extend that to not only pecuniary matters but

any other interests that they may have; to bring those conflicts to the notice of their supervisors, where there is a discussion about how that particular conflict is dealt with.

**Mr MILLS:** Do you have an Assets Register? Can you table it?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We do have an Assets Register, Mr Mills. I do not know if I have it here, but we could get it and table that, if you would like.

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**Question on Notice No 2.7**

**Mr CHAIRMAN:** Can you restate the question for *Hansard*?

**Mr MILLS:** I request the Assets Register.

**Mr CHAIRMAN:** Treasurer, are you happy to take that on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 2.7.

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**Mr MILLS:** Member for Braitling, I am getting towards the end of this section, just so you can get yourself ready.

**Mrs BRAHAM:** I have a few questions also to ask on this section.

**Mr MILLS:** I am sure you have.

Treasurer, there was an efficiency dividend referred to in the last budget. How did that wash up with your department? I believe it was a 3% efficiency dividend.

**Ms LAWRIE:** Certainly, Treasury has a track record of delivering their efficiency dividend, as I would expect of the Treasury agency.

**Mr MILLS:** Do I understand the efficiency dividend - by the way, for the last budget it was how much?

**Ms LAWRIE:** 3%.

**Mr MILLS:** Okay. What is it for your latest budget?

**Ms LAWRIE:** 3%.

**Mr MILLS:** And the one before that, it was?

**Ms LAWRIE:** 2%.

**Mr MILLS:** Okay, so it has increased.

**Ms LAWRIE:** No, it increased the previous year, so it is consistently 3% for last year and this forthcoming. So, 2007-08 – 3%; 2008-09 – 3%; but 2006-07 - 2%.

**Mr MILLS:** Right. Do I understand your efficiency dividend works in that you make your announcement of how much is given to a particular department - say, in this case, Treasury - and then, you effectively work out a way of making a 3% saving on that? Is that right?

**Ms LAWRIE:** Efficiency dividends are announced by government. What we do is have a lesser efficiency dividend applying to what we call our frontline services; for example, health, police and education have a lesser efficiency dividend than the other large agencies. The requirement of



the CEOs is to deliver that efficiency dividend. They make the decisions as to how best to deliver the efficiency dividend throughout the financial year.

**Mr MILLS:** Okay. What, in real terms, does that efficiency dividend result in, in dollar terms, for Treasury?

**Ms LAWRIE:** We are just identifying that figure exactly, but I am advised it is about \$150 000.

**Mr MILLS:** I need some more details on that.

**Ms LAWRIE:** They are just doing some calculations, as Treasury officials are capable of doing.

**Mr MILLS:** To what, then, specifically, is the efficiency dividend applied?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** For Treasury, the CSO payment to the Power and Water Corporation for the uniform tariff CSO is excluded, because that is the payment to individuals, and the payment that we make to the ATO for their management of the GST is also excluded. The efficiency dividend is applied to the rest of our expenses.

The way we manage that in Treasury is that, in about March every year, we start the planning for our budget allocation to various units and our overhead costs in Treasury. The first thing that we do is to ensure we can cover all of our staff costs. We tailor our recruitment strategy accordingly. We do our very best to offer our graduates ongoing employment - that is our first priority - and we limit any other discretionary expenditure we have.

Things vary from year to year: consultant expenses, legal expenses. This year, with the Grants Commission trip to the Northern Territory, there were higher costs associated with that. That is something that happens once every five years, so we ensure we have allocation for those things, and we modify our activities accordingly. It is something we do actively; we monitor our budget each month. The senior management group reviews our actual spending against allocation. If we need to modify our behaviour to ensure we come in on budget, we do. It is not something that you do once and, then, nothing changes through the year.

**Mr MILLS:** So, you should know what that deficiency dividend target is globally, should you? You say it is \$150 000?

**Ms LAWRIE:** No, \$100 000 is the latest advice I have received, but they are still checking.

**Mr MILLS:** Is that what has been achieved? You have a discrete allocation and, notwithstanding those things you cannot extract a dividend from, you should know all that remains. It is a solid figure, is it not, at the beginning of the year?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Treasury and other agencies have escalation factors for wages and inflation, and they are offset by efficiency dividends. While we have a reduction of \$900 000 for an efficiency dividend when it is 3%, we also have escalations for other costs. What we manage is the nett amount. We manage that within each area of Treasury; we allocate them a budget, they are responsible for managing that. There are certain things we also manage centrally. We monitor performance against the budget that has been allocated out to each area at the beginning of the year. That takes into account the escalation and the efficiency dividends that have been provided.

**Mr MILLS:** So, \$900 000 is what has been achieved or what you are targeting your dividend at?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** As the Treasurer said, the efficiency dividend was 3% in 2007-08 and it is 3% in 2008-09, so it is about \$900 000 in each of those years. We will not exceed our budget in

2007-08, so you could say the \$900 000 has been achieved. While I am making a prediction, I believe we can safely say we will also achieve our budget in 2008-09.

**Mr MILLS:** You are the Under Treasurer, good on you. Thank you, I will vacate the chair.

**Mrs BRAHAM:** I will not take an hour-an-a-half ...

**Mr MILLS:** And you will be nice, too.

**Mrs BRAHAM:** Treasurer, you tabled the staffing numbers for June 2008. Could you also table the staffing figures for June 2007? What is the comparison? Have staff increased or decreased?

**Ms LAWRIE:** We have the previous years' staffing figures in the annual report. We are just retrieving those for you, member for Braitling. It will not take a moment.

**Mrs BRAHAM:** Could we have the break-up as you have tabled?

**Ms LAWRIE:** In 2007, the total number of females was 113 and the total number of males was 72, which brought a global total of 185.

**Mrs BRAHAM:** Could we have a breakdown of classifications?

**Ms LAWRIE:** Of trainees through to the year 2006, we will table this chart, but if you have other questions on that, we will hold this until ...

**Mrs BRAHAM:** No, that is fine. Treasurer, how many Treasury staff are in the regions?

**Ms LAWRIE:** None.

**Mrs BRAHAM:** Regarding your investment procedures. Are they done by consultant or are they done by staff?

**Ms LAWRIE:** In terms of NT Corporations investments?

**Mrs BRAHAM:** Yes.

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** The Treasury Corporation undertakes investments on behalf of the Territory. It has a series of funds it invests. Our overnight cash balances are managed directly by Treasury Corporation staff.

**Mrs BRAHAM:** Staff? So you do not use consultants?

**Ms PRINCE:** For our other medium-term funds, we use fund managers. We have a series of fund managers who have been in place; we monitor their performance. We also have the advice of the Treasury Corporation Advisory Board to assist us with our investment strategy.

**Mrs BRAHAM:** Is it possible to have a list of the fund managers that you utilise?

**Ms LAWRIE:** Yes, member for Braitling, the fund managers utilised by the Treasury Corporation are AMP Capital Investors Limited, Colonial First State Investments, and MLC Implemented Consulting.

**Mrs BRAHAM:** Okay. That is all, Mr Chairman.

**Mr CHAIRMAN:** Are there any further questions? That concludes consideration of the whole-of-government issues.

**Ms LAWRIE:** Mr Chairman, with your indulgence, perhaps now could be the time to take a short break.

**Mr CHAIRMAN:** Happy to do that. If I can just ask people to keep it to a couple of minutes, that would be great. Thank you.

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The committee suspended.

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**Mr CHAIRMAN:** Treasurer, I had a misunderstanding when we went over to the member for Braiting. The Leader of the Opposition had two questions in relation to the whole-of-government issues. He just was keen that the member for Braiting got to ask her questions. Because we have not started on the next output, are you happy just to take those couple of questions before we do move on?

**Ms LAWRIE:** Sure, if it helps, Mr Chairman, I will take them on board. I thought we closed it.

**Mr MILLS:** Treasurer, has the department been the subject of any form of criminal damage?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** I am not sure what you mean by criminal damage.

**Mr MILLS:** By criminal damage I mean graffiti, windows broken.

**Ms PRINCE:** Not that I am aware of.

**Mr MILLS:** Theft?

**Ms PRINCE:** I know the Tattslotto fund was taken from Treasury Corporation about a month ago, which was about \$30. I am not aware of any other.

**Mrs BRAHAM:** If you are going to take it, make it worthwhile.

**Ms LAWRIE:** Member for Braiting! We do not condone criminal activity.

**Mr MILLS:** Has any person in the department been a victim of an assault whilst on duty?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** I am not aware of any.

**Mr MILLS:** There would be systems in place you would be aware of, I am sure.

**Ms PRINCE:** Absolutely.

**Mr CHAIRMAN:** That definitely concludes consideration of whole-of-government issues.

**OUTPUT GROUP 1.0 – FINANCIAL MANAGEMENT**  
**Output 1.1 – Financial Management**

**Mr CHAIRMAN:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2008-09 that relate to Northern Territory Treasury. I now call for questions on Output Group 1.0, Financial Management, Output 1.1, Financial Management. Are there any questions?

**Mr MILLS:** Are you aware of any typos in the budget papers that have come to light - figures put in the wrong place, where departments have alerted you, saying: 'Hang on, there is a bit of a mistake here'?

**Mrs BRAHAM:** We hope not.

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** People have mentioned a couple of minor issues to me. I do not have a full list. They are relatively minor. A couple of agencies had advised that they put wrong numbers in some output tables' performance measure - I can't recall what was reported to us as being wrong.

**Mr MILLS:** Is there a process that is followed when these matters are brought to the attention of Treasury?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** This information goes to the Financial Management Division. We consider whether they have any material effect on any of the budget aggregates, and whether or not a corrigendum is required. None of the ones that have been mentioned this year would fall into that category.

**Mr MILLS:** So there have been no reports of substantial nature?

**Ms PRINCE:** Correct.

**Mr MILLS:** What about those performance measures? How real are they? They seem to be more or less a cut and paste of previous years. I can imagine the pressure that departments are under to produce these performance measures. What process is undertaken to ensure they are real rather than just for presentation purposes? Are they genuine figures or are they cut and paste figures?

**Ms LAWRIE:** Look, Leader of the Opposition, as the Treasurer and also a minister with line agency portfolios, I can assure you that our KPIs are not cut and paste. They are assessed by the relevant divisional staff, and decisions are made as to whether or not those KPIs alter from year to year. In terms of the process of the KPIs, I am happy to defer to the Under Treasurer to explain that process to you.

**Ms PRINCE:** Agencies are responsible for reviewing those KPIs. They are also responsible each year for reviewing their output structure. We have a process, as Budget Paper No 3 is put together, where the policy analysts in our Financial Management Division review the KPIs and have discussions with their counterparts in agencies about the validity of those, particularly if there has been any variations from the previous year. Our role is that high-level review. It is the agency's responsibility to review those performance indicators and the achievement of them within their normal agency review processes.

**Mr MILLS:** To bring a little more to that - because they are reported in the budget before the end of the financial year, they are guesstimates?

**Ms LAWRIE:** Guesstimates?

**Mr MILLS:** Guesstimates. You are guessing; it is an estimation. It is not a measurement at the end of the financial year; it is an estimation. Therefore, the one before would also be the same because it is logged before the end. Many times, the ones that appeared before are identical to the ones that are appearing in the current budget paper. What level of scrutiny is there to test the validity of these performance measures? What is the process to test them more effectively?

**Ms LAWRIE:** In terms of the Treasury analysis, you have a description in the answer from the Under Treasurer. I am happy for the Under Treasurer to go back over that economic analysis that is done.

**Mr MILLS:** Sorry, it is not the economic analysis.

**Ms LAWRIE:** The analysis within the KPI. There is a team within Treasury who do that high-level analysis and who have those discussions with the line agency, whose fundamental responsibility it is to review their KPIs and test the robustness of them.

**Mr MILLS:** Thank you, Treasurer, I ...

**Ms LAWRIE:** And because we have now had KPIs in successive years, as you have indicated, we are able to more thoroughly test them.

**Mr MILLS:** Yes, I appreciate that. All I am asking for is more detail, more flesh on the specific capacity to test the veracity and substance of these performance measures - a little more information, that is all.

**Ms PRINCE:** It is fair to say that the people who work in our Financial Management Division do not have a huge amount of time to scrutinise or interrogate the performance measures through the year. They certainly do that at budget time and they work very long and hard in doing that. The main form of accountability is agencies reporting on the achievement of those KPIs in their annual reports, and giving explanations as to whether or not they have achieved them and, if they have not, why not.

**Mr MILLS:** Okay, thank you. In Budget Paper No 3, on page 303 - and I will just need your assistance on this one - the total revenue is \$4.106bn. I need to be able to find that same figure, and I do not seem to be able to find it in Budget Paper No 2. If you look at page 98, it appears to be a different amount. For 2007-08 it is \$4.106bn and, in Budget Paper No 2, it seems to be \$4.188bn.

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, you will not be able to line those numbers up. The reason is that Budget Paper No 2 is consolidated financial statements for the various sectors within the total public sector, so that the interactions between different arms of government are consolidated. Whereas the figures in Budget Paper No 3, are gross revenue estimates, so that those consolidations between agencies are taken out. If you think of, for example, say, payroll tax, each agency pays payroll tax so there is a competitively neutral position between government agencies and the private sector. The table on page 303 would include all of the payroll tax revenue paid and received by the taxes office, whereas the figures for payroll tax for Budget Paper No 2 has, through a consolidation process, the payroll tax paid by general government agencies removed. If you go back to Budget Paper No 3 and turn over the page to page 304, there is an explanation of the difference between the growth and the nett presentations in each of the budget papers.

**Mr MILLS:** Which ones should I work from?

**Ms PRINCE:** It depends what you are doing. If you are looking at the whole-of-government position, the changes in revenue over time, then you should certainly use Budget Paper No 2. If you are looking at tax revenue, then you should use the general government sector, not the total public sector.

**Mr MILLS:** Thank you. I will just move to another area. If there are accounts or bills to be paid, is it possible to hold off paying a bill to create the impression there is more cash available?

**Ms LAWRIE:** It is a strange question. I guess I will seek some clarification because the Territory government has a policy on the timeliness of paying accounts which applies across government. It is around that policy?

**Mr MILLS:** Well, you have a policy, but you have lots of policies. I want to know whether, at the time of the recording of a budget, for example, there are unpaid amounts still sitting on the books before they go across into the next financial year, which can create a cash surplus because the bills have not been paid. It is not ...

**Ms LAWRIE:** Sure. When the 2008-09 budget papers come down, for example, the 2008-09 figures are estimates because, of course, we do not land on our actual until September and we have to report what our actuals are. Therefore, what you see in 2008-09 are our estimates for 2007-08 period and our forecast for the 2008-09 period. We have estimates in there simply because, obviously, we hand the budget down in May, and we have not come through the full financial year cycle until 30 June. So, at this stage, we have, if you like, unpaid accounts because we have not hit 30 June mark, when we then start to calculate our actuals. But, any additional information, I am happy to refer to Under Treasurer.

**Ms PRINCE:** Mr Mills, when we had only a cash set of accounts, before 2002-03, what you are suggesting may or may not have happened. However, when we moved to the accrual framework, we have, for each agency and the whole-of-government sectors, three financial statements: an operating statement, a cash flow statement and a balance sheet. While the cash flow statement

shows the payments that have been made and received, the operating statement shows those payments where we have a liability - we have a bill but we have not paid it - and, indeed, it also shows receivables where people who owe us money and they have not paid it.

We, in Treasury, monitor very closely the relationship between the cash flow statement and the operating statement, to ensure that agencies are not moving outside of the normal payment schedules. That is also an issue that the Auditor-General looks at each year. We certainly do not have any policy in place - official or unofficial - to hold back bills. In fact, our preference is to get them done.

**Mr MILLS:** No, I am not implying there is a deliberate strategy to hold bills back, but ...

**Ms LAWRIE:** Sounded a bit like it.

**Mr MILLS:** Yes, well, depends how you hear it. It is an accounting issue you can create, or there can be the appearance of cash when there are unpaid bills, when talking about cash flow. Can you give a rough idea of how many unpaid bills there would be, or obligations that would be sitting there between the time of the budget and at the end of the financial year? Just a rough idea.

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** The time of the budget and the end of the financial year - so not the normal monthly payment cycle? If we were doing that sort of comparison, we would look at the difference between the operating statement and the cash flow statement at any point in time. The difficulty we have in looking at the performance at the time of the budget papers and the end of the financial year, is not so much on the payment side but on the revenue side, when a number of our payments from the Commonwealth are not finalised until June. If there is to be any material variation from the estimates done in May for the budget papers, it is usually on the revenue side than on the expense side.

**Mr MILLS:** Thank you. Treasurer, can you explain the difference between cash-based numbers and accrual statements?

**Ms LAWRIE:** I am happy to defer the question to the Under Treasurer, because it is a significant change that we introduced in 2002.

**Mr MILLS:** Sorry, Treasurer, no. I am asking you, Treasurer. Can you explain the difference between cash-based numbers and the accrual system?

**Ms LAWRIE:** Yes, because the accrual brings on a whole lot of other factors that, obviously, the cash-based does not. I am happy to defer to the Under Treasurer for the details on that.

**Mr MILLS:** I am fine.

**Ms LAWRIE:** You sure? Well, you asked the question.

**Mr MILLS:** Yes I did - of you.

**Ms LAWRIE:** We have had plenty of presentations, as PAC members know. There is a ...

**Mr CHAIRMAN:** I remind members that it is within the minister's discretion to refer questions to his or her advisors if they prefer to ensure there is a full answer to members' questions. If you are happy with the answer ...

**Mr MILLS:** I am happy. Well, I have the answer, thank you. That is the end of that line with me.

**Mr CHAIRMAN:** Are there any further questions on this output group?

**Mrs BRAHAM:** Thank you, Mr Chairman. Sorry, I was not expecting it to come on so quickly ...

**Mr MILLS:** Well, I did tell you before; it has happened every year before. Trust me.

**Mrs BRAHAM:** Treasurer, I noticed your receipts have increased by \$333m this year. \$246m is Commonwealth funding - some of that is GST and some is also for the federal intervention. Could you give us a breakdown of the payments from the Commonwealth, and the areas they fall under, of that \$195m?

**Ms LAWRIE:** The breakdown of the special purpose payments?

**Mrs BRAHAM:** Yes.

**Ms LAWRIE:** We have details of the special purpose payments funding in 2007-08: \$75.4m to the Northern Territory emergency response - member for Braiting, you will find these figures on page 13 of the budget book; \$9m for indigenous housing, \$38.5m for Health; \$54.4m for Education; and some \$17.8m for other.

**Mrs BRAHAM:** Treasurer, have you already received that funding?

**Ms LAWRIE:** Yes.

**Mrs BRAHAM:** It is in the bank?

**Ms LAWRIE:** Yes. These are the 2007-08 payments.

**Mrs BRAHAM:** Okay, so they have been paid up-front? That is what I am asking.

**Ms LAWRIE:** Well, they have been paid throughout the financial year.

**Mrs BRAHAM:** They have been paid for the 2008-09 financial year?

**Ms LAWRIE:** No, these were the 2007-08 figures. The 2008-09 figures, whether we have received all of them in to date, Under Treasurer?

**Ms PRINCE:** These are the estimates provided by agencies of the specific purpose payments that have changed since May 2007 for the 2007-08 year. Agencies would have received most of them. It may be that some of them would not be receiving them until June, but this is their best estimate.

**Mrs BRAHAM:** So, for 2008-09, your special purpose payments from the Commonwealth?

**Ms LAWRIE:** We are forecasting \$122.3m increase since May. Across the groupings for the Northern Territory: emergency response, \$14.9m; indigenous housing, \$41.5m; health, \$21.1m; education, \$17.4m; and other, \$27.4m.

**Mrs BRAHAM:** What do you estimate your GST revenue for 2008-09 will be?

**Ms LAWRIE:** We are estimating, for the 2008-09 budget period, GST revenue of \$2.415bn.

**Mrs BRAHAM:** Treasurer, because you have had a lot of this money already paid up-front, your interest last year increased from the year before that you received. Could you give me the figures of your interest for 2007-08 and your anticipated figure for interest for 2008-09?

**Ms LAWRIE:** In the interest income figures for 2007-08, we are predicting, at this stage, \$59m. In estimating for 2008-09, we are estimating \$45m.

**Mrs BRAHAM:** \$45m?

**Ms LAWRIE:** Yes. Interest income.

**Mrs BRAHAM:** Depending on the stock market?

**Ms LAWRIE:** Well, no.

**Mrs BRAHAM:** Have your investments been affected by the stock market to date?

**Ms LAWRIE:** In terms of the Treasury Corporation investments?

**Mrs BRAHAM:** Yes.

**Ms LAWRIE:** Yes. Do you want to pick that up in this output area, or we can deal with it here? Under Treasurer?

**Ms PRINCE:** Because we invest our overnight cash balances through products that reflect cash returns, the stock market does not have a material effect, although, with the increases that we have seen in interest rates over the last year, the rate has improved slightly. The main form of investment invested in the stock market is the Conditions of Service Reserve. In the budget papers, we valued that at 31 March, and we reported, at that time, how that investment had declined by about \$30m or so. At the end of April, that amount had halved because of the stock market volatility. The market has improved since March. We monitor that quite closely and we, none of us, are prepared to make an end-June prediction just yet.

**Mrs BRAHAM:** Will that have a detrimental effect on the budget in any way; the fact that it does fluctuate?

**Ms PRINCE:** We do not use those returns for service delivery. They serve to reduce our overall debt and liabilities level so they will not have an effect on any services that have been funded through the budget.

**Mrs BRAHAM:** So what are the implications for your borrowing program? Will it mean it will increase?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** No, it will not have any affect on our borrowing program. Our borrowing program is largely refinancing. Any new borrowings by the corporations, those investments do not serve to affect our borrowing program at all.

**Mrs BRAHAM:** Obviously, you do not have a lot of concern at the moment on the effect of the volatile market out there on investments or in other areas?

**Ms LAWRIE:** Member for Braintree, we would show concern. We monitor very closely and we have a team of experts within the Treasury Corporation to do that. Because the Conditions of Service Reserve is mainly in the long-term markets, we are faring far better than other government investments elsewhere in the country have been. These markets go in cycles, I am advised, and this is around the right time for a downwards trend in the cycle. We have had very healthy returns on investments. What we are seeing is a reduction on returns and investment.

**Mrs BRAHAM:** I guess like everyone you keep a close look on it.

**Ms LAWRIE:** Absolutely.

**Mrs BRAHAM:** That is about all you can do at the moment. I am intrigued we have a 3% dividend and that cuts across all departments?

**Ms LAWRIE:** Not all departments. Frontline services such as Police, Health and Education have a 1.5% dividend ...

**Mrs BRAHAM:** They have been quarantined from it?

**Ms LAWRIE:** They have an efficiency dividend, but it is 1.5% not 3%. Sorry, the dividend on those frontline agencies have a 0.75% dividend.

**Mr CHAIRMAN:** Are there any further questions for Output Group 1.0? There being no further questions that concludes consideration of Output Group 1.0.



**OUTPUT GROUP 2.0 – Economic  
Output 2.1 – Economic Services**

**Mr CHAIRMAN:** The committee will now proceed to Output Group 2.0, Output 2.1, Economic Services. Are there any questions, Leader of the Opposition?

**Mr MILLS:** The minister for Business, last year during estimates, made a very interesting observation. He said the Territory is not a managed economy. Is it correct the Territory relies on its legislative framework for economic direction rather than direct input from government? Do you think this is the case, Treasurer?

**Ms LAWRIE:** I am unaware of the comments that you are attributing to the member for Casuarina, our Business minister. In an economy as small as the Territory's, what we find is that where government invests, it does affect the economy broadly. For example, when we came to government in 2001, the economic growth was zero at that stage. Government decision-making, if you like, primed up the economy through record investment in infrastructure which fuelled the construction section of the economy. Government decisions in and around encouraging resources affects economic growth, as well. Where you facilitate a boom in the resources industry, and LNG coming onshore such as this government has done, you will have a flow-on effect into the economic drivers which we are seeing now predicting at 6.6% growth for next year.

As far as I am concerned, and the experience of this government demonstrates, because we are such a small economy, whilst we have volatilities within that economy, the decisions made by the Territory in where it spends and, importantly for the Territory context, where the Commonwealth government spends, impacts on economic drivers. Industry, and significantly, the private sector have major impacts. Where you see, for example, the G3 expansion, which is private sector spending, you saw those figures being borne through on our economic indicators. You see a tailing off the economic indicators as the G3 expansion is finishing.

I do not underestimate at all the importance of the private sector and their spend on economic drivers. However, within the context of the Territory, it is critically important to understand where the government spend is, as well in terms of both Commonwealth and Territory governments spending. We are in a cycle at the moment, for example, with the Northern Territory Emergency Response and the increased spending by the Northern Territory government across all agencies and, importantly, particularly so in infrastructure investment. We are now seeing the drivers through government spending flowing through the economic indicators.

**Mr MILLS:** With all that said, are you actually claiming credit for the resources boom?

**Ms LAWRIE:** Leader of the Opposition, I am not sitting here saying the government made the decisions that led to the G3 expansion. I am not sitting here saying the government has made the decisions that led to the Groote expansion that is about to gear up. I am not sitting here saying the government made the decisions that led to additional mines coming online. What I can say is, very clearly in the area of economic activity, the government does have a very important role to play. We are a government that says we are open for business, and actually invests in things such as the exploration for resources across the Territory, and invests in critical infrastructure to facilitate the delivery of the resources - for example, down at East Arm Wharf we purchased the bulk mineral loader. If we invest in the infrastructure that allows industry to get the product out of the ground and to market; and makes it feasible for them to do so then, clearly, the government has a role to play in private investment decision-making in encouraging industry.

**Mr MILLS:** Of course, well, that is ...

**Ms LAWRIE:** And you can send the signal 'open for business' or you can send the signal 'closed for business'. Clearly, the government is aggressively out there trying to secure the INPEX project. Why is that? Because we know it will have significant economic benefits to the Territory.

**Mr MILLS:** You make a strong play of 'Now that the Labor Party has come on front and centre, and has now been given responsibility for managing the Territory', you are deliberately creating the impression you have created this economy. Can you, therefore, Treasurer, point to any legislative instrument you have introduced that has fundamentally changed the economic structures of the Northern Territory - anything this government has, in fact, done in a legislative way that has changed the economic structure of the Northern Territory?

**Ms LAWRIE:** Government does a whole lot more than legislative instruments. If you think that legislative instruments are solely the purview of government, then you misunderstand the role of government. Government, importantly, determines how to provide the resources across the Territory, to ensure the economic and social health of the Territory. In the debate we are having around the economic drivers, I can say that, very clearly, strong economic drivers for the Territory are in the area of the resources sector, and will be today and into the future.

Therefore, how we construct the delivery of our resources across the Territory, is determined through legislative instruments each year. It is called the budget - that is what we are here debating. As a government, where we determine and put those resources in delivering services and providing the relevant infrastructure, I believe very strongly, does have an important role to play in our economy, in saying to business - where you get significant economic drivers with their investments - whether or not you are open or, indeed, closed for business.

For example, initiatives such as the *Bringing Forward Discoveries* in the resources sector, clearly sends a very strong message to industry that we are open for business. Ensuring the continued expansion down at East Arm Wharf clearly sends a message to industry that we are open for business.

**Mr MILLS:** Yes, thank you, Treasurer. I am just asking if you can point to any legislative instrument you have introduced that has fundamentally changed the economic structure in the Territory. Obviously, you are not pointing to any. We are talking about the general economic ebb and flow. So, can you, therefore ...

**Ms LAWRIE:** You have cloth ears because the budget is a legislative instrument, each year.

**Mr MILLS:** Can you name the acts that operate to achieve outcomes in this area of economic improvement? Describe the acts that will make a difference economically to the Northern Territory.

**Ms LAWRIE:** The Appropriation Bill.

**Mr MILLS:** Go on.

**Ms LAWRIE:** Very clearly, the Appropriation Bill sets the year-on-year framework that determines from the government spend - and I explained before the importance in the context of the Territory economy the government spend. The work we do as a government, to go out hard and fight for and achieve significant increases in Commonwealth spending, of course, are economic drivers across our regions. We are seeing that flowing through in the emergency response and others. The budget is legislation. The budget is yearly legislation that can either have a dampening effect on the economy in where you are putting your spends, or, in fact, a cooling effect on the economy. I point to the record investment year-on-year since Labor came to government regarding infrastructure.

We are predicting a spend of \$870m in infrastructure. Now, if you do not understand the importance of that as an economic driver, then I am really surprised at your line of questioning. We have ...

**Mr MILLS:** Well, I am surprised, Treasurer, that you have not pointed to any specific part ... ah, we have them now, thank you.

**Ms LAWRIE:** ... introduced the waterfront act, the *Environment Protection Authority Act*, the Appropriation Bill, the *Public Sector Employment and Management Act* and the *Treasury Corporation Act*.

**Mr MILLS:** There you go.

**Ms LAWRIE:** Any way you want to look at it ...

**Mr MILLS:** There you go. That is more like it, thank you.

**Ms LAWRIE:** ... government is, particularly in the context of the Territory, front and centre of where the economy is moving, and what we are doing to facilitate it.

**Mr MILLS:** We have to sort the wheat from the chaff; that is, what can you actually do to create this economic boom and resource? You have an opportunity to manage it, but what you have actually done to create it is minimal.

**Ms LAWRIE:** No, I disagree. You simply are not listening to the answers I am giving.

**Mr MILLS:** Well, I am hearing your answers.

**Ms LAWRIE:** Regarding the zero growth in 2001, the cash was not there to support the then CLP government's capital works program ...

**Mr MILLS:** Why was that?

**Ms LAWRIE:** In terms of the Territory, your capital works expenditure from government - that is, your infrastructure investment - is critical as a local driver. Indeed, we have improved tourism in the economy in aggressively going out and increasing the tourism budget for promotions and marketing. We have done that effectively. As I said, we are working with the resources industry very proactively. I remember when we came to government in 2001, the then resources minister had a significant pile of applications for exploration licences sitting on his desk ...

**Mr MILLS:** We have heard all your stories.

**Ms LAWRIE:** You may not want to hear this ...

**Mr MILLS:** No.

**Ms LAWRIE:** ... but this is, effectively, the role that government plays in ensuring we are a part of the economic drivers. You can sit there and halt the resources industry by not processing something as important as exploration licences or, indeed, you can become a proactive government, process those exploration licences ...

**Mr MILLS:** All right, all right, Treasurer. It is all right.

**Ms LAWRIE:** ... and facilitate the increase in the resources industry.

**Mr MILLS:** Oh, come on.

**Ms LAWRIE:** You asked the question.

**Mr MILLS:** I asked a question; that was not the answer.

**Ms LAWRIE:** A point or order, Mr Chairman! The Leader of the Opposition is saying that was not the answer. It is an arrogance in the extreme to say that only he knows what the answer is.

**Mr CHAIRMAN:** There is no point of order. I was ignoring the aside, Treasurer.

**Mr MILLS:** And I should, too. Thank you, Mr Chairman. Treasurer, what is the difference between fiscal management and economic management?

**Ms LAWRIE:** Fiscal goes to the finances, obviously; the economics is broader. Why are you splitting hairs?

**Mr MILLS:** I am trying to assess whether this is, in fact, a case you are presenting to the community as a sound one; that you are an economic manager. Surely, all that you have pointed to indicates that you are a fiscal manager, managing the finances of the Territory. The economy is occurring as a result of external forces, largely. Your responsibility is to manage the flow of finances to facilitate an economic boom - which is not your creation.

**Ms LAWRIE:** Again, Mr Chairman, obviously, I differ on that point of view from the Leader of the Opposition - not surprisingly. Again, I go back to the zero growth the Labor government inherited in 2001. How did we begin to turn that around? We began to turn that around by ensuring we put an emphasis on investment in the construction industry; that is, through the capital works program. We tightened the belt of government expenditure elsewhere to be able to

resource that investment in infrastructure. We put a great deal of emphasis and weight on where the capital works program of government was, and targeting that to drive the boom we then saw in the construction industry.

We put a lot of effort in those early years into improving tourism because, again, the impact of tourism is critically important to the Territory's economy. We made a decision to aggressively facilitate the biggest one of all, the resources sector in the Territory, in terms of LNG onshore, the Wickham Point project, as well as the mines we have seen emerge in the Territory, and the work in encouraging the expansion of existing mines. All of those have seen a significant economic effect, and have led to the predicted growth of around 6.6% for next year.

**Mr MILLS:** When did the GST begin to flow into the Northern Territory?

**Ms LAWRIE:** In 2001, was the change to the tax regime, the introduction of GST.

**Mr MILLS:** When did the Labor Party come to office, Treasurer?

**Ms LAWRIE:** Oh, 2001. This will be the flat-earth policy focus the Leader of the Opposition has, because he would have us believe that, under the previous tax regime, there would not have been any increase in revenue in the Territory. Well, indeed, there would have been. As jurisdictions grow, their revenue growth occurs through the tax cut. As your population grows, you get more revenue - whether it is through the GST regime or another tax regime.

**Mr MILLS:** Did the Labor Party oppose the introduction of the GST in the Northern Territory?

**Ms LAWRIE:** The Labor Party nationally opposed the GST.

**Mr MILLS:** In your estimation, when did the resources boom commence in China?

**Ms LAWRIE:** Point of relevance?

**Mr CHAIRMAN:** I am not sure that relates to the Northern Territory economy and this output.

**Ms LAWRIE:** To the budget. I know that, ultimately, the impact of the resources dollar has, obviously, been a significant key to the investment in the Territory in the resources boom. However, when it actually started to pick up significantly in China, I am not going to predict that. My officials do not even want to predict that, either.

**Mr MILLS:** Well, it certainly was not in 2001. It has occurred. What role has the Labor Party in the Northern Territory played in stimulating the resources boom in China?

**Ms LAWRIE:** That is a very strange question from the Leader of the Opposition. Maybe it is an Elferink special. If you want to know what role the Labor government plays in improving and enhancing our relationship with China, in making sure that there are resource links between the Territory and China, then I can point to the fact that successive Chief Ministers in the Labor Party, as well as our Business minister and Mines minister, have made several trips to China each year to promote, quite specifically, the resources the Territory has; resources China needs to fuel its growth.

**Mr MILLS:** Thank you. No further questions, Mr Chairman.

**Mrs BRAHAM:** Mr Chairman, we are doing this line, Economic Services, am I correct?

**Mr CHAIRMAN:** Yes.

**Mrs BRAHAM:** In your budget line, you have a budget of \$8.1m, and it says, 'To analyse and provide public policy advice'. Could you explain to me exactly what the \$8.1m is likely to be spent on? What policies or projects are we looking at?

**Ms LAWRIE:** I will refer that to Tony Stubbin.

**Mr STUBBIN:** The largest component, from the top of my head, would be actually a payment made to the Australian Taxation Office.

**Mrs BRAHAM:** I thought that came in ...

**Mr STUBBIN:** That is the next line.

**Mrs BRAHAM:** ... payments on behalf of the Territory.

**Mr STUBBIN:** \$8.1m.

**Mrs BRAHAM:** Don't ask me.

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

**Mrs BRAHAM:** My question was: your \$8.1m you have budgeted for economic services to provide and analyse, I presume, projects and business ventures in private enterprise. I am asking what are some of the areas you would be looking at? Why is that amount of money budgeted for?

**Mr STUBBIN:** We have 32 staff currently. That covers their salaries. They perform a role of responsibilities within Treasury under the Economic Group banner. They are analysing the economy, analysing social characteristics of the Territory, including demographics, and developing economic policies ...

**Mrs BRAHAM:** So, this is purely a policy unit with 32 staff and its budget is \$8.1m?

**Mr STUBBIN:** Yes. It is \$8.1m.

**Mrs BRAHAM:** Okay. I guess I am a little intrigued by that \$8.1m to provide and analyse financial projects and what have you for the Territory. Can you give me a bit more detail on what they do?

**Mr STUBBIN:** There is the economic analysis, the social analysis including demographics. We fund the Charles Darwin University to run part of the demography program there; we have an Economic Policy and Frameworks Unit which is responsible for providing policy advice to the Treasurer and government and the agency about policy developments in terms of electricity industry, supervising the Territory Insurance Office.

**Mrs BRAHAM:** So, they will be giving advice across all departments and projects?

**Mr STUBBIN:** They can assist all other departments.

**Ms LAWRIE:** Where appropriately required to.

**Mrs BRAHAM:** So, these staff are Treasury staff?

**Mr STUBBIN:** Treasury staff, yes. There is a Commercial Unit which looks at government's involvement in commercial developments, and helps ensure government decisions and interactions are appropriate. Then, there is the Public Finance Unit which looks at interactions with the Australia government in ensuring we get a fair and appropriate share of Commonwealth grants.

**Mrs BRAHAM:** So, some of the analysis would include things like the convention centre, the gas ...

**Mr STUBBIN:** Yes.

**Mrs BRAHAM:** Those types of major projects?

**Mr STUBBIN:** Treasury's contribution to whole-of-government assessment of major projects, yes.

**Mrs BRAHAM:** I might find out more later, get a briefing. I am intrigued. Thanks, Mr Chairman.

**Mr CHAIRMAN:** Are there any further questions on that output group? Then that concludes consideration of Output 2.1.

### **Output 2.2 - Payments on Behalf of the Territory**

**Mr CHAIRMAN:** The committee will now proceed to Output 2.2, Payments on Behalf of the Territory. Are there any questions?

**Mr MILLS:** Not many questions. Firstly, why the name change, Treasurer?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** We thought it was a more accurate representation of what we do. This output incorporates payments that channel through Treasury that are made on behalf of the Territory: the payments to the ATO for their management of the GST; payments to Power and Water or the uniform tariff CSOs. They do not directly affect Treasury's activities as an agency, but the policy work is done in Treasury. Formerly, we had these amounts allocated to different output groups, and we took the view it was more transparent for them to be grouped together and to be identified in that way.

**Mr MILLS:** Treasurer, payments on behalf of the NT are about \$100m - did I read that correctly? Had there been any substantial variations in the past year - plus or minus 5%?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** I think you are really asking were there variations within the 2007-08 year. From May 2007 to May 2008, there was a significant variation, in that through the budget development process the government agreed it would make capital payments of \$100m to Power and Water towards its infrastructure program. You will recall that, last year, the Power and Water Corporation approved an \$800m infrastructure program over five years. In the intervening year, as they have investigated more of those projects, they have increased the capital program to about \$1bn by the addition of new projects and some cost increases. The Territory concluded it would make a contribution to that infrastructure program and ...

**Mr MILLS:** Excuse me, Under Treasurer, when you say 'the Territory decided', what do you mean?

**Ms LAWRIE:** The government.

**Mr MILLS:** Yes.

**Ms PRINCE:** The government, and so it is assisting on behalf of the Territory. \$50m of that will be paid in 2007-08 and the other \$50m will be paid in 2008-09.

The other significant variation is the undergrounding program for Millner. We had previously thought that work would occur over the next 18 months, but the contract is going reasonably well so we included the Territory's contribution to that project. About 25% of that is funded by Power and Water and about 75% is funded by the Territory. So, \$16m reflects that undergrounding payment.

**Mr MILLS:** That is an increase of \$16m?

**Ms LAWRIE:** We brought it forward.

**Mr MILLS:** Right.

**Ms LAWRIE:** Because the contract is going well and it made sense, obviously, rather than incur additional costs, to bring the funding forward so the program can continue to roll out.

**Mr MILLS:** It coincides with an early election, too. That is quite remarkable.

**Ms LAWRIE:** No, you are speculating about that. What I can say is the decisions around the payment to underground power for Millner were based on the fact that we sought advice, and

received advice from Power and Water that that program was proceeding at a pace that, unless we were to cease the contract and restart it at a later date, would require that payment to be brought forward. That is what we have done. Obviously, it makes sense.

**Mr MILLS:** Sure.

**Ms LAWRIE:** If you have the contractor out on the ground doing the work, and you have the capacity to bring that payment forward, you bring it forward so the work can continue.

**Mr CHAIRMAN:** On that wonderful note, we will break for lunch. I have allowed us to go overtime approximately five minutes to allow for the time we lost when we broke, but we will start at 1.30 pm sharp. Thank you.

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The committee suspended.

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**Mr CHAIRMAN:** We are considering Output 2.2, which we started prior to the break. Leader of the Opposition, do you have more questions you would like to ask on that one?

**Mr MILLS:** No, Mr Chairman, I have just come to the end.

**Mr CHAIRMAN:** Fantastic timing! For *Hansard* purposes, we have lost Mrs Braham and she has been replaced by Mr Wood, member for Nelson. Do you have any questions you would like to raise?

**Mr WOOD:** No.

**Mr CHAIRMAN:** Output 2.2 is complete. That concludes consideration of Output 2.2 and of Output Group 2.0.

#### **OUTPUT GROUP 4.0 - TERRITORY REVENUE** **Output 4.1 – Territory Revenue**

**Mr CHAIRMAN:** I now call for questions relating to Output 4.0, Territory Revenue, Output 4.1, Territory Revenue. Are there any questions.

**Mr MILLS:** This is an important story, Treasurer, that we need to be refreshed on. You talk a lot about the amount of money spent. We need to talk about the money you have to spend. Can you please provide a breakdown of the GST revenue from 2001 up to present, and break that down on a year-by-year basis?

**Ms LAWRIE:** I believe we have that year-by-year breakdown from 2001 through. In terms of GST revenue into the Territory - I will round up if you do not mind - in 2001 - \$1.29bn; in 2002 - \$1.52bn; in 2003 - \$1.68bn; 2004 - \$1.74bn; 2005 - \$1.85bn; 2006 - \$2.015bn; 2007 - \$2.174bn; and we are estimating 2008 to be \$2.4bn.

**Mr MILLS:** Okay. Can you please give me the percentage increase from 2001 until the projected \$2.4bn?

**Ms LAWRIE:** Yes, the percentage change from 2001-02 to 2008-09 is estimated to be 86.5%.

**Mr MILLS:** Thank you, and the own source revenue - the same story from 2001 to now?

**Ms LAWRIE:** Okay. I have splits between Territory taxes and royalties, so I can give you the split.

**Mr MILLS:** Yes, the split.

**Ms LAWRIE:** I will do Territory taxes first. In 2001, it was \$227m; 2002 - \$246m; 2003 - \$263m; 2004 - \$301m; 2005 - \$376m; 2006 - \$368m; 2007 - \$397m; and we are estimating for 2008 - \$400m. That is for Territory taxes ...

**Mr MILLS:** Okay. And the percentage increase for 2001 ...

**Ms LAWRIE:** The percentage change from 2001-02 to 2008-09 we are estimating to be 76%.

In royalties, both mining and petroleum: in 2001 it was \$39.8m; 2002 - \$38.8m; 2003 - \$37.1m; 2004 - \$42.4m; 2005 - \$51.4m; 2006 - \$76.2m; 2007 - \$88.4m; and in 2008 we are estimating \$88m. The percentage change from 2001-02 to 2008-09 is 121%.

**Mr MILLS:** You should be able see in those figures there the effect of the resources boom - is that right?

**Ms LAWRIE:** Well, the percentage change in the mining and royalties is 121%.

**Mr MILLS:** When did that start peaking, start moving upwards?

**Ms LAWRIE:** I would say round about 2004-05 we started to see an incremental shift.

**Mr MILLS:** That is a significant increase. I would venture to say, Treasurer, is an indication of when the China boom started to really kick into the Territory. Tremendous increases.

How much are you expecting to make in the stamp duties levied against exploration licences? What are you expecting to take?

**Ms LAWRIE:** It is an estimate at this stage. We are estimating anywhere between \$300 000 to \$400 000 in applying the stamp duty to the transfer of exploration licences. It is an estimate.

**Mr MILLS:** What do you base that estimate on?

**Ms LAWRIE:** Based on the activity we have seen previously and the value the taxation revenue experts have applied to the transfers.

**Mr MILLS:** You have indicated, or alluded to, in your second reading speech, there are mining companies who are using exploration permits to avoid their taxation responsibilities. How many have been prosecuted for avoiding tax?

**Ms LAWRIE:** I will refer to my Commissioner for Taxation.

**Mr VUKMAN:** Craig Vukman. We have had four cases in the last couple of years. In prosecution, two cases have gone through to objection and, in both of those cases the objections were upheld.

**Mr MILLS:** Is it because of these cases that you describe - through you, Treasurer - that has given rise to the need for this new levy?

**Ms LAWRIE:** The government's advice has been that recent activity over the last few years we have seen a minority of industry players seek and follow their commercial lawyers' advice for taxation, in what we perceive and call a loophole; that is, attributing more weight to the value of the transfer of exploration licence as opposed to weight to the value of the mining tenement. It was an emerging trend that Treasury were witnessing, and provided advice to government for our budget considerations in and around the cost to government of administration, and the delays finalizing the agreement on where the weight applied. It was delays to industry which we saw as unnecessary and not in the best benefits of a mining proactive government. So, we have moved to close the loophole.

**Mr MILLS:** I think yes or no might cover this. Your assistant identified there were four that have needed to be investigated. Is it because of these this new levy has been brought in - yes or no?

**Ms LAWRIE:** Well, I do not need to give a yes or no answer. I think I was pretty clear in the government's considerations; that is, we saw ...

**Mr MILLS:** I do not think you were, Treasurer, that is why I have asked the question again, just for clarification.



**Ms LAWRIE:** Okay, I will take you back through the process. What we saw was an emerging number of cases in the last few years whereby lawyers were providing advice to mining companies to apply what we believe was a greater weight in value to exploration licences, rather than mining tenements when the change was occurring. We saw that as a emerging loophole. We saw it as an anti-productive loophole in the sense that it bogged our taxation specialist down into a lot of administrative work, a lot of argument between lawyers over many months and, indeed, on the odd occasion, over years. That was, we felt, anti-productive to an industry here in the Territory. We looked at how this particular law regarding taxation measure applies across other jurisdictions, and we found a majority of jurisdictions applied the stamp duty on transfer of exploration licences.

**Mr MILLS:** What was the primary driver - what is happening in other jurisdictions or the problems we have in the Territory?

**Ms LAWRIE:** We applied weight to the issues we saw emerging in the Territory. We also, obviously, applied some weight to whether or not it affected industry elsewhere in the nation. We saw, indeed, it did not, so ...

**Mr MILLS:** A choice between the two, Treasurer. I am asking which one was the primary driver - weight granted on both propositions? Which one do you think would be the driver - to bring us into line with interstate or southern jurisdictions, or that there was a problem here?

**Ms LAWRIE:** No, I have been very clear in answering, Leader of the Opposition. Our concern was we saw a trend emerging in the Territory.

**Mr MILLS:** Okay, so the problem was here and it needed to be responded to; close down the problem emerging in the Territory. Is that right?

**Ms LAWRIE:** Certainly, that is where the weight of our concern was. What we do when we have a concern about an issue emerging in the Territory, is we look at how the issue is dealt with elsewhere and whether or not, in dealing with it, you provide any, if you like, anti-competitive barriers. We saw there were no such anti-competitive aspects to it, so we have taken the approach of leaving the stamp duty on transfer of exploration licences.

**Mr MILLS:** The Minerals Council was adequately briefed and satisfied with this measure?

**Ms LAWRIE:** There have been a series of discussions held with what we call now the Resources Council, and they have a new CEO who is in the Territory. There have been a series of meetings between the taxation revenue specialist from Treasury. I have participated in meeting myself with the Resources Council with some executive members and the new CEO to discuss the initiative.

**Mr MILLS:** Thank you - quite telling. I would like to ask you now, Treasurer, a query related to Tattersall's. I understand they have lost their licence to run Scratchies in the Territory. Is that the case?

**Ms LAWRIE:** I am advised there have been some changes in Victoria that have affected Tattersall's. It is not that they have lost their licence. If you want any further clarification, it is a matter that Racing, Gaming and Licensing is, I believe, dealing with.

**Mr MILLS:** Okay, I understand. Is it going to affect revenue?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, we understand there will be a replacement product. There will not be any material effect on revenue. I am not sure to what extent I am able to talk about that replacement product. It really is a matter for the Racing, Gaming and Licensing Minister.

**Mr MILLS:** Okay, well, I will leave it for Racing, Gaming and Licensing. Treasurer, you are fond of talking about 2001 when the world changed but, at that time in 2001 there was a promise of an oncology unit and money was nominated by the then Opposition Leader as \$20m - no reference whatsoever made to the Commonwealth. It appears now there is a need for the Commonwealth to provide this. Can you please explain the issue of this money? It appears that the money has been allocated has been directed to Lismore and Cairns. There has been some

money under a slightly different title that has been directed to the Territory, I understand. But all said and done, does it appear to you that the promise made in 2001 has failed to materialise in the way in which it was presented to the Territory community?

**Ms LAWRIE:** Leader of the Opposition, I am certainly aware - because Treasury has been providing advice to the department of Health and the team the Health Minister has put together for the oncology unit - that the Territory government is extremely close to finalising agreement with the Commonwealth government regarding the payment of funds and the contributions of both the Commonwealth and the Territory governments towards oncology, and where that capital and recurrence sits.

**Mr MILLS:** I believe we need a bit more information than that. There has been a solid promise made to the Territory community with the dollar figure attached to it. Now, there is quite vague talk about talks between one agency and one level of government and another.

**Ms LAWRIE:** I have to say an agreement between the Commonwealth and Territory government is not a vague talk. It is just simply that we are close to signing off on an agreement with the Commonwealth government. Under the requirements of that, obviously, the details will be announced publicly once that agreement is actually signed. I am not going to jeopardise that important project that will deliver a critically important service to Territorians by giving details here at estimates - details I am, obviously, aware of as Treasurer. However, I am bound at this stage to keep it confidential until the agreement is signed off by the federal minister and the Territory Minister for Health and announced publicly. However, absolutely and categorically, I am aware because I am the Treasurer, that Treasury officials have been providing advice every step of the way; that agreement is very positive and close to finalisation. I am also aware, I have to say, it will deliver an extremely good oncology service to Territorians.

**Mr MILLS:** Getting down to the detail of this: \$20m was promised without any reference to the feds. That was in 2001, Treasurer. Now, or prior to the last federal election, there was the identification of an amount that was to be given to the Northern Territory. What was that amount?

**Ms LAWRIE:** Leader of the Opposition, I am not sure whether you understood the previous answer I gave, but I will give it again ...

**Mr MILLS:** I am actually after the dollar figures.

**Ms LAWRIE:** Yes, but, again, I will go to my previous answer. There are negotiations occurring that are close to finalisation, but not finalised, between the Northern Territory Health Minister and his representatives and the federal Health minister and her representatives, in the delivery of an oncology unit and service in the Territory. That agreement will have funding arrangements within it. It will have, obviously, capital works arrangements as well as recurrent arrangements. I know there are further negotiations with a private specialist oncology provider.

None of the details of that agreement am I prepared to announce here today at the Estimates Committee hearing, because I am bound by the confidential nature of those discussions, and I will respect those matters by which I am bound.

**Mr MILLS:** How much was redirected from the federal Better Access to Radiation Oncology Fund?

**Ms LAWRIE:** Again, Leader of the Opposition, I do not think you understand the nature of the answer I just gave which is: I will not go to the funding details of an agreement which is close to finalisation. I will not breach the confidentiality commitments the Territory government has provided.

**Mr MILLS:** All right. See if I can possibly get this, because you are the Treasurer and we are talking about money - not the nature of negotiation between the one side and another.

**Ms LAWRIE:** You have asked me a question about federal budgets just then with that.

**Mr MILLS:** The issue is the money that goes towards this promise that has now changed to being a federal responsibility. Has that been transferred from the federal budget to the Territory account? Is it with the Territory or still with the federal government?

**Ms LAWRIE:** Leader of the Opposition, first of all, I have to take issue with the way you framed that question. You say it is now transferred to being a federal responsibility.

**Mr MILLS:** Yes.

**Ms LAWRIE:** That is wrong. That is patently wrong. If you had listened to the answer I had previously given - and I had to repeat now, and I will say it again. The agreement will have funding arrangements in it - funding arrangements that are both Commonwealth funding contributions and Northern Territory government funding contributions. So, ipso facto, it is a shared funding agreement. As to the split between capital works and recurrent, that will be contained within the agreement. I will not breach the confidentiality of those negotiations. They are extremely close to being finalised.

I have to say the Health Minister has pursued, doggedly, the federal government in finalising the agreements since we have had a Labor government elected. He has made significant progress, very quickly, compared to having to deal with the previous federal government, which failed in various processes they were pursuing. The Territory Health Minister has the process back on track by working proactively with the Labor elected federal Health minister.

**Mr MILLS:** The question was: is the money in the federal account or is it in the Territory account, Treasurer?

**Ms LAWRIE:** I am advised that there is around \$5.7m that came from the Commonwealth government to the Territory government on Friday. In terms of the use of that funding and how it will be used, that will be contained within the agreement yet to be signed between the Commonwealth and Territory governments. However, what it absolutely clearly shows is the Commonwealth government's bona fides to ensuring they are working with the Territory government in delivering a critically important oncology service in the Territory.

**Mr MILLS:** Thank you, Treasurer. So the \$5.7m is the only amount that has been received to date towards this oncology unit?

**Ms LAWRIE:** I would say it is a significant amount.

**Mr MILLS:** No, I am not demeaning it, I just want to get some clarity. You are the Treasurer, I am trying to get the money story here. I am not playing any games. I just want to know where the money is. There has been talk about money. Is it with the feds or is it with the Territory? \$5.7m, I understand now, is all there is with the Territory that has been transferred from the feds. Is this the case?

**Ms LAWRIE:** Of Commonwealth dollars?

**Mr MILLS:** Yes. That is all.

**Ms LAWRIE:** As I have said, we have received \$5.7m. I anticipate that is a first stage payment of other payments, given that I am aware of the quantum of discussions occurring between the Commonwealth government and the Territory government.

**Mr MILLS:** Yes, yes, you have gone on at length about that, that is fine. I know there are discussions going on, I have no problem with that. I just wanted to know, finally, the amount of money. \$5.7m was received on Friday. When do you expect this to be resolved, the money story, just from a Treasury point of view? I am not worried about the bricks and mortar going up. When do you think that money will transfer?

**Ms LAWRIE:** In terms of a total amount of transfer?

**Mr MILLS:** Yes.

**Ms LAWRIE:** I am not going to predict that. What I will say is that I am aware, through discussions with the Health Minister, that the Commonwealth payments will occur progressively. I am aware, through discussions with the Health Minister, that the agreement is close to finalisation. Clearly, with projects of this nature, it goes through the negotiations phase, which we are in now, the final agreement stage, which then articulates, obviously, our capacity to go into construction

phase, and then final operation phase. The agreements of this nature between Commonwealth and Territory governments usually - and I would expect that to be the case in this case as well - occurs by a series of progressive payments as you kick in to each phase of the actual service delivery, from construction through to operation.

**Mr MILLS:** What is the purpose of the \$5.7m? What obligation comes attached to the \$5.7m, Treasurer?

**Ms LAWRIE:** I am advised that it would assist with some preliminary design work, getting to the scoping stage, which is where that money will be usefully spent.

**Mr MILLS:** If you are so confident of these negotiations being concluded, can you point to in the infrastructure budget where there is identification of this project and capacity made for it?

**Ms LAWRIE:** The Northern Territory government has capacity to commit the actual dollars when the agreement is finalised with the Commonwealth government and signed off. We will then announce, obviously, what component of that is Northern Territory government contribution and the funding, and what component is the Commonwealth's and the funding.

**Mr MILLS:** So, you are sure of your capacity. Why is it not accounted for? Why is there no reference made in the budget?

**Ms LAWRIE:** Because, as I said in previous answers, we are in the process of negotiations on the quantum and the split between capital works and the recurrent.

**Mr MILLS:** It appears that there are two projects being undertaken - one is to build a building and the other one is to have oncology services provided in that building. What is the focus at the moment - the building or both?

**Ms LAWRIE:** Clearly you would not have one without the other.

**Mr MILLS:** So is the building going to occur before?

**Ms LAWRIE:** Surely that is a joke question? You think there would be a service with a specialist nature of oncology without the equipment and the building for it?

**Mr MILLS:** No, what I am talking about is not a joke. In fact, perhaps, it is, though. Do you think with this \$5.7m and some design work being done that you have just enough to turn a sod and lay a corner stone - just enough before the next Territory election, Treasurer?

**Ms LAWRIE:** I find your question spurious and ridiculous. What I do know is, very clearly ...

**Mr MILLS:** Wait and see. I will take a photo of the sod turning.

**Mr CHAIRMAN:** Treasurer, sorry, I will interrupt simply to say: you asked the question, the Treasurer should be allowed to answer it. Notwithstanding you do not agree with the answer or whatever, at least let the Treasurer just give her answer.

**Ms LAWRIE:** What I do know is this: the Northern Territory government has being actively engaged in negotiations with the Commonwealth government on the delivery of an oncology service since we made the election commitment. What I also know is that those discussions and negotiations have gone to both the capital works, as well as the recurrent aspects of the service, as they would need to. We made limited headway with this matter when the Liberal government was in power in Canberra. We have made significant headway with this matter since the Labor government has being in power in Canberra.

**Mr MILLS:** I will not take the bait. Thank you, Mr Chairman, I am done.

**Mr CHAIRMAN:** Any further questions on that. Yes, member for Nelson.

**Mr WOOD:** Minister, with the new local government reform, a lot of publicity was made of the fact that there would be extra road funding. Is there extra road funding for local government reform in the budget outside of the normal grants that would have been applied?

**Ms LAWRIE:** It is very much a question you would ask me when we get to DPI and roads funding. I will take that question then. In my introduction, I made it clear that, as Treasurer, the whole-of-government questions I would take and, then, questions which fell within portfolio areas. That is within my DPI portfolio.

**Mr WOOD:** The output group was Territory Revenue. This area covers First Home Owner Grants. Could you give us a list, since 2001 to now, since the First Home Owner Grants started, how many grants have being taken up by Territorians?

**Ms LAWRIE:** I advised we will take the question on notice. We do not have those numbers with us.

**Mr CHAIRMAN:** Member for Nelson if I can ask you to restate the question?

**Mr WOOD:** Minister, will you be able to provide the numbers of First Home Owner Grants that have being taken up since 2001?

**Mr CHAIRMAN:** Treasurer, are you prepared to take the question on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard* I allocate that question No 2.8.

**Ms LAWRIE:** I have clarification. I can provide the numbers from the 20 August 2002 until the 30 April 2008, if that assists the member for Nelson, so we do not have the take the question on notice. Is that okay?

**Mr WOOD:** That is okay.

**Mr CHAIRMAN:** We will scrap No 2.8 for the moment.

**Ms LAWRIE:** The number of First Home Owner Concessions since the 20 August 2002 to the 30 April 2008 is 7169.

**Mr WOOD:** Do you have a break up year-by-year, minister?

**Ms LAWRIE:** No, I do not.

**Mr WOOD:** Could I put that on notice?. That was what I was after.

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**Question on Notice No 2.8**

**Mr CHAIRMAN:** If I can ask you, member for Nelson, to restate the question.

**Mr WOOD:** Minister, would you be able to provide the numbers of First Home Owner Grants since 2002 year-by-year?

**Mr CHAIRMAN:** Treasurer, are you prepared to take that on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** I will, for the purposes of *Hansard*, give that question No 2.8.

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**Mr WOOD:** A much broader question. The Territory relies very much so on the use of diesel for transport, mining etcetera. Is the government seeing, with the increasing fuel prices, an effect on revenue within the Territory - whether there is a downside to the increase in costs of production and transport?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Wood, we have not particularly factored in that sort of influence. Most of the diesel used is to transport goods, or used by mining companies to transport product, or burned in generators on remote communities. There is not a great deal of means at the disposal of those users to reduce their consumption, so we do not particularly see that there would be a reduction in use. We have not, at this stage, factored in any flow-on effects to other parts of the economy because of that. We are all uncertain about what will happen to diesel fuel prices going forward.

**Mr WOOD:** Through the Chair, what about the tourist industry? Do you think that global fuel prices will have an effect on that? That does make up a large percentage of our economy?

**Ms LAWRIE:** Member for Nelson, the discussions around the impact on tourism has been on the move away from the long-haul flights to the short-haul flights if you look at the movement of international tourism. Obviously, that bodes not so well for attracting European visitors but well for attracting the Asia/Pacific visitors to the Territory.

**Mr WOOD:** I was also thinking of road tourism because, if there is a downturn in road tourism, it is going to have an effect throughout the Territory.

**Ms LAWRIE:** I am aware that NT Tourism is monitoring the grey nomad-style of tourism numbers. They will watch those numbers, as they do, and provide that advice.

**Mr WOOD:** Okay. Thank you, Mr Chairman.

**Ms LAWRIE:** Mr Chairman, a point of clarification. The announcement by the Health Minister regarding the oncology funding commitment of \$19m over four years from the Commonwealth. Obviously, that \$5.7m is the first instalment of that.

**Mr CHAIRMAN:** Are there any further questions on Output 4.1? If there are not any further questions, that concludes consideration of Output 4.1.

#### **Output 4.2 – Tax Related Subsidies**

**Mr CHAIRMAN:** Are there any questions?

**Mr MILLS:** Just one, Mr Chairman. Can you describe these? What are these subsidies, Treasurer?

**Ms LAWRIE:** I am happy to refer to my Commissioner for Taxation.

**Mr VUKMAN:** It consists of two subsidies. The first is the government's 1.1¢ per litre on-road fuel subsidy, and the First Home Owner Grant.

**Mr MILLS:** Thank you.

**Mr CHAIRMAN:** Any further questions? That concludes consideration of Output 4.2 and Output Group 4.0

#### **OUTPUT GROUP 5.0 – SUPERANNUATION** **Output 5.1 - Superannuation**

**Mr CHAIRMAN:** The committee will now proceed to Output Group 5.0, Superannuation, Output 5.1, Superannuation. Are there any questions?

**Mr MILLS:** Yes, Mr Chairman. Do I assume that the questions that I had some difficulty with getting progress on in the general section which related to superannuation, I can ask them now; that being, the number of public servants who are still members of NTGPASS and ComSuper?

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#### **Answer to Question No 2.2**

**Ms LAWRIE:** Certainly, we are able to provide you with the answer to question on notice No 2.2. As at 31 May 2008 there were 5371 active contributing members of NTGPASS, and 730 active contributing members of the CSS, the Commonwealth scheme. In addition, there are 4249

retained members of NTGPASS. These are members who have ceased NTPS employment but have chosen to retain their superannuation with NTGPASS. These members are able to make, after tax, contributions and rollovers to NTGPASS, but not allowed to salary sacrifice or have their employer superannuation guarantee paid into NTGPASS. I am happy to table that answer to question No 2.2.

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**Mr MILLS:** Thank you, Treasurer. Supplementary benefit scheme – is that what you were referring to, or was that another thing?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Mills, I am not quite sure what superannuation arrangements you were referring to. Is it the NTSSS?

**Mr MILLS:** Could be. I am just aware of this thing called supplementary benefit scheme that can operate.

**Ms PRINCE:** In the 1990s, as part of one of the national wage cases, employees received a superannuation payment benefit offset for a wage increase, and that is the genesis of the NTSSS scheme. It is possible that is what you are talking about, so it applies to only a certain proportion of employees.

**Mr MILLS:** Okay, would that information be available, just numbers?

**Ms PRINCE:** Members of NTSSS?

**Mr MILLS:** Yes.

**Ms PRINCE:** We can get that for you.

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#### Question on Notice No 2.9

**Mr CHAIRMAN:** Can you restate the question for the purposes of *Hansard*.

**Mr MILLS:** I request details on the number of members of the public service who are NTSSS beneficiaries.

**Mr CHAIRMAN:** Treasurer, are you prepared to take that on notice?

**Ms LAWRIE:** Yes, numbers, indeed.

**Mr CHAIRMAN:** For the purposes of *Hansard*, that is allocated question No 2.9.

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**Mr MILLS:** Treasurer, do you still hold your position that any wage increase does have an effect on superannuation liability? I asserted that before and you said that is not the case. Have you changed your position?

**Ms LAWRIE:** What I advised you in the Chamber and is the case, is that when the actuaries analyse the scheme and the liabilities, at the point of that actuarial, they take into account an estimation of wage rises. They catch that in the work they do, so it is a part of and central to the actual outcomes.

**Mr MILLS:** So, the assertion from the Chief Minister that there is no link between liabilities and the current wages of public servants - which you then back up and say is absolutely correct - you back away from?

**Ms LAWRIE:** Interestingly, you are trying to verbal this scenario, Leader of the Opposition. What I clearly advised - because you were running the line at the time and it is not the case; that future wage rises were going to have a detrimental effect on the superannuation liability; that is, the quantum of the future wage rises. What I was pointing out is that the liability is calculated

independently by actuaries using a number of assumptions. They have been updated since 2004-05 to reflect changes to the applied methodology: mortality rates, ie people living longer; future salary increases including those associated with promotions; length of service; and investment returns. That is the answer I gave you in the Assembly when we debated this matter, and it is the answer again I am giving you today. No change.

**Mr MILLS:** Well, you referred to 'verballing'. I am just reading from *Hansard* what you said when the Chief Minister said there is no link between liabilities and current wages for public servants. That is plainly wrong, isn't it, from what you just said?

**Ms LAWRIE:** No, no, it is not plainly wrong because, clearly, they are factored within broadly the methodology ...

**Mr MILLS:** So, there is a link?

**Ms LAWRIE:** The link today was already factored in back in 2004-05 when the last actuary was done.

**Mr MILLS:** The Chief Minister said 'there is no link', and you said 'He is absolutely right' but, now, you are saying there is a link. So, the Chief Minister is wrong and you ...

**Ms LAWRIE:** No, because you are only partly quoting what he was saying.

**Mr MILLS:** Well, do you want me to read the whole lot?

**Ms LAWRIE:** Feel free.

**Mr CHAIRMAN:** As Chairman on the discussion of superannuation, I ask that that mobile phone be turned off.

Cross-examination on what the Chief Minister has said ought not be put to the Treasurer. It ought be put to the Chief Minister, and I do not know that this affects the superannuation component in terms of budget and finance for the purposes of estimates.

**Mr MILLS:** Thank you, Mr Chairman. It does, in fact, demonstrate that this is a Treasurer and a Chief Minister who do not understand one of the largest debts that sits on our account.

**Ms LAWRIE:** Not true.

**Mr MILLS:** You have changed your position ...

**Ms LAWRIE:** You do not understand ...

**Mr MILLS:** You said the Chief Minister is absolutely correct, and you have just indicated that you have changed position, so ...

**Ms LAWRIE:** He is correct, he is correct because the way he ...

**Mr MILLS:** ... you now disagree with the Chief Minister, now you have changed your position. There is a link between wages increase and our public sector debt - our unfunded superannuation liability. There is a link.

**Ms LAWRIE:** No, it is the weight in which you are applying it, Leader of the Opposition.

**Mr MILLS:** Using *Hansard*, your own words.

**Ms LAWRIE:** You wanted to skew the debate, and that is, obviously, what you wanted to do.

**Mr MILLS:** I will use *Hansard*, what will you use?

**Ms LAWRIE:** I will restate that the Chief Minister in his response was right, because the actuarial done back in 2004-05 had already factored it in.



**Mr MILLS:** So there is a link?

**Ms LAWRIE:** Part of the methodology, it does not - wage rises today ...

**Mr MILLS:** It does not make sense, Treasurer.

**Ms LAWRIE:** This goes to the essence of the Chief Minister's response. Wage rises today, as they land in EBA today, do not worsen our liability because, as I have been trying to explain to you but you seem unable to understand, the actuaries have already factored what they might be into the methodology.

**Mr MILLS:** Is there a link between liabilities and the current wages of public servants? Is there a link between the two?

**Mr CHAIRMAN:** Before you answer, Treasurer, this question has been asked in different formats before. If you wish to answer it, go ahead, but I will uphold a decision by you that you have already answered this.

**Ms LAWRIE:** Yes. As I have said, the Leader of the Opposition is failing to understand the answer, in that he does not want apply the weight of where the answer is. Clearly, the Leader of the Opposition is trying to prosecute a case - and which the Chief Minister was obviously talking about. The Leader of the Opposition would have us believe that, where EBAs land at today affect the liability. What I am saying, and the Chief Minister is quite right in saying, is that, no, that is not the case. Because and why? They were already factored into the liability back in 2004-05. If the Leader of the Opposition cannot understand something as simple as that, well, he can keep repeating the question.

**Mr MILLS:** Is there a link between the two?

**Ms LAWRIE:** He does not get it.

**Mr MILLS:** You do not answer the question, yes or no, is there a link?

**Ms LAWRIE:** I did, I have answered it so many times. It is so simplistic.

**Mr MILLS:** You have not. You do not understand how the single biggest obligation you have as a Treasurer operates. You do not understand how superannuation works and how that factors in to our unfunded responsibilities into the future - and growing.

Treasurer, the member for Nhulunbuy said in 2004 that the Territory's unfunded superannuation liability of \$1.467m at 30 June 2004 was expected to peak around 2006. Has that outcome been achieved?

**Ms LAWRIE:** Certainly, it has changed because we had, in 2004-05, a changed calculation by an actuary. To step you through that, I am happy to refer to the Under Treasurer because you do not seem to want to believe the Treasurer.

**Ms PRINCE:** Mr Mills, as you know, we review superannuation liabilities every three years for each scheme. The reviews are done on a rolling basis. In 2004-05, there was a change in actuarial methodology and, through that period, most actuaries did change their approach to assessing long-term liabilities. They took a more conservative stance that was largely as a result of the reappraisal that followed after the HIH collapse, where they reconsidered the various influences that they took into account. You have to recognise that these liabilities last for about 60 years, so it is not a simple calculation they do.

One of the changes the actuary made in 2004-05 was to move to producing the figures in nominal terms rather than discounting them to real terms. That was one of the reasons why the estimated peak moved out from 2006 to 2015; because the presentation was the nominal amount that would occur in those future years rather than being discounted back to the dollars of the day. There were a number of other changes the actuary made at that time. The discount rate that was applied, the estimation of longevity - how long the pensioners lived. That is a major issue in the CSS scheme.

The increases that occurred in our liability at that time were very similar to the increases that occurred in the liability award jurisdictions, including the Commonwealth with similar schemes. That is also one of the reasons why all jurisdictions have closed off these sorts of defined benefits schemes and moved to funding schemes through accumulation arrangements.

**Mr MILLS:** Thank you, Under Treasurer. Treasurer, why has Licensing been moved to Justice?

**Ms LAWRIE:** I beg your pardon?

**Mr MILLS:** Why has Licensing moved to Justice?

**Ms LAWRIE:** I am happy to refer that question to the Under Treasurer, because it was an arrangement that occurred prior to my becoming Treasurer. I was not intimately involved in those discussions or negotiations. Under Treasurer.

**Ms PRINCE:** I suppose it is unusual for a public servant to comment on changes to administrative arrangements but, given that you have asked this question, the considerations leading up to the transfer of Racing, Gaming and Licensing to Justice was going to the nature of work that RGL do; that it is predominantly regulatory and is more aligned with the activities of the Office of Consumer Affairs, the law and justice issues that relate to the regulation of alcohol, and the responsibility for revenue associated with gaming. The tax revenue stayed with Treasury, so we have responsibility for revenue collection rates that apply and so on. However, all the regulatory functions transferred to Justice. That arrangement is in place in about half of the other jurisdictions.

**Mr MILLS:** So administered in Justice, but the arrangement is revenue stream still flows back to Treasury? Directory or indirectly?

**Ms PRINCE:** The Territory Revenue Office is responsible for the tax collection, auditing and the normal revenue processes, but the regulatory responsibilities stays with Justice.

**Mr MILLS:** Thank you.

**Mr CHAIRMAN:** Okay. There being no further questions, that concludes consideration of Output Group 4.0.

#### **OUTPUT GROUP 6.0 - ECONOMIC REGULATIONS** **Output 6.1 – Economic Regulations**

**Mr CHAIRMAN:** I now call for questions relating to Output Group 6.0, Economic Regulations, Output 6.1, Economic Regulations. Are there any questions?

No questions. That concludes consideration of Output Group 6.0.

#### **Non-Output specific Budget-Related Questions**

**Mr CHAIRMAN:** Are there any Non-Output Specific Budget-Related Questions, Leader of the Opposition?

**Mr MILLS:** No.

**Mr CHAIRMAN:** Member for Nelson? No. That concludes that.

#### **CENTRAL HOLDING AUTHORITY**

**Mr CHAIRMAN:** The committee will now move on to the Central Holding Authority. I invite the minister to introduce any new officials and make an opening statement in relation to the Central Holding Authority, if she wishes.

**Ms LAWRIE:** My opening statement covered the Central Holding Authority and NT Territory Corporations, so we can proceed.

### Business Line

**Mr CHAIRMAN:** Thank you. The committee will now proceed to consider questions regarding the Business Line. Are there any questions?

**Mr MILLS:** Treasurer, how much was appropriated for the Treasurer's Advance last year, and how much has been taken out of it during the year?

**Ms LAWRIE:** In terms of the Treasurer's Advance and appropriation increases through 2007-08, the 2007-08 appropriation as at May 2007 was \$2.755bn - I am rounding up here; there is an 81 at the end there. Total increases in Treasurer's Advance - the components of that was in Output 2.1 - a \$215m capital, the Treasurer's Advance component of \$40m, interest of \$143.49m and employee entitlements of \$172m. There has been a total increase in the Treasurer's Advance of \$137.754m. Is that the detail you are looking for?

**Mr MILLS:** Thank you. That is it?

**Ms LAWRIE:** That is the Treasurer's Advance. We have arrived at the total Treasurer's Advance of \$177.754m available, and the total Treasurer's Advance distributed as of 12 June, the current figure is \$177.672m.

**Mr MILLS:** Treasurer, in the Central Holding Authority cash flow statement there is a line item for the Treasurer's Advance. We know that this \$278m has been moved through that line item, namely the original \$40m plus subsequent additions to the advance. Why does the 2007-08 final estimate remain blank?

**Ms LAWRIE:** I am happy to refer that question to the Under Treasurer.

**Ms PRINCE:** Mr Mills, at the end of the financial year, the amount that remains in Treasurer's Advance that has not been distributed goes to zero, so there is no residual amount to be included in the calculations. It lapses if it has not been distributed to agencies. That is why there is no number in that account.

**Mr MILLS:** To get this right, through the Treasurer, it lapses or goes to zero if it has not been distributed?

**Ms PRINCE:** Correct.

**Mr MILLS:** So therefore, you distribute it. It has to be distributed?

**Ms LAWRIE:** Well, it is usually distributed.

**Ms PRINCE:** The amount that is distributed is included in documents that are tabled in the Legislative Assembly: the increases in Treasurer's Advance and then the distribution of Treasurer's Advance to other agencies. I think that there were some papers that were tabled last Thursday ...

**Mr MILLS:** They certainly were, on the last evening of the sittings.

**Ms PRINCE:** ... that summarised those transfers.

**Mr MILLS:** That is right and we looked further at those. Treasurer, I want to talk about the increases in the Treasurer's Advance this year, as well as transfers of excess allocations. Over and above the original allocation of \$40m for the Treasurer's Advance, how much have you received in excess allocations?

**Ms LAWRIE:** It is a very strange question, Leader of the Opposition. I am able to take you through the components of Treasurer's Advance that have ...

**Mr MILLS:** No, not the components. How much have you received, then allocated, in excess allocations?

**Ms LAWRIE:** Sorry, the Under Treasurer, the Assistant Under Treasurer, nor I understand your question.

**Mr MILLS:** The documentation that was tabled on last Thursday indicates an amount. It says: 'This request of \$42.75m brings the total increase for 2007-08 to \$137.754m'.

**Ms LAWRIE:** Yes, I guess the clarification is in your wording. It is not an amount we receive, it is an amount we allocate.

**Mr MILLS:** Well, you have to receive it in order to allocate it.

**Ms LAWRIE:** It is an amount we have in our budget.

**Mr MILLS:** Yes. We were then advised on Thursday evening that you have now had the increase - you have had a request. It is interesting that you have a request of \$42.74m bringing the total increase to \$137m, and this includes another allocation of \$40m. Is that correct?

**Ms LAWRIE:** No. It is on top of.

**Mr MILLS:** On top of. So what does this mean? The 2007-08 budget papers indicated an allocation for Treasurer's Advance of \$40m. It is in the second paragraph.

**Ms LAWRIE:** Yes, that is right. Initially, Treasurer's Advance allocation is \$40m.

**Mr MILLS:** Yes, and then there is an additional \$137m.

**Ms LAWRIE:** That is right.

**Mr MILLS:** The total is?

**Ms LAWRIE:** The total is \$177 754m in total Treasurer's Advance available, and the total Treasurer's Advance distributed is \$177 672m.

**Mr MILLS:** There has been an additional advance of \$137m. Do I assume, then, that the \$40m which was advanced before Christmas, had gone?

**Ms LAWRIE:** We have expended the \$40m and, obviously, increased the Treasurer's Advance and the funds distributed. Do you want to get to why?

**Mr MILLS:** Yes, so you have had the need to disburse an advance of \$40m, used that, and gone back and got \$137m?

**Ms LAWRIE:** Well, that is in your words.

**Mr MILLS:** They are my words. So, that is the case, is it not? \$40m was gone before Christmas?

**Ms LAWRIE:** We have spent the \$40m initial allocation within Treasurer's Advance and, then, we went on to increase the Treasurer's Advance to the tune of \$137.754m. As I have advised you, we have distributed in total as at 12 June \$177.672m of Treasurer's Advance.

**Mr MILLS:** I note that on 4 June 2008, you extracted a further \$42.754m. That is a very precise figure, is it not, Treasurer? You just referred a couple of times to rounding figures up just to make them nice and square. Why is that one not rounded up? Why is it such a precise figure? Why are you requesting a specific amount of \$42.754m?

**Ms LAWRIE:** Because that is the specific amount we needed.

**Mr MILLS:** Could you have gone \$42.755m to just have a little up your sleeve, because you keep going back to get extra? Why did you not just round it up a little - just bump it up? That is the precise amount you needed, is it?

**Ms LAWRIE:** That is the precise amount we sought because it took us to our allocation.

**Mr MILLS:** What do you mean by 'Took us to our allocation'?

**Ms LAWRIE:** You are very aware that we have a 5% cap on Treasurer's Advance.

**Mr MILLS:** So, you cannot get any more? You went right to the line, you cannot take a cent more. You have gone to the 5% excess allocation, you cannot take a cent more. Is that the case?

**Ms LAWRIE:** As I have just said.

**Mr MILLS:** Yes. Why is it you have gone to the limit?

**Ms LAWRIE:** Finally, we are getting to the why. Well, Leader of the Opposition, the Northern Territory government lost – however, we are appealing - a court case to Alcan, so we had to make a \$54m repayment to Alcan. That came out of Treasurer's Advance. In addition, we have determined to make a \$66.6m grant to Power and Water which, of course, has a component of \$50m towards their requirements and \$16.6m towards undergrounding power. We have had those discussions about that \$16.6m previously. There is \$38m towards *Closing the Gap*, \$23m in new initiatives, and \$10m in interest.

The range of new initiatives include antisocial behaviour initiatives of \$7m which, of course, you have heard the Chief Minister announce in the last few months. The Minister for Health announced a Menzies capital grant of \$5.5m. We have spent an additional \$2.6m on middle years education; a further \$5.4m on health initiatives; \$2.1m to deliver safer drinking water across remote communities; and, \$1.5m towards a pool for the good folk of Litchfield Shire.

**Mr MILLS:** Now, if you have gone to the absolute limit, I note in there is - whatever words you used, I will use my words, because I am asking this question - the speeding up of the process with regard to undergrounding power. It seems to coincide with an intention to go to an early poll ...

**Ms LAWRIE:** Wrong.

**Mr MILLS:** ... and some of these other initiatives ...

**Ms LAWRIE:** No, that is wrong.

**Mr MILLS:** As you go right to the absolute ...

**Ms LAWRIE:** You are completely wrong on that. Let me just take you back over the undergrounding of power ...

**Mr MILLS:** No, you go to the absolute limits.

**Ms LAWRIE:** The undergrounding of power - \$16.6m ...

**Mr MILLS:** You go to the absolute – excuse me!

**Mr CHAIRMAN:** A point of order! Treasurer, whilst I understand you wish to correct some of the things that have been said, the Leader of the Opposition is going through a question. I did ask him to let you finish previously, so I am bound to ask you to let him finish, and then retort or respond to some of the assertions that he chooses to put in his question.

**Mr MILLS:** Thank you, Mr Chairman. So you have gone to the absolute limit, you cannot take a cent more. However, there is an opportunity for you to take some more, is there not? You have two other measures. If you really wanted to pay the teachers a little extra, where would you get it from?

**Ms LAWRIE:** Your question is spurious. If you want to discuss the teachers' EBA and the government's policy intention in an around the teachers' EBA then, when we get to OCP, I am happy to engage you in the teachers' EBA debate.

**Mr MILLS:** I am not taking about the teachers' EBA debate, I am just saying you have just revealed to us you have gone to the limit, you cannot take a cent more. Obviously, the

negotiations with the teachers cannot go any further because you have hit your limit, but there are a couple of other ways where you can get extra money, is there not? Because you have run out.

**Ms LAWRIE:** Your supposition is wrong in terms of where we would land on with agreement in terms of the teachers' EBA. The basis of your question is wrong.

**Mr MILLS:** No. The basis of the question you clearly misunderstand is, if you needed - okay, I will put the teachers aside, which is an emotive issue for you, Treasurer. Put that aside. If you needed extra money, how would you get it? If you have gone to the absolute limit, you cannot get any more; you have gone right to the decimal point, you cannot take a cent more. Where would you get it from if you needed more?

**Ms LAWRIE:** That would depend on what you wanted it for.

**Mr MILLS:** Go on. So, if you needed some more ...

**Ms LAWRIE:** As I say, there is a range of funding across government, across government agencies, so if you could tell us what specifically you wanted to talk about, and it is within my purvey, because, quite frankly, we have a couple of weeks to go until the end of the financial year. Reaching the Treasurer's Advance limit at this stage is not an issue for our government.

**Mr MILLS:** You are the Treasurer. Let us just say there is a Katherine flood, okay, in the middle of the Dry Season. You need some more money. Just to give you a hypothetical, to help you with this, off this log jam here, if you needed more money and you have gone to the max, where do you go?

**Ms LAWRIE:** Okay, hypothetical Katherine floods. Everything would occur in terms of the normal disaster responses in a Katherine flood; that is, Police and Emergency Services would mobilise, NRETA would be doing their work. Family and Community Services, now the Office of Families, would do their flood recovery assistance to victims, and the bills would start to flow in and the bills would then be paid.

**Mr MILLS:** But you have gone to the max, you cannot go a cent more. I am trying to help you here, help us so that we can have some confidence. You know where to go if you need more money, you have gone to the limit. Where do you go if you need more money in an emergency or in an urgent situation?

**Ms LAWRIE:** I just explained to you what would happen in an emergency situation in Katherine ...

**Mr MILLS:** Where? How do you get the money?

**Ms LAWRIE:** ... that is, some agencies involved are able to deploy, mobilise, respond, procure whatever goods and services they need in terms of the response, the bills would come in, and the bills would be paid.

**Mr MILLS:** But you cannot pay them because you have already got to the limit. You have your 5%.

**Ms LAWRIE:** No. We can pay them because we have arrangements in capacity within government agencies just as, as you would know, we have a couple of weeks and we are in the new financial year.

**Mr MILLS:** Okay.

**Ms LAWRIE:** We have capacity within Government's budget now. You do not understand that.

**Mr MILLS:** Explain it. Because you have got to the maximum; you cannot go a step further ...

**Ms LAWRIE:** The Treasurer's Advance - that is one form of funding.

**Mr MILLS:** No.

**Ms LAWRIE:** Yes, actually. Yes. Treasurer's Advance is one form of securing funding for any given project. Now ...

**Mr MILLS:** Treasurer, you are barking up the wrong tree.

**Ms LAWRIE:** I have listed the types of projects that Treasury Advance has paid; that is, the \$54m to Alcan, \$66.6m to Power and Water.

**Mr MILLS:** Treasurer, just reflect on what you have already said before we waste our time here. You have a very precise amount that has been identified. It is not rounded up or down. It is precise because you cannot go any further. You have hit the 5% limit. There is no more.

**Ms LAWRIE:** In terms of the Treasurer's Advance.

**Mr MILLS:** Yes. You have just said that you would go back to Treasurer's Advance. You cannot because you are at the limit.

**Ms LAWRIE:** No, no, I did not say I would go back to Treasurer's Advance. You are not listening. You are not listening.

**Mr MILLS:** So, where else can you go? How can that be paid?

**Ms LAWRIE:** Right across government we have a whole range of budgets. We have capacity and, so dependent on what the issue is - and I said give me a scenario, you gave me a scenario. The Katherine floods. Do you want me to take you through the Katherine flood scenario again in terms of how we could meet that payment. Do you want to go over that ground? Do you want to choose another scenario?

**Mr MILLS:** If you hit the maximum, you hit the wall, you have no more money available. No more Treasurer's Advance to draw on, because you have hit the max. You maxed the card; there is no more. So, how can you do it?

**Ms LAWRIE:** No, Leader of the Opposition ...

**Mr MILLS:** Did you know there are two things you could do? One, you already half indicated, which is a fairly careless approach; that is, reach into the future and borrow from the next budget. You can do that. There is a legislative capacity for you to reach in and take from next year if there is an emergency. There is another one. Do you know what the second one is?

**Ms LAWRIE:** You cannot actually. But anyway, keep going. We are finding this interesting ...

**Mr MILLS:** You have just done it. You have just done it in your hypothetical response. That is, you are putting it into the future.

**Ms LAWRIE:** No, you are wrong. You pay bills coming into the other financial year.

**Mr MILLS:** You have just said that ...

**Mr CHAIRMAN:** Treasurer, Leader of the Opposition, this is descending fast into simply an argument. If there is a point, Leader of the Opposition, you want to make ...

**Mr MILLS:** There is!

**Mr CHAIRMAN:** ... about a second source of funding that you then want to put to the Treasurer, I suggest simply identify what you are referring to and then seek the Treasurer's response to that. We are descending into pointless banter across the table.

**Mr MILLS:** Thank you, Mr Chairman. There are two ways: you can go ahead, as you have already indicated, and rack up some bills and pay for them later on - which is buying into the future - beyond your 5% allocation, which is borrowing from next year's allocation. The one is if you can ...

**Ms LAWRIE:** No, you cannot borrow from next year's budget ...

**Mr CHAIRMAN:** Hold on. Treasurer, allow the Leader of the Opposition to finish the two points and then we will invite you to respond to both without any interruption from the Leader of the Opposition.

**Mr MILLS:** Perhaps after this through the Chair. Go and check section 19 and section 22 of the *Financial Management Act*, and it might assist you, Treasurer. The other one is that you can go back to parliament and you can ask for an increased allocation. There are two measures there. You can come back to parliament. But, you cannot; you have to wait till next financial year because you hit the max. Is that the case?

**Ms LAWRIE:** Okay. Mr Chairman, the question is wrong in the assertion the Leader of the Opposition is making.

**Mr MILLS:** In what respect?

**Mr CHAIRMAN:** Leader of the Opposition, I allow the Treasurer to ...

**Ms LAWRIE:** I have indicated in responses and I indicate again, you cannot borrow from next year's budget. Now, check the *Financial Management Act*. You cannot do that. As I have indicated in previous answers, and I will continue to, we have reached the limit of Treasurer's Advance. Treasurer's Advance is one component of the government's budget. Depending on the government's requirements between now and the end of the financial year, which is two weeks - depending on what could possibly, potentially, occur in that two weeks as to require a significant revenue expenditure, clearly, we have the capacity within government's budgets if a natural disaster, for example, occurred to respond to that disaster.

**Mr MILLS:** Where?

**Ms LAWRIE:** Within Northern Territory Police, Fire and Emergency Services, within the - I am not quite across the new government agency's title, but I call it Family and Community Services which does the disaster recovery process. And NRETA would, obviously, be involved in the event of a Katherine flood or a flood in Alice Springs.

**Mr MILLS:** I, therefore, assume the capacity you have identified to respond to a natural disaster exists at any time within Police, Fire and Emergency Services, Family and Community Services and all the other agencies already sitting there latent. Is that correct?

**Ms LAWRIE:** It exists.

**Mr MILLS:** In what form does it exist, Treasurer?

**Ms LAWRIE:** Are you asking me a financial question or an operational question?

**Mr MILLS:** I am asking you a financial question because you have hit the max. I cannot, for the life of me, work out what you are talking about - how there is latent capacity within agencies to respond to a natural disaster without drawing upon the Treasurer's Advance when you have already hit the max. There is nothing there. You have to either go back to parliament or to take the money from forward estimates.

**Ms LAWRIE:** To step it through in a simple scenario. Police, Fire and Emergency Services and Family and Community Services would be using the resources that those agencies have to respond, as they would in any normal circumstance to a natural disaster. They have their operational procedures, their operational resources, and they would deploy their operational procedures and resources to respond, as they would at any time of the calendar year cycle.

**Mr MILLS:** You are kidding me! Do you mean if a cyclone bowls over a school up on the islands there, there is the internal capacity within DEET or Infrastructure to go and fix that building? You do not have to draw on any extra money? You have that sort of latent capacity within a department, to fix a school that blows away in a cyclone?

**Ms LAWRIE:** Leader of the Opposition, can we get back into reality? We are not in cyclone season.



**Mr MILLS:** We are looking about contingency and proper planning.

**Ms LAWRIE:** Yes, and we have contingency and we have proper planning.

**Mr MILLS:** The point is, you clearly are obstructing any understanding of this. You have hit the max; where do you get the extra money from, Treasurer? Are you going to go back to parliament?

**Ms LAWRIE:** You are missing the point. We have two weeks to go to the end of the financial year. We do not need any Treasurer's Advance between now and the end of the financial year because we are very aware of what payments need to occur regarding significant payments leading up to the end of the financial year. We have made those payments, quite appropriately, through Treasurer's Advance. That work has been done. It is the sort of work that governments do in the last quarter of the financial year, which is the cycle in which we are financially. That is the work governments do financially in this last quarter cycle. We have done the work, we have two weeks to go. We know where capacity exists within agencies to respond to anything that needs to be responded to. We are very confident about our agencies' and government's ability to respond. Where are you going?

**Mr MILLS:** Well, just demonstrating your Labor government's capacity to spend. They are very good at spending, but make no provisions for tomorrow. You are depending on no natural disaster occurring until two weeks time so, if anything happens in the next two weeks we are not really prepared for it but, after the next financial year we will be fine ...

**Ms LAWRIE:** Not at all.

**Mr MILLS:** That seems like an absurd way of dealing ...

**Ms LAWRIE:** That is not what I have been saying.

**Mr MILLS:** All you are focused on is getting ready for the next election ...

**Ms LAWRIE:** That is not what I have been saying.

**Mr MILLS:** ... you will bust the bank and run credit to the max ...

**Ms LAWRIE:** That is not what I have been saying.

**Mr CHAIRMAN:** Order, order!

**Mr MILLS:** Okay, this is the money you have extracted from Central Holding Authority. Tell me about the employee entitlements of \$5.5m. You have reached into Central Holding Authority and you have taken everything you possibly can out of Central Holding Authority including, by the look of it, employee entitlements. Can you explain that? You cannot take any more so you have taken the employee entitlements.

**Ms LAWRIE:** Not at all.

**Mr MILLS:** It says 'Employee Entitlements \$5.5m'. If anything is not bolted down, you get in there and take it away.

**Ms LAWRIE:** Not at all.

**Mr MILLS:** Why have you taken \$5.5m in employee entitlements and you cannot take a cent more from Treasurer's Advance? What is going on here?

**Ms LAWRIE:** Leader of the Opposition, you have feigned indignation. I can say that it was normal practice right through the high growth periods of the 1990s - and I make the point 'high growth period' because that is the period that we are back in, courtesy of the hard work we have done over the last few years. It was absolutely normal practice to fully expend to the max Treasurer's Advance through the high growth period of the 1990s. So, your feigned indignation that 'only Labor could do this, only Labor could go to the extent of Treasurer's Advance in a high growth period in the final quarter of the financial year', is ridiculous.

**Mr MILLS:** So you say. Golly gee. Anyway, I am very interested in your reaching into the Central Holding Authority and taking \$5.5m of employee entitlements. Tell us about that, Treasurer.

**Ms LAWRIE:** I am happy for the Under Treasurer to explain the \$5m to you.

**Ms PRINCE:** Mr Mills, the estimate that was in the Central Holding Authority for employee entitlements made in May 2007 was, obviously, based on the best estimates we had at that time. You might recall we were in negotiations with the CSS about allocation of another couple of hundred people who had retired and were receiving CSS benefits, who the CSS had concluded were actually the Territory's responsibility. In May 2007, we estimated, at that time, when those negotiations would be finalised, and we had presumed there would be a certain payment that would be incurred in 2007-08 to resolve that matter. As it turned out, it was resolved prior to the end of the 2006-07 year, so that we were able to resolve that payment. That resulted in the allowance that we had provided for in the 2007-08 year in employee entitlements in the Central Holding Authority no longer being required.

What we did, as we do every time we review the allocations, is reduce the appropriation to that element and transferred it to another area of government - a practice that we do about three times every year, and we have done since 1993 when the *Financial Management Act* was introduced.

**Mr MILLS:** Thank you, Under Treasurer. Treasurer, can you advise where, then, the employee entitlements of \$5.5m ended up?

**Ms LAWRIE:** Yes. There is a sum of excess allocation from that period that has been transferred over. We cannot match a \$5.5m with a \$5.5m on the other column. I am happy to table the schedule which you would no doubt have, because it was tabled in parliament, I believe, last Thursday.

**Mr MILLS:** You are saying you cannot point to it?

**Ms LAWRIE:** Not a direct match, no, because it is captured within the allocations required, whether it is Northern Territory Treasury, Central Holding Authority, the Department of Legislative Assembly, NT Police, Fire and Emergency Services, Department Employment, Education and Training, or Department of Planning and Infrastructure.

**Mr MILLS:** All right. So, nominally, employee entitlements sat against superannuation? Would that be fair? It was a contingency to cover superannuation possibly?

**Ms LAWRIE:** Yes, as the Under Treasurer explained, it was a superannuation benefit paid in the previous year.

**Mr MILLS:** Yes, I appreciate that. Therefore, would it not be a reasonable thing to offset even that smaller amount against your efforts to offset against our unfunded superannuation liability?

**Ms LAWRIE:** Well, if that is the case, the \$20m that this budget offsets against that liability is \$5.5m added to another \$14.5m. We have put \$20m against our superannuation liability.

**Mr MILLS:** But why could you not have put that extra \$5.5m there that was not needed, so you could offset that against your unfunded liability?

**Ms LAWRIE:** If you want to follow your logic, we put that \$5.5m in, and another \$14.5m on top of that, for a total of \$20m.

**Mr MILLS:** Oh, I see. So that is part of it, is it? Right.

Would you agree with me that you, as Treasurer, have oversight of more revenue than any other Treasurer in the history of the Northern Territory?

**Ms LAWRIE:** Clearly, yes.

**Mr MILLS:** Okay. You have record spending?

**Ms LAWRIE:** Record budgets.

**Mr MILLS:** Yes, record spending because you have had record money. Do you have record capacity then to deal with unfunded superannuation liability?

**Ms LAWRIE:** I am confident that the Northern Territory government has capacity to deal with the unfunded superannuation liability. We have shown in previous years that we will put significant amounts of money against that unfunded superannuation liability, and we have shown, we have already indicated, in this budget period, 2008-09, an allocation of \$20m towards that unfunded superannuation liability.

I have flagged and indicated in the budget debate that if, indeed, we land on an improved actual result at the end of the financial year, one of my considerations for that would be more money against the unfunded superannuation liability. However, what I have also flagged to you, Leader of the Opposition - and this is where we beg to differ - is that the Northern Territory government has done a lot under Labor. We have done a lot, but we have a lot more to do. So, as Treasurer, I understand the balance I have to make between funding into our future liabilities - which we are clearly demonstrating we are doing - delivering the services that people require today, and investing in the infrastructure that people will require tomorrow. If we do not invest in that infrastructure today, we will be in strife.

Clearly, I have made the decision, as Treasurer, that with the increased revenue we have, I will put additional funding into core service requirements; provide record budgets in health, in education, in police; provide a record infrastructure investment of \$870m; also address the need to continue to drive down the debt the Territory inherited; and to fund against our superannuation liability.

**Mr MILLS:** That is that? Thank you.

Treasurer, I listened to you. As I have heard before, the capacity you have is extraordinary, unprecedented. You have, once again, referred to spending on a whole range of agencies. I take it from your language and approach, the spending of money is the achievement. Do you think that the result of that expenditure would, in fact, be the achievement? If you have enlarged capacity, and there is more to be done, would you agree that what would really be seen as an achievement is getting our youth problems under control, getting our schools under control, and getting public drunkenness under control? They would, in fact, be the real measures of achievement after spending this prodigious amount of money. Would you not agree that is, in fact, the achievement, not spending money, but achieving results from spending money?

**Ms LAWRIE:** Mr Chairman, very clearly, if you starve agencies of the resources, it is going to be incredibly difficult for them to get the outcomes government requires. If you want improved education outcomes, which I believe we all do, then you need to apply additional resources to education. I make no apology, as Treasurer, that I continue in the vein of my predecessor in increasing resources to education. I am particularly proud, I have to say, that in this budget we are announcing two new schools for Rosebery - a middle school and a primary school. So we will stand on our record of improving education services. Why? We want the education outcomes. You can have this education debate in detail, no doubt, with the Education minister.

Now, as Treasurer, clearly, I am committed to seeing improved health outcomes. We have seen significant additional resources go into the Health budget, some 80% increase since 2001. Why? Not because we like putting the majority of our budget into Health but because we needed to improve the health of Territorians. We had unacceptable mortality rates in the Territory, an area that I have some knowledge of in detail because I have had that portfolio in the past. Child Protection - we will continue to resource and invest in child protection. Why? Because we want to see the outcomes of our children being safer, irrespective of where they live in the Territory.

Leader of the Opposition, you do not have the purview solely of wanting to see outcomes. The government I have been a member of since 2001 has doggedly pursued improved outcomes across all of these service delivery areas. How? By resourcing them appropriately.

I will give you the example of crime, which you like to beat the drum on. We inherited a police force that had its resources absolutely strangled in the sense that they were on a staffing freeze for

four years. You will not get improved crime prevention outcomes if you are not putting the resources into your police force.

**Mr MILLS:** You might win a round of applause or something. That was fantastic. Treasurer, I am very tempted to go on, but you have just identified, once again, this is your approach - you are going to set up programs, you are going to fund programs. As a former school teacher, you set an exam and you mark it at the end. The result of all this endeavour, in most of the areas you have pointed to - health waiting lists, with law and order; we heard news today that 200 kids have been suspended from another school – in those MAP testing indicators, the results, the marking of this test of your achievements, you have, in fact, failed. You have succeeded in spending money, but I put it to you, Treasurer, you have, in fact, failed in achieving outcomes.

Mr Chairman, I have no further questions.

**Ms LAWRIE:** And I will respond to that assertion by the Leader of the Opposition. Has the Territory government failed in achieving outcomes? Well, on elective surgery waiting lists, we have reduced them. How have we done that? We put significant Northern Territory government resources into attacking our hospital waiting lists and we have successfully, on top of that, negotiated additional resources specifically to reduce further because we have already reduced significantly our waiting lists.

In terms of law and order, well, you can have the debate with the Chief Minister and the Police minister on law and order. However, I remember what the property crime rates were like when we came to government in 2001. I remember what they were like. Again, as you have had the debate in the Chamber and I am sure you will have it in the future, if you do not have the police there, if people do not have the confidence to make the call through, if you have alarming domestic violence rates and assault rates across the Territory that are going significantly under-reported because people did not have the confidence they would get a response to their call or, indeed, the follow-up work required in investigations to get a charge laid - well, we were in serious strife back in 2001. We have done a bit and we have a long way to go, we will admit to that.

In terms of MAP testing results, consider the program of accelerated literacy. Again, we have resourced that program. It is a core area that successive Labor Education ministers have pursued with the resources that have come in budget allocations, and is starting to deliver results.

**Mr CHAIRMAN:** Okay. Member for Nelson, do you have any questions on the Central Holding Authority?

**Mr WOOD:** I would have liked to get into some of that debate, but I will not. The minister raised something I did not know existed in this budget, and that was the \$1.5m for a swimming pool. Is this the only place I would have found it in the budget?

**Mr MILLS:** It is a slush fund, you see.

**Mr WOOD:** How would I know that that \$1.5m is in here? Oops, I am in trouble.

**Ms LAWRIE:** We are just double checking whether it has been – it is in the ...

**Mr MILLS:** In Ted's newsletter.

**Mr WOOD:** I read the Regional Highlights. Yes, I did read the *Territory Regional Weekly*.

**Ms LAWRIE:** Okay, Budget Paper No 2, page 42, three-quarters of the way down, the other initiatives under the Department of Local Government, Housing and Sports we have 'contribution towards a new swimming pool in Litchfield Shire \$1.5m'. Further, we have in the Budget Overview on page 20 under the heading 'Lifestyle and Environment' and again under the heading 'Sporting Facilities' 'the Territory government is contributing \$1.5m towards a community pool in Litchfield Shire'.

**Mr WOOD:** I probably read the Regional Highlights. I did not see it there.

**Ms LAWRIE:** It appears twice. We are still searching. It is probably a third time yet.

**Mr MILLS:** Leave him be. He is fine.

**Mr WOOD:** Minister, where did the figures come from? In other words, what was the basis to have \$1.5m for a swimming pool?

**Ms LAWRIE:** \$1.5m was the government's contribution. We are awaiting outcomes for a community process to finalise the arrangements for the swimming pool, and we anticipate and hope it will be done in the foreseeable future. We announced what contributions we would make. For example, we announced a \$8m contribution to the Alice Springs swimming pool. They are in the realms of grants.

**Mr WOOD:** The presumption of an amount of your \$1.5m, as you put it, means that you are hoping that someone else would help fund any extra costs required. My understanding is that this pool was originally going to be part of Taminmin High School, but that is not going to happen. If this is the site, the land would be ceded to the government and we will have a pool we do not know who will run, we do not know how much it will cost to run, we are not sure whether that is the best site because now it is outside the school. If it was in the school, that is the school's problem, but now it is a community pool. Has the government put this forward, to some extent, as an election promise at the end of a term without giving it the consideration it really needs? I am not against the pool but I would hate to see the government spend \$1.5m without doing all the homework, without making sure it is in the right place, and making sure who was going to manage and pay for it in future. Has that work being done?

**Ms LAWRIE:** Clearly, the description says 'contribution', so the \$1.5m was only intended to be a contribution of the total project costs. It is my understanding discussions are occurring at the local level as to the location and the management of the pool. I am not going to suppose what the outcomes of that will be but, clearly, the government has said we will contribute \$1.5m towards a swimming pool.

**Mr WOOD:** Through you, Mr Chair, that is fair enough. But if Litchfield Council decides - and I do not think it has been really heavily involved in these discussions - it does not want to take on the maintenance of this pool, does that mean the government intends to run this pool?

**Ms LAWRIE:** Member for Nelson, I am not going to preempt the outcomes of the locally-based discussions. I am aware that there has been a steering group or working party - I am not sure of the correct title, so you will have to excuse me on that - consisting of members of the community, interested parties, and I believe a local financial institution has been involved in discussions as well. Where they arrive at in their deliberations is yet to be known. Clearly, the government has said we have a \$1.5m contribution on the table to make.

**Mr WOOD:** I may look at it at a later date. Thank you.

**Mr MILLS:** I am still just concerned about going to the limit with the Central Holding Authority. I could well be wrong in this and I would be more than happy to be shown. I think you would take delight in this, Treasurer, if I were wrong, but I noticed in the transfer of excess allocations tabled in the parliament on 12 June, last Thursday, \$143m is transferred out of the Treasurer's Advance. How is it possible to transfer the original \$40m, then \$95m, then \$143m out of the Treasurer's Advance? That is in excess of \$137.754m, which is the 5% threshold.

**Ms LAWRIE:** I am happy for the Under Treasurer to step you through that, just so you do not have any concerns about anything being untoward.

**Ms PRINCE:** Mr Mills, the way this works is the original appropriation has a number of components. I think the Treasurer read those out before. One of those components was for \$40m for Treasurer's Advance in May 2007. The *Financial Management Act* also provides that appropriations can be increased by 5% of the total appropriation, and 5% of the total appropriation in Budget 2007-08 of \$2.755bn was \$137.7m. Add to that the \$40m that was already provided for initially in the Appropriation Bill of \$40m, that takes the total to \$177.7m. Of that \$177.7m, \$177.6m has been distributed.

So, it is 5% of total appropriations. That can be what Treasurer's Advance can be increased by. We have already made a provision for Treasurer's Advance and, then, we can increase it by 5% of total appropriations.

**Mr MILLS:** That is an innovative way of expanding ...

**Ms LAWRIE:** It is not innovative.

**Ms PRINCE:** I do not think it is innovative. I think it as Dr Conn wrote the *Financial Management Act* in 1993.

**Mr MILLS:** In appropriation, you have put \$40m in?

**Ms LAWRIE:** That was in appropriation already - \$40m.

**Mr MILLS:** And you take that and then go to the 5% max, plus the \$40m.

**Ms LAWRIE:** That is right. That is the explanation. It is not innovative. That has been a long-standing practice.

**Mr MILLS:** Yes, but you do not have to spend all that money on things. It is like a cookie jar, you are just reaching into it. Anyway, that is fine.

**Ms LAWRIE:** I ask, of the list of things that we spent it on, what would you not have done? You would not have paid Alcan the \$54m as required? Or maybe you would not have undergrounded power? That would be the one - the \$16.6m. You would not have done that because you were against the undergrounding of power.

**Mr MILLS:** I am, am I?

**Ms LAWRIE:** The CLP. You are on the record.

**Mr MILLS:** I am on the record, am I?

**Ms LAWRIE:** CLP, absolutely.

**Mr MILLS:** Anyway, thank you, Mr Chairman, that will do me.

**Mr CHAIRMAN:** Okay, if there are no further questions on Central Holding Authority, that concludes consideration of this Business Line. We will now proceed to NT Treasury Corporation.

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#### **Answers to Questions on Notice Nos 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8 and 2.9**

**Ms LAWRIE:** Mr Chairman, we had some questions on notice to provide. I table question on notice Nos 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, and 2.9.

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**Mr CHAIRMAN:** Thank you, Treasurer. Would this be an appropriate time to have a short break, or do you wish to continue?

**Ms LAWRIE:** I think we are nearly there and we will break between Treasury and DPI, I assume.

#### **NT TREASURY CORPORATION**

**Mr CHAIRMAN:** Do you wish to make an opening statement in relation to Northern Territory Treasury Corporation?

**Ms LAWRIE:** No, I captured the opening statement within my broader opening statement.

#### **Business Line**

**Mr CHAIRMAN:** We will now proceed to consider questions regarding Business Line. Are there any questions?

**Mr MILLS:** No, no questions. I read the very good annual report which was very clear and concise, so, no comment.

**Mr CHAIRMAN:** There being no questions, that concludes consideration of this Business Line. This now concludes consideration of all Treasury-related output groups. On behalf of the committee, a very big thank you to the officers of Northern Territory Treasury appearing today. Thank you.

**Ms LAWRIE:** Thank you to the Under Treasurer, the Assistant Under Treasurer and all the senior Treasury officials.

**Mr WOOD:** Mr Chairman?

**Ms LAWRIE:** Mr Chairman, I think there is a question from the member for Nelson.

**Mr WOOD:** I was going to ask about the Power and Water questions on Policy Relating to Statement of Corporate Intent. Is that now or after?

**Ms LAWRIE:** I would recommend we knock it off now, because I have a change of officials between Treasury and DPI.

**Mr CHAIRMAN:** That is where we are going to once we finish this short break.

**Ms LAWRIE:** Can we do it before the break then, if we are doing Power and Water? I just assumed there were no Power and Water questions, but if there are ...

**Mr WOOD:** Never, never assume.

**Mr MILLS:** I am saving mine until Friday, so over to the member for Nelson.

**Ms LAWRIE:** Yes.

#### **POWER AND WATER CORPORATION Policy Relating to the 2008-09 Statement of Corporate Intent**

**Mr CHAIRMAN:** Okay, before we go, the next area for consideration is Power and Water with specific reference relating to the 2008-09 Statement of Corporate Intent. Do you wish to make a statement in relation to that, Treasurer?

**Ms LAWRIE:** No, I made it in my original opening statement.

**Mr CHAIRMAN:** Okay, member for Nelson, questions?

**Mr WOOD:** I will do something similar to the Leader of the Opposition later on. I raised the issue of the cost of diesel before. Most of our remote communities run on diesel. We have been using substantial amounts of diesel to offset a lack of gas for the Channel Island Power Station. Is the rising cost of diesel affecting the financial sustainability of Power and Water and, if not, how are you coping with increased costs, especially in relation to diesel as a source of power?

**Ms LAWRIE:** Member for Nelson, I am advised that Power and Water are monitoring the costs very closely and that Treasury review that situation monthly.

**Mr WOOD:** All right. Well, I will leave my other questions for later.

**Ms LAWRIE:** Sure.

**Mr CHAIRMAN:** Okay, that concludes consideration of Policy Relating to the 2008-09 Statement of Corporate Intent.

The committee will now move to the next portfolio of Infrastructure and Transport.

**Ms LAWRIE:** Can we have a break?

**Mr CHAIRMAN:** Yes, when we come back.

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The committee suspended.

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## **DARWIN PORT CORPORATION**

**Mr CHAIRMAN:** If I can call us back to order. We will commence with the Darwin Port Corporation.

I invite the Minister for Infrastructure and Transport to introduce the officials who are accompanying her and, if she wishes, to make a statement on behalf of the Darwin Port Corporation Business Line.

Before inviting you, minister, I will just ask people to switch off any mobile phones in the room. Also, a bit of housekeeping: where there is question on notice, I ask officers to note down the question number that is assigned so it is easy for us to keep track of when it comes back. Minister.

**Ms LAWRIE:** Thank you, Mr Chairman. It is my pleasure to introduce to the Estimates Committee the Darwin Port Corporation Chief Executive Officer, Mr Robert Ritchie, and the General Manager Port Development, Mr Garry Scanlon. We also have here our Business Manager, Mrs Anne Coulter, if required.

Darwin Port Corporation continues healthy expansion in response to the booming mining sector, activity in the offshore oil and gas sector, as well as livestock export increases. In 2008-09, the Territory government will commit substantial capital investment at East Arm Wharf to ensure it continues to meet the needs of port users and stakeholders, and ensure its ongoing success as Australia's key northern gateway.

Demand for bulk trade export passage through the Port of Darwin is consistently growing. Government's recognition of this is to invest a further \$60m in new capital works to construct a new overland conveyor system, create additional hard stand, reclaim further land for future hard stand and to accommodate new trades at East Arm. Darwin Port Corporation is working closely with its stakeholders and customers for the ongoing development of East Arm. A tender to develop the East Arm Wharf facilities Master Plan 2030 will set the theme for the future development of East Arm to 2030, complementing the Territory government's infrastructure strategy.

Total trade for 2008-09 is projected to exceed three million tonnes, which is a substantial increase from previous years as new trades start to come online and, in particular, the export of bulk minerals. Commensurate with the increases in cargo volumes, commercial shipping is expected to increase to in excess of 1000 calls, due to the larger vessels calling for the bulk mineral exports. Darwin Port Corporation is well positioned for another year of growth in 2008-09 with OM Manganese and Territory Resources moving to full production and export capabilities; Oxiana will commence exports from their Prominent Hill Mine in South Australia via the new facilities at East Arm; continued growth in the port traditional cargoes of livestock export, offshore oil and gas support as well as container and general cargo; and the opening and operation of the new Fort Hill Wharf cruise ship terminal.

Mr Chairman, in conclusion, I look forward to any questions the committee may have with regard to the Darwin Port Corporation's budget for the coming year.

**Mr CHAIRMAN:** Are there any questions on the opening statement?

**Mr MILLS:** No, no questions on the opening statement.

**OUTPUT GROUP 1.0 – BUSINESS LINE**  
**Output 1.1 – Commercial Wharves**  
**Output 1.2 – Pilotage**  
**Output 1.3 – Navigation and Safety**  
**Output 1.4 – Small Craft Services**  
**Output 1.5 – Cruise and Defence Facilities**  
**Output 1.6 – Tourism Real Estate Development**

**Mr CHAIRMAN:** The committee will now proceed to consider questions regarding Business Line. It should be noted that the Schedule of Appearance has detailed individual areas to assist members in considering items of expenditure. As the Darwin Port Corporation is a Business Line, I do not intend to work through it as a list and, as such, questions from members can focus on issues of quality or be of a general nature.

**Mr MILLS:** Thank you, Mr Chairman. I do not have many questions but I am interested in the security patrols exclusion zones. Is there an exclusion zone around the poo shooter?

**Ms LAWRIE:** In terms of a security patrol?

**Mr MILLS:** There is an exclusion zone, is not there, around the poo shooter?

**Ms LAWRIE:** You would be going to a question more from – I am indicating that the answer is no, but certainly the testing of the harbour's water quality is done, I believe, by NRETA. So if it is a water quality issue ...

**Mr MILLS:** No, it is not.

**Ms LAWRIE:** ... around the outfall, I think you have to ask Power and Water operationally, or NRETA.

**Mr MILLS:** I know it is an odd place to start, it has been a long day.

**Ms LAWRIE:** It is not Port Corporation.

**Mr MILLS:** No, but there are exclusion zones in operation within our harbour for marine safety. There are exclusion zones around pipelines, including the poo shooter. I just want to know whether there are exclusion zones for military purposes as well. I assume these zones have some bearing on how you navigate and use the port. How do you enforce and what sort of capacity do you have to enforce and monitor these exclusion zones?

**Ms LAWRIE:** In terms of the Larrakeyah outfall, there is a marine buoy that marks the location of the Larrakeyah outfall.

**Mr MILLS:** Is there an exclusion zone around it?

**Ms LAWRIE:** A navigational exclusion zone?

**Mr MILLS:** Yes.

**Ms LAWRIE:** On advice, the answer is no.

**Mr MILLS:** Okay. What provisions are made for the security of, say, the pipeline that comes into ConocoPhillips? Does that have an impact upon navigation?

**Ms LAWRIE:** In terms of the pipeline exclusion zone, I am happy to defer to the CEO, Robert Ritchie, who may, indeed, want to defer.

**Mr RITCHIE:** Where the pipelines come in, there is an exclusion for anchoring there. There is an area you are not to anchor. But, apart from that, there is no exclusion zone for traffic going across there for fishing or other purposes. We do not anchor large vessels there, but towards the centre of the harbour, for safety issues.

**Mr MILLS:** Does it impinge upon the use of the harbour in any way?

**Ms LAWRIE:** The pipeline?

**Mr MILLS:** Those exclusion zones.

**Ms LAWRIE:** In what way, Leader of the Opposition?

**Mr MILLS:** There is only a certain amount of space in our harbour. I am wondering what type of provision there is made for the managing of these exclusion zones and how they may impact into the future. I am not a harbour master, but I was wondering what impact there will be on that natural asset with additional exclusion zones being created in the harbour?

**Ms LAWRIE:** You are asking us to hypothesise on future exclusion zones in the harbour. What we can tell you - which were advised just then by the CEO, Robert Ritchie – was that the existing pipeline through the middle of the harbour has an exclusion in terms of anchoring, but, obviously, people can sail over that pipeline.

**Mr MILLS:** That will do for me for the moment. I am sure Mr Wood has some questions.

**Ms LAWRIE:** Sorry. Just a clarification regarding at the moment. Are we capturing all of the Port Corporation questions now, or are we going to bounce the member for Nelson and, then, the Leader of the Opposition recalls a question he did not ask and bounce back? Because we did that during Treasury. I allowed it to occur. It is not the process, but I would just like to clarify where we are at.

**Mr CHAIRMAN:** Until we conclude dealing with a specific output, questions can come back on that specific output. There was one occasion when I had misunderstood what the Leader of the Opposition had said to me. I thought he had concluded his questions and, when I closed it, I put him on the hop, so we reopened it when we came back from that break.

However, whilst we are in an output - and in this one it is a general output group - if there are other questions from other members, then I will go to other members. If the Leader of the Opposition has a question he has not raised, I will allow him. But, if we have closed the output down or, in this case, the output group, that it is, it will not be reopened.

**Ms LAWRIE:** Thank you.

**Mr WOOD:** So we are dealing with Output Group 1.0. Is that correct? Not Commercial Wharves?

**Mr CHAIRMAN:** No. We are dealing with the Darwin Port Corporation because it is easier, in this group. Rather than to go output by output, we are just doing the output groups.

**Mr WOOD:** Right through?

**Mr CHAIRMAN:** Right through the Business Line.

**Ms LAWRIE:** The whole box and dice, member for Nelson.

**Mr WOOD:** Oh, gee, what a chance! Just a general question, minister. The East Arm port area, as you know, goes right up to my favourite area, the Berrimah Farm. It is an area not inside a municipality. In relation to planning issues, I gather there is a group of people who are either CEOs or people high up in the department. Does the Darwin Port Corporation have a representative on that particular group?

**Ms LAWRIE:** In terms of the entire East Arm Development Zone?

**Mr WOOD:** Yes. The East Arm Development Zone, I think, basically takes in all the unincorporated land between Palmerston and Darwin municipalities.

**Ms LAWRIE:** Yes, I just wanted to clarify the area you meant, member for Nelson. Yes, the Port Corporation has representation.

**Mr WOOD:** That was my general question. I have some more specific questions. I understand there is a new mine perhaps going to be developed on the Barkly for phosphate for fertilisers in about two years, and that phosphate may come through the Port of Darwin. One of the concerns I heard is that, at the present time, most bulk materials are just left out in the open. That is what I have seen when I have been there. I know there is a move to have some sheds built. Is the long-term objective to try to house all bulk materials in sheds rather than out in the open?

**Ms LAWRIE:** Member for Nelson, Oxiana is currently building a shed. We have had approaches from other bulk minerals exporters. Discussions are at very early, preliminary stages about potential for export and shed structures and other requirements but these are very preliminary. Nothing is done and dusted. We apply environmental processes to the assessments of the activities at the East Arm Wharf and, where those environmental processes require things such as sheds, closed conveyors, those are applied to the project.

**Mr WOOD:** , Is the new conveyor belt replacing the existing one, or are we talking about replacing the way materials are loaded directly into the ships?

**Ms LAWRIE:** Robert Ritchie.

**Mr RITCHIE:** The new conveyor is linking the existing stockpile site to the current road dump. That move is currently undertaken by trucks. The new conveyor has the advantage that it takes the trucks off the road. Given the growth we have, we would be looking at a truck every five minutes while the port was

operating. The conveyor will take that away. We will have quicker dispatch through the port, so it will give us the ability to have greater utilisation, and stop the degradation of the client's product. There are quite a lot of benefits through. It is new infrastructure replacing the truck move.

**Mr WOOD:** Will that require an upgrade to the actual loading facility to match what may be coming through on an increased conveyor belt?

**Mr RITCHIE:** What we have looked at is the capability of the port. The existing ship loader is built with a capacity of 2000 tonnes per hour. In our design stage for the existing conveyor, we are looking at around 4500 tonnes per hour. That way we have the capability as the port grows to link that conveyor to a larger ship loader. It will service the current ship loader and then, if demand requires it, it will then service a new larger loader.

**Mr WOOD:** Biofuel – are we exporting any biofuel at the moment, or have exports stopped?

**Mr RITCHIE:** Exports have ceased.

**Mr WOOD:** I might ask that question of the Chief Minister as to why. The question we probably ask most years now: are there any more structural defects being found in the wharf? Or have we overcome all those problems?

**Ms LAWRIE:** Member for Nelson, we have an ongoing project to ensure we are aware of the structural integrity of the East Arm Wharf. We have an ongoing engineering project in terms of tie rods. That project is not complete, we are moving through it.

**Mr WOOD:** Do we have an interstate line still supplying goods to the Territory, like we have through Western Australia?

**Ms LAWRIE:** Yes, west and east coast services.

**Mr WOOD:** Do you think with the high cost of fuel, it maybe should become an increasing option for transport. Do you see that as a possibility?

**Ms LAWRIE:** I defer that to my shipping specialist, Robert Ritchie.

**Mr RITCHIE:** It depends on the market you are looking at. The AustralAsia Trade Route vision is being realised, but it is being realised in bulk. We are seeing the effect of high fuel prices in that it is cheaper for the supply chain to come through Darwin than to have ships around the coast, picking up, to save going to Adelaide. The whole of the supply chain cost is favouring Darwin and, with the higher fuel price, that is certainly adding value to Darwin. Given the global ship-building market, where there is not the availability of slots to build ships for probably four years, I do not see an immediate effect.

**Mr WOOD:** Do they call them super cargo ships or do they have another name?

**Ms LAWRIE:** Another name.

**Mr WOOD:** I cannot remember what it is. The ones that take very large quantities of containers. They are a new species of ship, if you could call them that. Are they capable of coming to Darwin Harbour and using our port?

**Ms LAWRIE:** A new size of vessel. Mr Ritchie.

**Mr RITCHIE:** No, not at this point.

**Ms LAWRIE:** The largest?

**Mr RITCHIE:** The largest cannot.

**Ms LAWRIE:** What about the second largest?

**Mr RITCHIE:** Yes, we could probably take the second largest, at high tides but not with full complement of cargo due to draft issues.

**Mr WOOD:** Would government be thinking of dredging the channel to East Arm port to allow such ships to come in?

**Ms LAWRIE:** The Northern Territory government has a strategic review on the way at the moment that includes the issues related to the feasibility of any future dredging requirements.

**Mr WOOD:** With pilotage, is there a certain size vessel that must have a pilot with it? How do you work out which ships have to have a pilot and which ones can come in on their own accord?

**Mr RITCHIE:** Vessels over 25 m require a pilot, unless the Master on board the vessel has an exemption for the Port of Darwin issued by the Darwin Port Corporation.

**Mr WOOD:** There was a large drop-off in revenue in pilotage charges between 2006-07. What is expected this year? Was there any reason for that?

**Ms LAWRIE:** Yes, we are just querying it. We are predicting a very slight increase of \$160 000 in line with an increase in activities between 2007-08 in income. In terms of expenses, we are predicting an increase in expenses of \$192 000 which is mainly due to an increase in overhead expenses.

**Mr WOOD:** I will not chase that up. I will check that figure because the figures I thought I saw pointed towards a downturn in pilotage.

**Ms LAWRIE:** Not in activity but an increase in overhead expenses. We are paying our pilots more. We have to; special skills.

**Mr WOOD:** Under Navigation and Safety, I noticed there was a figure there in the annual report for 2006-07 that there were 52 LNG ships coming. Is that increasing and, if the government convinces INPEX to come to Darwin Harbour, do you have any idea how many more LNG ships would be visiting the harbour?

**Ms LAWRIE:** Member for Nelson, I am not prepared to speculate on the 'if INPEX' question. That is a long way away and we are still the underdogs chasing the project. We are seeing only very slight increases in activities with the existing Wickham Point, ConocoPhillips, Darwin LNG.

**Mr WOOD:** I understand that. One of the planning issues in relation to the use of the port is the capability of a large industry. INPEX is much bigger. We are talking about five concrete tanks out there. We might have five times as many LNG ships coming to the harbour which could compete with the traffic around East Arm port. I was just wondering have those considerations been taken into account?

**Ms LAWRIE:** We have a team of experts working on the port's long-term strategy through to 2030. As I said in my opening remarks, all of the logistics and calculations of what could potentially happen within port activity is being prepared as part of that long-term strategic assessment. That is part of what we do in port business. We understand where our predictors are in potential business and its effects on our operational requirements and our capacity.

**Mr WOOD:** In relation to moorings, I presume moorings are what we see on Sadgroves Creek and places like that, they are not the Duck Pond or any of those areas?

**Ms LAWRIE:** Yes.

**Mr WOOD:** Do we need any more? Is there a need for more moorings or is it something that the Port authority would rather not have in their port?

**Ms LAWRIE:** Member for Nelson, the Port Corporation is working with the Department of Business, Economic and Regional Development, DBERD. They are also working with the Department of Planning and Infrastructure, DPI, on potential for mooring expansion at localities. Those localities are around our harbour. They include Fishermen's Wharf, the Duck Pond, where some intensive planning has been done around that location. There are opportunities in the waterfront and East Arm Wharf areas.

**Mr WOOD:** What sort of fees do people pay to park in the mooring area?

**Ms LAWRIE:** The fees vary depending on who owns it and the location. You will see fees at Cullen Bay being different to fees at Sadgroves.

**Mr WOOD:** Yes. I was thinking more of the ones around Sadgroves.

**Ms LAWRIE:** Okay. Yes, we would have to take that question on notice regarding the Sadgroves Creek mooring fees.

**Mr WOOD:** Just before I take that question on notice, you mentioned Cullen Bay, did you?

**Ms LAWRIE:** In terms of moorings and ...

**Mr WOOD:** But inside Cullen Bay would not be port authority's area, would it?

**Ms LAWRIE:** That is right, it is private.

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**Question on Notice No 2.10**

**Mr WOOD:** What are the mooring fees for boats within the Darwin Port Corporation's responsibility?

**Ms LAWRIE:** Responsibility, yes.

**Mr CHAIRMAN:** That is the question you want to put on notice?

**Mr WOOD:** Yes.

**Mr CHAIRMAN:** Are you prepared to take that question on notice, minister?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 2.10.

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**Mr WOOD:** Minister, what is the Port Corporation's role in dealing with illegal fishing boats? Is it its job to make sure they are tied up correctly and secure?

**Ms LAWRIE:** It is fully under federal government control, not ours.

**Mr WOOD:** They look after that, and is there a special area they must stay within the harbour?

**Ms LAWRIE:** Yes, there is. Obviously, in the safety and navigation issues there is an area. Robert Ritchie, do you want to elaborate on that?

**Mr RITCHIE:** There is an area over near the gas pipeline on the other side of the harbour where they are moored.

**Mr WOOD:** And when Defence ships come in, they do not normally come into and tie up on the wharf now because of security reasons. Do they have a special place they must moor and do they have to pay as well?

**Mr RITCHIE:** The Defence vessels coming in can, depending on the size, go to Fort Hill. If not, they moor in the harbour and that mooring is agreed with the Harbour Master. There are designated moorings. Under federal government legislation, Naval vessels coming into ports in Australia do not pay any charges.

**Mr WOOD:** Who pays when the poo truck pulls up? Do they pay fees for the removal of rubbish from their vessels?

**Mr RITCHIE:** Yes, they do. They pay for that.

**Mr WOOD:** You mentioned the Duck Pond. I was talking about moorings like Sadgroves Creek, but is the government looking at putting in more facilities like the Duck Pond? Are we, basically, full up for places for small ships and pleasure vessels to moor?

**Ms LAWRIE:** The government is looking at options for expansion of marinas like the Duck Pond and other facilities. The government has been working across agencies, the Port Corporation, DBERD and DPI.

**Mr WOOD:** You will not be considering doing a Bayview again?

**Ms LAWRIE:** There is no proposal for development currently before me regarding Bayview. The response I gave previously is accurate. We are looking at a master plan for the Fisherman's Wharf area. That master plan is looking at extending opportunities for the fishing fleets, if you like, and boat operators because the Duck Pond is pretty full, as anyone would see driving past it. Whether there is the capacity to extend the Duck Pond is within the scope of the master plan work currently being undertaken by government. That, as I said, includes advice from the Port Corporation, the planning agency of DPI, and the Department for Business, Economic and Regional Development. We are not restricting ourselves to those considerations. Depending on what type of shipping it is, what type of requirements there are, those are the types of issues we are mulling over around East Arm, as well as around what I call the Waterfront Precinct.

**Mr WOOD:** Just give me a hint about whether you are going to remove a big heap of mangroves outside of what has already been allocated for such activities?

**Ms LAWRIE:** Member for Nelson, I can confirm that in all the considerations the government has under way, none involve removing mangroves.

**Mr WOOD:** Tourism and real estate. It says in the annual report that all the shops are full. I presume that is down at Stokes Hill?

**Ms LAWRIE:** Yes.

**Mr WOOD:** Does government have any plans to expand that because, at the moment if you go down there, you are lucky to buy your fish and chips until about 9 pm because lots of tourists are there. Are there any plans to expand? I will throw another question in with that, because it is right next door. How much of the waterfront development comes under control of the Darwin Port Corporation?

**Ms LAWRIE:** Conversely, tracking back on that question, member for Nelson, there are no plans to expand the existing facility at Stokes Hill. Obviously, there are retail outlets as part of the new Waterfront Precinct. Ultimately, it is our intention to move the Stokes Hill traders into the Waterfront Precinct because there is a commonality of usage and it makes sense for them to come under the purview of the Waterfront Corporation rather than the Port Corporation. However, we have agreements about, if you like, the Harbour Master requirements and functions of the water bodies and the operation.

**Mr WOOD:** You are saying Stokes Hill will come under the Waterfront Corporation? You are not saying the shops are all going to be moved out of that area?

**Ms LAWRIE:** No, no, no, the shops are staying; they are great, they are an asset.

**Mr WOOD:** They would be headlines in it.

**Ms LAWRIE:** Goodness me, no. We like our fish and chips down there.

**Mr WOOD:** Basically, that is it. The only other thing I ask, minister, in relation to INPEX and whether it goes to Blaydon Point. Was the Darwin Port Corporation a key player in these discussions with INPEX?

**Ms LAWRIE:** The INPEX project falls under the purview of Major Projects and the Darwin Port Corporation are participants in that major projects group, quite appropriately.

**Mr WOOD:** Just one other area which I always thought the Darwin Harbour was lacking: an opportunity for people to go fishing who do not have boats. There was talk about, perhaps, a jetty out either next to the Elizabeth River Bridge or something suspended off the Elizabeth River Bridge. Has the government considered putting jetties in various estuaries around Darwin Harbour to enable people who would just like to simply take up a chair like they do at Fisherman's Wharf and throw a line in?

**Ms LAWRIE:** Good question, member for Nelson. The issue of fishing infrastructure and where it goes is the purview of the minister for DPIFM. What they would do is identify the locality and the nature of the infrastructure they want to provide and then have discussions with us if it affects any areas we have control over. It is not the reverse. The Darwin Port Corporation would not say: 'Why do we not put some fishing infrastructure in here or there?' It is driven by a working party that exists with DPIFM. The Fisheries minister would make a recommendation to government about where the next location and enhancements of

the fishing infrastructure would go. Then, depending on the location, the natural stakeholders involved in that location would be brought in for discussions.

**Mr WOOD:** That was my last question today.

**Ms LAWRIE:** I am not ruling it out. I am saying that is the process.

**Mr WOOD:** Just in relation to boat ramps, who within the harbour - if there is a dispute there - is actually the policeman in relation to them? Does the Darwin Port Corporation have some power over anything that may occur there, or do the police have authority?

**Ms LAWRIE:** On the water, disputes, safety and navigation point of view, Darwin Port Corporation, the Harbour Master. On the ramp end of the question, the Marine Branch, Department of Planning and Infrastructure.

**Mr WOOD:** So, you have to wait until the tide goes down to see which one?

**Ms LAWRIE:** There are long, established practices, member for Nelson.

**Mr WOOD:** That is all right. Okay, thank you. That is all the questions I have, Mr Chairman.

**Mr MILLS:** My question relates to the issue of planning, and it relates to the managing of our facility; that is, the port. It references that one LNG vessel per week visits our harbour. It takes into consideration there has been approval given for ConocoPhillips to go to a second and third train. Therefore, there would be an increase in traffic. It takes into consideration the possibility that we need to get ahead, the possibility of INPEX coming, which would, once again, increase traffic upon that as well. You have made reference, minister, to an expert group that will assist with that planning. How many people comprise that expert group? What qualifications do they have? How often do they meet and who do they report to?

**Ms LAWRIE:** In terms of the East Arm master plan being developed, we have a consultancy proposal going before the Procurement Review Board. I have had a group within Darwin Port Corporation doing the preliminary work on that, working in consultation with the members of the Port Advisory Board who, amongst them, have a great depth of knowledge around the logistical issues, so we have done a lot of, if you like, preliminary work in identifying the matters that we want in the master plan for 2030. That is drawn upon. Advice from a number of government agencies, and we are hopeful that the Procurement Review Board will give the green light to the consultancy.

**Mr MILLS:** So, that consultancy will result in this X body that will be able to assess these matters? Is that what will happen?

**Ms LAWRIE:** As I have said, we have had members of Darwin Port Corporation working for some time now, calling on expert advice from people such as Chris Bigg, formerly of the Department of Planning and Infrastructure, who has been providing advice and working with the expertise of the Darwin Port Corporation Advisory Board to get to the point where we know exactly what we want to pursue and identify in the consultancy process, and awaiting for the Procurement Review Board kick off.

**Mr MILLS:** I am going to have to read *Hansard*, because I am a little lost. I thought you were referring to a discrete body that is constructed with the purposes of developing ...

**Ms LAWRIE:** No. I will have to check *Hansard*, but my recollection would be a body of people.

**Mr MILLS:** I did not quite understand it.

**Ms LAWRIE:** When I said body, I meant a body of people, so a group of people. That has included key people within the Darwin Port Corporation - staff, if you like, including the CEO, Mr Scanlon and others, including the experts we have on our Port Advisory Board, key people such as Chris Bigg, who has been called in for their knowledge and expertise.

**Mr MILLS:** All right. So that ticks off – I do not have how many people. Was it roughly ...

**Ms LAWRIE:** The estimate is about 20 across government, including expert's advice.

**Mr MILLS:** I will not go into the details and qualifications. How often do they meet?



**Ms LAWRIE:** The work has been consistently going on. I am advised there is a core group of about five who meet once or twice a week.

**Mr MILLS:** Once or twice a week. And who do they report to?

**Ms LAWRIE:** Ultimately, they report to me but, in the first instance, to Robert Ritchie.

**Mr MILLS:** Are any of those reports made public at any stage, or anticipated to be made public?

**Ms LAWRIE:** We will go public once we have the approval for the consultancy. We will announce that and the intentions for the master plan to 2030. When we have the master plan we will make that public as well.

**Mr MILLS:** Thank you, minister. Final question. I trust this is a rumour and I need to bring it to you. Bearing in mind the scenario I have just painted there will, most likely, be increased activity in our port. But there is a story going around that passenger ships sharing a harbour with LNG vessels are not able to be insured. Some inquiries have been made with Lloyds of London and we have not had any success with that. We have tried to clarify that. I do not like responding to rumours, but having not had any success with Lloyds, are you able to advise whether that rumour has any substance to it or not?

**Ms LAWRIE:** The advice is that, I have not heard the rumours. My officials from the Port Corporation have not heard the rumour, but the knowledge is that passenger ships interact at closer quarters with LNG tankers elsewhere in the world, including the Gulf and the Middle East. So ...

**Mr MILLS:** With insurance?

**Ms LAWRIE:** With insurance. So, based on that knowledge of the industry and what occurs elsewhere in the world, it is a baseless rumour.

**Mr MILLS:** Yes. Probably a good idea to put out a press release and clarify that.

**Ms LAWRIE:** Well, it is your rumour.

**Mr MILLS:** No, it is not my rumour. I am doing my job and just having it put to a finish. Sorry.

**Ms LAWRIE:** Sounds like a rumour.

**Mr MILLS:** It is a rumour. I am just want to clarify it and put it to death.

**Mr CHAIRMAN:** Member for Katherine, you indicated that you have a question.

**Mrs MILLS:** Yes, I do. One of the lines you have is Tourism Real Estate Development. What fits under that category in the Darwin port?

**Ms LAWRIE:** I defer to Garry Scanlan, who is ...

**Mr SCANLAN:** Garry Scanlan, Administration. Tourism Real Estate Development is the Wharf Precinct and the shops. Generally, that area. The other line of business is Cruise and Defence which relates to the cruise shipping and facilitating visiting and national Defence vessels, as well.

**Mrs MILLER:** I does not have to do with the landings, the boat landings?

**Mr SCANLAN:** No, they are outside our area.

**Mr CHAIRMAN:** All the questions? There being no further questions, that concludes consideration of this Business Line. On behalf of the committee, thank you very much to all the officers who have appeared with the minister today.

**Ms LAWRIE:** Mr Chairman, I would like also to thank Robert Ritchie, Garry Scanlan for assisting with the process today, and everyone for their time and effort.

## DEPARTMENT OF PLANNING AND INFRASTRUCTURE

**Mr CHAIRMAN:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2008 as they relate to the Department of Planning and Infrastructure.

When you are ready, minister, I invite you to introduce the officials accompanying you and, if you wish to do so, make an opening statement on behalf of the Department of Planning and Infrastructure.

**Ms LAWRIE:** Thank you, Mr Chairman. I would like to introduce with me the Chief Executive Officer of the Department of Planning and Infrastructure, Mr Richard Hancock; the Chief Financial Officer, Jasmin Aldenhoven, and the Lands Group Executive Director, Rod Applegate.

Also, as we proceed, I will have with me the Transport Group Executive Director, Marj Morrissey; and the Infrastructure Strategy and Sustainability Group Executive Director, Cate Lawrence; the Construction Division Government Business Division General Manager, Mike Chiodo; and the Darwin Bus Service Government Business Division Manager, Craig Bradley. I will be joined at the table by other departmental officers as appropriate as we move through the appropriation for this agency.

The department's role in the ongoing economic and social development of the Territory is continuing to grow. DPI provides wide-ranging essential services, implementing major infrastructure projects, providing land and planning development, and managing a national and major arterial road network to keep transport moving and safe. The department has responsibility for regulating land use as well as the building and transport sectors.

Mr Chairman, the department is supporting sustainability and growth across the Territory, delivering vital infrastructure for today which is vital for our economic development. This investment into the Territory's future I highlighted by a record infrastructure budget of \$870m.

The Infrastructure Strategy and Sustainability Group has been formed through the realignment of functions between Construction Division and Infrastructure Services Division, improving efficiencies in delivering projects. Our Construction Division is responsible for delivery of major projects, including the Victoria River floodplains project, the sealing of the West MacDonnell Range tourist loop and the Tiger Brennan Drive extension, one of the most exciting road network projects to be experienced in the Territory. The department will manage a record \$271m spend for Territory roads which will see more roads built, sealed and upgraded delivering a safer more efficient road network.

The department's Lands Group is continuing to explore land use and planning options as well as future growth options for the sustained development of our towns and cities. The department will release land for residential development and provide strategic planning for land use in Darwin and Alice Springs, including other regional centres such as Tennant Creek and Katherine. Public input and ideas have been sought at future planning forums and are being considered in the strategic development of these initiatives.

The Transport Group continues to ensure safety on our roads, rail and marine environments as well as promoting our public transport network and the safety of passengers who use it. A great deal of work will be conducted in the training of Transport Safety Officers as we introduce them to our public transport system.

The department is supporting projects included in the Planning Darwin's Future Strategy and progressing towards completion on the convention centre and community infrastructure as part of the exciting waterfront development project.

The department will also work alongside other agencies to deliver vital infrastructure for our growing economy in the areas of power and water and sewerage, upgrades of school facilities and upgrades to parks facilities and recreational areas to benefit Territory families.

Mr Chairman, I look forward to any questions the committee may have with regard to the appropriation for this year.

**Mr CHAIRMAN:** Are there any questions in relation to the minister's opening statement.

**Mr MILLS:** No questions related to the statement.

**OUTPUT GROUP 1.0 – LAND PLANNING, DEVELOPMENT AND MANAGEMENT**  
**Output 1.1 – Land Information**

**Mr CHAIRMAN:** I now call for questions in relation to Output Group 1.0, Land Planning, Development and Management, Output 1.1, Land Information. Leader of the Opposition?

**Mr MILLS:** I apologise. Are we not able to then just talk about the whole-of-agency-type questions? I have a few of those before the specific line items, the generics and things like that we have done before with Treasury?

**Ms LAWRIE:** Just for clarification, the tradition for DPI has always been to follow the output areas because they are distinct divisions within the agency. To have a free-ranging whole-of-agency would see a moving to and from this table of a lot of staff. They are discrete divisions within a large engine room agency of government. I have been DPI minister now for two years and we always have followed the output areas.

**Mr CHAIRMAN:** Questions are allowed in relation to opening statements but non-output specific budget questions can be asked at the end. If there is something that has not been covered in relation to specific output groups then that is the place for them but, traditionally, where there have been opening statements that is where you can ask questions.

**Mr MILLS:** So, questions about staffing levels and use of vehicles and all of that sort of stuff, you would have to get people coming and going to be able to answer those sorts of questions, those generic type whole-of-department questions?

**Ms LAWRIE:** The non-output specific budget questions is where that would fall in terms of whole-of-agency. So you do have the opportunity to ask those questions.

**Mr MILLS:** Right. Okay. At the bottom, after Output 1.5?

**Ms LAWRIE:** Yes.

**Mr MILLS:** Right.

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** Just to recap, it is Output 1.1, Land Information questions.

**Mr MILLS:** One question in this area, minister, regarding the Darwin waterfront. There has been reference to a \$21.52m payment related to the Darwin waterfront. When is that to be made?

**Ms LAWRIE:** I will just bring to the table a very patient Andrew Kirkman. That would be the completion payment, Andrew Kirkman?

**Mr KIRKMAN:** Andrew Kirkman, Chief Financial Officer, Darwin City Waterfront Development. Yes, that is right. There was a \$30m-odd payment made on practical completion of the Darwin Convention Centre in April of this year.

**Mr MILLS:** It was made in April?

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

**Mr MILLS:** How much was that? That \$30m, you say?

**Mr KIRKMAN:** Yes.

**Mr MILLS:** Is that the \$21.52m that has increased to \$30m, or is that a different amount?

**Mr KIRKMAN:** I am not quite sure, Mr Mills, where the \$25m you are referring to is.

**Mr MILLS:** I have some notes here that must be written from some time back. The payment is for practical completion that was made in April?

**Mr KIRKMAN:** That is right.

**Mr MILLS:** Thank you. Just for that line, it is fine?

**Mr WOOD:** I will ask my waterfront questions at Output 1.6.

**Mr CHAIRMAN:** This is Land Information. I was just confirming practices based on the rulings I just given with the secretary to the committee, so I was not here when the question was asked. Land Information question, member for Nelson. Any other questions on this output. No? Then that concludes consideration of Output 1.1.

### **Output 1.2 - Land Use Planning and Development Assessment**

**Mr CHAIRMAN:** The committee will now consider Output 1.2, Land Use Planning and Development Assessment. Are there any questions?

**Mr MILLS:** Yes. Minister, I spoke recently to a potential developer in Bellamack who tells me that lots will not be turned off before 2010. Can you explain why it has taken so long to turn blocks off, when the cost of land is crippling so many potential first homebuyers?

**Ms LAWRIE:** I am unaware of who you have spoken to, but you can let them know that we are expecting lots to be turned off from early next year in Bellamack. That is early 2009, so it will be a year ahead of your advice.

**Mr MILLS:** That is fine, but why has it taken so long? It is longer than your original announcement made to Julia Christensen.

**Ms LAWRIE:** Leader of the Opposition, Bellamack is a planning process of government that has brought together the best practice planning tools, and a process that is new to the Territory in the way we have developed it. We have ensured we have embedded into the planning for Bellamack very high-level planning decisions. Included in that are new levers to ensure developers who have the opportunity to develop that new subdivision are not able to land bank. We have seen incidents of land banking in the Palmerston area. Therefore, we put some new tools into the Bellamack expressions of interest process to ensure that government continues to have a stake in Bellamack, and some controls over the turning off of land there.

We put in place a two-stage assessment process for the area so that developers who would want to bid for Bellamack development did not go to a high-cost and high-detailed expense in the first stage. They put in their broad expressions of interest at that first stage. That knocked out of the process a number of developers, and we now are in what we call the second development assessment phase where we have a list of developers who made the cut through that first phase, developers who have gone to the expense, time and effort of their detailed development bids. These bids are currently under assessment. I am expecting the outcomes of that assessment process to be completed in the coming weeks and, at the end of that, a recommendation on the successful developer or, indeed, developers, would then come to me as Planning minister. I would then take that to my Cabinet colleagues.

**Mr MILLS:** Thank you. In your view, what would be the one thing you would do to speed up the process of land release?

**Ms LAWRIE:** I guess the supposition is that you would have to speed up the process of land release. In terms of a planning perspective on land release, what you need to do, first and foremost, is identify where future land release occurs. Let us give the example of what I call Greater Darwin. Future land release in Greater Darwin takes a few dimensions to it. There is existing land release that is occurring at Lyons. There is future land release occurring in the northern suburbs next to Lyons, which will be Muirhead. There is existing land release occurring in Palmerston. We still have land turning off at Rosebery and Darla. We identified the next significant land release in Palmerston to be Bellamack. We have already gone out in a planning process with the Palmerston eastern suburbs of Mitchell and Johnson. So, obviously, future land release will occur in Palmerston east, where we say we are crossing the Mitchell Creek.

Also, the government has identified the future land release of Berrimah Farm, and our intention to move the prison and move down what I call the transport corridor, between Darwin and Palmerston. We have announced our intention to continue to pursue the 11 Mile aerial farm to be granted from the Commonwealth to Northern Territory government so we can secure the length of that corridor for future light industrial and residential land release. We have, if you like, an infill land release program there. In addition, we have subdivisions coming forward in proposals regularly in the rural area, where people are able to

prove access to water and be within the planning scheme requirements. We are always releasing land in the rural area based on those planning scheme requirements. In addition to that, separate to land, you look at your development requirements in around the CBD. We have all witnessed the significant unit expansion on the CBD peninsula.

That is the example of Greater Darwin, but I could give you land release examples for Alice Springs, Katherine, and Tennant Creek as well.

**Mr MILLS:** Thank you, minister. Do you recall the question I just asked you?

**Ms LAWRIE:** In the pace of turning off land. Identifying when you are going to do it and knowing what the constraints of that land are, and where you are going, and what stages you would go, will determine the pace of when we turn it off, having a knowledge of what the market is doing.

**Mr MILLS:** I asked you: what is one thing you would do to speed up the release of land? But, I did not quite catch that answer in all those words. Can you nominate when, after Bellamack, the next release of land could be expected?

**Ms LAWRIE:** Well, it will either be dependent on discussions between the Northern Territory government and the Commonwealth government. There will either be Muirhead or Berrimah Farm or, indeed, those processes may well cross over each other, post Bellamack. That is not talking about the next stages of Lyons which, of course, I take as a given in that answer.

**Mr MILLS:** Is it Zuccoli?

**Ms LAWRIE:** Zuccoli, Johnston and Mitchell will be after Berrimah Farm. Given the size of Muirhead, it could cross over. Muirhead is 1000 blocks, it is very large.

**Mr MILLS:** And pushing right out now into the future – Weddell?

**Ms LAWRIE:** In the future, we are predicting that, with the Greater Darwin areas of land release identified in my previous responses, we are looking at land that will take us through land availability requirements for the next 10 to 15 years, depending on the pace of growth occurring in the Greater Darwin region. A continued high pace of growth will cover us for 10 years of land release. If that pace moderates, our plans will cover us for 15 years worth of land release. Beyond the 10 to 15 years, the question then raises well, will we go to releasing land at Weddell or, indeed, will we go to an expansion of a satellite city over at Cox Peninsula because they would both be satellite cities in their nature.

I am on the record publicly as saying the government will not rush that decision. We will do a thorough planning process and a pros and cons analysis of those alternatives first and foremost. We are in the stages of that. When all of that information is before Cabinet, my Cabinet colleagues and I will have those discussions about which goes next - Weddell or Cox Peninsula.

**Mr MILLS:** There is a lot of exciting things happening way out there in the future, but what process do you have in place to be able to assist you in making those decisions? How is this occurring? I do not feel many Territorians are really involved in this grand plan of where we are going.

**Ms LAWRIE:** That is a really good question, Leader of the Opposition. I guess the process we had fundamentally in long-term discussion about the future - post 10 to 15 year future - was the work driven by the Department of Chief Minister with the assistance of the Department of Planning and Infrastructure under the auspices of the Chief Minister called *Creating Darwin's Future*. It had identified future land release on those plans. It went out to shopping centres across Darwin and Palmerston. Forgive me, I do not know if they went as far as Coolalinga in those public hearings, meetings and shopping centre displays. They travelled extensively over a matter of months seeking community feedback and input into *Creating Darwin's Future*. This included the identification of future land release, the identification of Weddell or Cox Peninsula. So, a significant body of public consultation occurred at that stage.

**Mr MILLS:** That will do from me for now.

**Mr WOOD:** Just on that question, surely shopping centres are not the only way to discuss fairly detailed planning? There still is a Darwin Regional Land Use Structure Plan. Love it or hate it, it is a very detailed document and I doubt very much if the public have ever read it. I hope the government has not decided that its planning will be based on what they heard at a shopping centre.

**Ms LAWRIE:** Not at all, member for Nelson, and you are quite right. That is the very early preliminary stage of ascertaining the broader public view on the very tentative options of what they would like to see. We then go to a detailed planning phase and look at all the detailed information which would need to be sourced across the whole-of-government and captured within planning. That includes advice from Power and Water concerning issues around supply of energy and water. It includes advice from within my own agency around roads, requirements and the like. DEET provide information and advice in and around school requirements, Department of Health provide information and advice. All of those sources then go into your planning process. A series of decision-making processes occur then within government to get to a proposal that would then go out to a very clear and exhaustive public exhibition phase. That, as you know, is the planning process. I am not saying we would not do that. I am just saying we are not at that stage yet, member for Nelson.

**Mr WOOD:** Minister, you raised one of my favourite subjects: Berrimah. Who decided Berrimah would be a place to put residential subdivisions? Whose decision was that and where did that advice come from?

**Ms LAWRIE:** Northern Territory government, as expected, sought advice from our agencies in and around the opportunity for Berrimah Farm in its sustainability, its strategic locality, in the services corridor and its proximity to existing services. We sought advice from our relevant agencies. The advice included DPIFM, which is actively working on Berrimah Farm. All of that advice came before government, before the Cabinet process, with normal circulation processes that apply to a Cabinet submission of that nature. Cabinet made the decision then to proceed with Berrimah Farm for light industrial and residential development subdivision and we publicly announced that.

**Mr WOOD:** I must admit the original declaration was for residential and it was the second time that light industrial was mentioned. But, minister, why is there not an EIS in relation to this particular development and, could I with the Chairman's permission, explain why I think there needs to be an EIS?

Minister, that is the map of the East Arm port area. I know it is a long way away from there, but the area shown as the Berrimah Farm, approximately a quarter of the top area comes under the 20ANF contour for the airport. There is a major power line running north/south on its boundary. Without getting into a debate about where the prison should be shifted, the prison is there and it is unlikely to be moved for a while. There is substantial department of Primary Industry infrastructure in that area. It provides very important services, including biosecurity, which I would have thought you do not want residential development around. There is a large area of industrial land, both light and slightly heavier industrial, including servicing oil rigs in the form of BHP.

There is, 800 m from the Berrimah Road, the mud racing facility. They do not use exhaust pipes. The reason the Hidden Valley is where it is, is to keep it away from the complaints that will come from residential areas. On top of that, minister, you have the Tiger Brennan Drive cutting right through the bottom. There is also World War II heritage there. So, when you are finished with it, not only do you have a relatively small amount of land, you also have land that is potentially going to impact on surrounding facilities.

With all the land you have just mentioned, minister, Zuccoli, Mitchell – what is the other one? - Johnston, Muirhead and we have all of Weddell, regardless of whether people think it is a long way away - it is not a long way away – why did you pick this site with all those conditions? Why did you not leave it for East Arm port to use as light industrial to feed into that port?

**Ms LAWRIE:** Okay, member for Nelson. In planning parlance, the government looked at all the constraints. That was all part of the considerations before government. In terms of an EIS, the process would be that we would like a notice of intent first and, then, we would get advice from NRETA as to the level required in the environmental assessment processes. We have not had that advice yet because we have not lodged a notice of intent yet. Work is still being done on the Berrimah Farm plan.

I am advised that Berrimah Farm, as you know, is Crown land under the control of DPIFM, consists of three parcels of land: Section 4195, it is 38.7 ha which is in the future development zone; Portion 1238, 1.23 ha within the farmstead, the community purpose zone; and section 1168, 181 ha light industry and community purpose zone, of which there are 69 ha given up to the Tiger Brennan Drive corridor and the high voltage power lines you mentioned.

You are right, 30 ha is constrained by aircraft noise; 2.4 ha is constrained by waterlogged soils; 5.7 ha is constrained by proximity to industry; and 8 ha is the approximate area of the farmstead retained for DPIFM.

**Mr WOOD:** So how many hectares ...

**Ms LAWRIE:** So approximately, 65 ha is available for residential development.

**Mr WOOD:** Sorry, I was just asking how many hectares is for the farm?

**Ms LAWRIE:** Eight hectares. We have announced that previously, the former Chief Minister and I.

**Mr WOOD:** That is more than 8 ha, so you are going to ...

**Ms LAWRIE:** I know, but we have already publicly announced we will be relocating some of the facilities of DPIFM. That has been in the previous announcement. I am sure you are not shocked by that.

**Mr WOOD:** I do not know whether that is the right word. I just think it is a very bad decision to make. This is not good use of this land. Anyway ...

**Ms LAWRIE:** In that, I guess, we will agree to disagree. I do respect that you have a view on it.

**Mr WOOD:** Minister, my view is now changed slightly because someone has decided we will not have a prison there anymore. Again, where did that advice come after building a \$7.2m low-security facility, which is right there next to the farm? Who made the decision we could not re-establish a prison on the existing site, or even use land adjacent, which is Berrimah Farm?

**Ms LAWRIE:** The government, Cabinet, decided to relocate the prison and build a new prison in a new location. We pooled advice across government in that consideration. That consideration was lengthy. I will not go into the detail; the minister for Justice will have the prison debate with you.

However, as Planning minister, I am very aware of the significant work the Department of Planning and Infrastructure did, with the Department of Justice, in assessments across the range of alternatives for the prison; that is, the alternative of improving the existing prison. We pooled advice from our Construction Division as well - adding to the prison within the prison footprint, relocating the prison, and all of the other alternatives within that.

Government key agencies were involved in all that work, including Treasury, DPI, and the Department of Justice. The considerations came before government, the Cabinet, and our considerations were lengthy.

**Mr WOOD:** I know you will think it is just my evil mind but, minister, you first announced the Berrimah Farm would be cut up for residential housing. One of the issues, I would have thought, straightaway, would have been the proximity of a prison to that particular development which would limit some of your land sales.

A couple of months later, there is a belief we need to pull down the prison and relocate it, and use the land for housing. Do you think that it is a bit far-fetched me saying that decision had more to do with the prison not being suitable beside a housing development, rather than any need to actually move it?

**Ms LAWRIE:** No. I can assure you that in the plans we did for the development of Berrimah Farm and identifying the land use of the Berrimah Farm site regarding what land use it could yield for community purpose, what open space we would leave, what commercial requirements, what light industrial requirements, and what residential requirements we had, we included a significant buffer zone along the boundary with the footprint of the broader Berrimah gaol. We included in our calculations on yields a significant buffer zone to keep the residential apart from the prison.

Categorically, member for Nelson, no, we did not make the final decision based on Berrimah Farm residential. No. That would be nonsense. The issues articulated by the minister for Justice at the time were absolutely the considerations of this government.

I have to say - and you will have this debate with the Justice minister - the core issue we confronted with that gaol, was its condition and design. Fundamentally, the design does not lend itself to rehabilitation. There are a whole basket of issues the minister of Justice will be able to debate with you around that. It was not because of the residential at Berrimah - it was not.

**Mr WOOD:** I just made my second visit to the prison, and there is no denying the prison needs upgrading. However, when you know there is already a brand new facility there - it is only a year-and-a-half old - and the government now decides to pull an existing prison down, you would have to ask: has there been future planning in relation to this, or is this just a response to pressure from the community and people

on the other side of parliament in relation to the lack of available land? You just said, minister, that you were going to do Bellamack, perhaps Muirhead, and Berrimah. Why would you not continue with Palmerston subdivisions, unless you thought this was a good short-term option?

**Ms LAWRIE:** I did not rule out continuing with Palmerston East, at all. I said, indeed, Palmerston East, because of the size of the Berrimah infill and Muirhead, would cross over. I do not see it as an either/or. I see it as requiring to have land turning off across the range the marketplace needs, what I call Greater Darwin; that is, people, quite rightly so, want to live in Palmerston, and they want affordable housing options within the Palmerston locality. We have to continue to turn off land in Palmerston to meet the growth of that city of Palmerston. That means that we have already gone out and done the planning for the Palmerston East suburbs, they have been out on exhibition. We are more advanced with Palmerston East than we are with Berrimah Farm and Muirhead. So, that Palmerston East process will cross over the Berrimah Farm process as, indeed, I believe it will cross over the Muirhead process, because that is land for the growth of Palmerston.

Looking at your requirements of land for the growth of Darwin, clearly, in the northern suburbs, because of where we have mangroves and the development that already exists through the northern suburbs, the new growth area is Lyons and Muirhead. When you look at the opportunity for growth beyond those two factors, the government has determined we will go to an infill program with land release, which is Berrimah Farm and, ultimately, the prison site - because that is some years off - and the 11 Mile aerial farm to provide extra significant land release requirements before we go to a satellite city. We are saying we will have land release in growth in Palmerston in these three Palmerston East suburbs beyond Bellamack. We will have land release and growth in the northern suburbs - that is Lyons and Muirhead - but, instead of incurring the significant expense and costs of developing a satellite city, and all of its headwork and servicing requirements such as education, shopping centres, transports, power - all those headwork costs which are significant.

Before we go to that stage, we will infill between Darwin and Palmerston, because we have those services and we can infill for far fewer costs. We have the shopping centres, the schools, the access, the health services, the road networks and the transport systems. We have all of those things.

Good planning is around identifying infilling cities so that you are not going through that quantum expense and leap of delivering new services, greenfields, satellite city locations. Member for Nelson, I absolutely understand your desire for Weddell. You represent Nelson and I absolutely understand that, but from a Territory perspective, when I am confronted with significant unmet needs for infrastructure right across the Territory, when I need to build infrastructure into the Alice Springs and Central Australian region, the Tennant Creek and Barkly regions, in Katherine and the Katherine region, where we are on a major program across our remote communities of housing with the planning requirements and the infrastructure requirements to support that, as well as the road network requirements, I am not going to spend the money on building Weddell and all it would take when I have an alternative of urban infill between Darwin and Palmerston, which is that Berrimah corridor. I get your perspective.

**Mr WOOD:** Thank you, minister. Weddell does not come in to the electorate of Nelson. What comes into my mind is that we had a plan, which was the Darwin Regional Land Structure Plan, which was a good plan. You have land at Berrimah which would be far better. I have not heard an argument against why, if you were to subdivide it, it would not be land that would be industrial in relation to the port. There is the port, there is the land about 4 km away, it is all in the East Arm development area. In other words, it was set aside to be part of that development. Why would you be using up good land for housing at the risk of limiting the amount of industrial land that could be built in the port area?

**Ms LAWRIE:** You are absolutely right. The government needs to look at the light industrial land requirements around the port. You are fundamentally correct on that. The Land Development Corporation has funding in its budget to turn off further industrial land within that business development zone around the port. We have identified light industrial for the Berrimah Farm yield, though things are only at estimates at this stage, but we are looking at a light and general industrial range of lot sizes and using about 20 ha of that farm site. In addition, I am aware of private developers who are moving to proposed subdivisions of the locality of Elrundie Peninsula,. So you are right, we have to have an eye on what light industrial land requirements we have in that particularly important service corridor to the port. We have done that. We are doing that; that is, both government and private turn-off.

**Mr WOOD:** Minister, you made some philosophical statements about the way Darwin should be developed; one of those was infill. I see infill - if you are not careful - as a continuation of the scourge of some of the biggest cities in Australia; that is, the urban sprawl. We had a design which had some



philosophy behind it. It was to have a range of cities similar to Canberra where there would be discrete communities which would have the advantage of offering employment within their own areas. They used infrastructure better - in other words, everyone was not driving to Darwin, which is one reason we are building Tiger Brennan Drive. You can say that is simply because of poor planning.

Yet, we are using this so-called infill without giving enough thought as to where we are going in the future. Do not forget the aerial farm is a small piece of land surrounded by industrial land. Minister, do you not think that you are going to create more problems for the people who live there? You will have these small communities that are not suburbs - not in the sense we know them in Palmerston or Darwin - isolated, surrounded by industrial land and close to noise. I ask you, minister: do you not think that Hidden Valley will be a problem to people who live there?

**Ms LAWRIE:** First of all, they will be suburbs. They will be yielding approximately 700 lots which, by any description, is a suburb. The suburb of Lyons is 700 lots; the suburb of Bellamack is 700 lots. So, first of all, they will be suburbs. Second, we have put a lot of intensive planning into the design of those suburbs. Best practice planning tools are being implemented into them, so we create suburbs designed to host sustainable communities within them. All of those planning tools now exist in your better planning practices. I hear concerns around Hidden Valley. I guess the government does not share your concerns about it. You say: 'I do not live there'. I spent a lot of my time living at Coonawarra. I know first-hand what it is like to have a one-year-old and a two-year-old in that location. And I was fine.

**Mr WOOD:** They had to build mounds.

**Ms LAWRIE:** Did we?

**Mr WOOD:** I remember Bagot Road, minister. That is why it was shifted there.

**Ms LAWRIE:** I also had a seven-year-old there in the house at the same time and she was fine, too. And you are right; I do remember Bagot Road.

**Mr WOOD:** The last question then, in regards to the relocation of the prison. Is it true that one of the sites the department picked was in the middle of the harbour on a small island surrounding by mangroves?

**Ms LAWRIE:** No.

**Mr WOOD:** Well, that was not what I heard. If the government has planned to move the prison, why can it not say before it plans exactly what sites it is considering so the public have an idea of where they are going and the community has some input into what is happening?

**Ms LAWRIE:** We have identified potential sites. We are going through an analysis of them. When the full information is before government and decisions are made, we will absolutely go out and consult with the community.

**Mr WOOD:** Do any of those sites have potential for a backlash from the public?

**Ms LAWRIE:** You will be hard pushed to find anywhere where people will have the 'not in my backyard' scenario. I can say, though, the government is extremely mindful of proximity to future residential areas. What we do not want to do is make the mistakes as in the past and put it where there will be future residential regions.

**Mr WOOD:** Exactly what I say, minister. That is why you want to shift it from where it is now. Now, it does not cause a problem. Now, it can be surrounded by industrial and you can actually add a prison farm which is something we desperately need in the Top End.

**Ms LAWRIE:** Member for Nelson, if it was a well-constructed, well-designed prison we would not be moving it.

**Mr WOOD:** I have not said that, minister. You have nearly 100 acres of land there. You also have Berrimah Farm next door which you are intending to subdivide. There is not exactly a shortage of room where the prison is now. Why can you not use the existing land and so not create a problem somewhere else? Why go looking for a problem when there is not one now?

**Ms LAWRIE:** I am quietly confident, because I am involved in the process, that we will not be creating a problem. And I am sure you will tell me if we had, as you should.

**Mr WOOD:** I will just have to judge that when it comes. I still think it is a very poor decision to use Berrimah Farm. There are many areas which you can use. Why pick a spot that has so many problems?

**Ms LAWRIE:** It does not and I have taken you through the estimates of yields. No, I do not think I have, so I should. These are estimates in terms of the Berrimah Farm site. We have 65 ha available there. The estimate for community purpose, 4 ha; the estimate for open space 2 ha, plus buffers; the estimate for commercial, 7000 m<sup>2</sup>; the estimate for industrial light general industry, 20 ha, the estimate for residential, we have potential for multiple dwellings, townhouses, duplexes and low-rise apartments centred around a commercial village, similar style to what we have looked at in planning Bellamack, which would yield approximately 220 dwellings, single dwellings on various lot sizes within an integrated subdivision, 580 lots. So, member for Nelson, as far as the government is concerned, the 700-odd lots and dwellings gives you a very nice suburb with a community centre. It also provides for future light industrial as well which the business community is looking forward to.

**Mr WOOD:** With all due respect, I think it is a backward form of planning. It is like Altona. Today, we do not build Altonas where you have small residential areas near industry. You move your industry out from residential areas. Here we seem to be bringing residential to an industrial area and I consider that a bad backward planning step.

**Ms LAWRIE:** Where you have mixed uses, and appropriate use of urban design in and around your open spaces, you can do both well. You are right; it depends on how you apply your planning tools and whether or not you apply best practice urban design in your planning tools. I am confident, with the Urban Design Advisory Panel and the high professional quality of planners we have, that those tools are being applied appropriately and we will not end up with poor ghettos. Berrimah Farm, in its locality, is on high land with prevailing breezes. I have already had people approach me saying: 'I am very keen to live there. What a great and beautiful location'.

**Mr WOOD:** Minister, if there was no industry there and no port, I would probably agree with you. But those are not the facts of life. There is a major highway going through there, Tiger Brennan Drive.

**Ms LAWRIE:** Either side of it.

**Mr WOOD:** That is right. Minister, I will continue this debate another time. I think it is a very bad planning move.

Could I get on to the cost of housing in relation to Bellamack especially? I met some people the other day who said some of the conditions government expects developers to fulfil in relation to subdivisions, and some of the covenants these developers buying the land are putting on - requirements for the type of house to be built - are making houses not suitable for tropical climates. They are building houses that require high energy use; that is, houses needing airconditioning. They look all the same, as well. I can give you a classic example. Just drive down to the hospital and have a look at Lyons. If ever that song *Little Boxes* needed to be sung, that is it. Who determines the type of architecture, who determines whether we should be building low-energy homes? Why am I seeing black roofs in Farrar? The government is talking about the effects of climate change, about reducing our energy footprint. How come we are repeating the mistakes? Who is to blame for that? Is all this not making housing too expensive for many young people in the Territory?

**Ms LAWRIE:** I will try to step through that, member for Nelson, albeit some of those questions need to go to the Building Code in terms of sustainable ...

**Mr WOOD:** The Building Code is one thing.

**Ms LAWRIE:** Bellamack is a different way of doing business and the government makes no apology for that. I daresay you will find someone believes that is not the best approach. We took that approach to Bellamack, as I explained to the Leader of the Opposition, for a purpose. Government will have a stake in the pace at which that subdivision can turn off, because we saw land banking. We saw land banking in the Palmerston suburbs, and that was detrimental to the consumer.

So, clearly, we have put covenants in to ensure we have some controls which prevent land banking. I dare say some developers would be unhappy about that because you are right, you cannot land bank, you

cannot drive the prices high, and you cannot then overly maximise your profit margins. Developers would say that is not their desired outcome but, quite frankly, with a view to affordable housing and to avoid land banking, the government's desired outcome is to ensure a timely turning off of lots of Bellamack.

Within Bellamack, we put a requirement for 15% of Bellamack to be affordable and social housing. Arguably speaking, we will have about 100 lots within Bellamack, depending on whether the proposals and development bids come with multiple dwellings, medium densities, singles, or a mix of both. It is a competitive process, so we did not say, 'You will deliver affordable housing for X dollars', because we wanted to see what the marketplace can deliver affordable housing at. We did not want to make the mistake of government getting trapped by saying: 'Okay, we want to see house/land packages turned off at this amount'. Someone could come forward with an idea that turns them off for a lesser amount. Why not use competitiveness in the marketplace to get a lower priced package deal for your first homeowner?

That is the approach we took with Bellamack. We will have lots in there for first homeowners, and we are assessing what shape that will take and what that will be within the bids we have before us. Government will build its portion of public housing within that.

I am on the record as saying the 15% affordable and social housing component of new subdivisions is government policy. Berrimah Farm is government policy. That, member for Nelson, is critically important. I am also on the record as having written to the Commonwealth government and saying: 'If we can do it - if the Territory government can deliver that at Bellamack, you, too, can do that at Lyons and Muirhead'. I am in continuing discussions based on that theme.

**Mr WOOD:** What is the price of developing a block of land at Bellamack, and what is the actual selling price? Are those prices inflated?

**Ms LAWRIE:** Yet to be determined.

**Mr WOOD:** The word I had is that a block of land in Lyons costs round about \$90 000 for all the infrastructure required. They are now being sold at \$330 000. Is the government aware of, you could say, profiteering? It is our land the government is developing. What price do you expect at Bellamack, minister?

**Ms LAWRIE:** Yet to be determined.

**Mr WOOD:** About \$260 000?

**Ms LAWRIE:** Yet to be determined.

**Mr WOOD:** Well, that is the key to providing land for people to purchase. If you have a system which does not let land out at a reasonable price - in other words, an inflated price - surely it is going to make it harder and harder for people to buy a house? All you are doing is creating mortgages for the rest of people's lives. Then there are the social problems to go with people paying mortgages for the rest of their lives. It is our land you are selling in the beginning – Crown land. Surely, there is a responsibility for you to ensure that whoever purchases that land for development does so in a proper manner and sells it for a reasonable price?

**Ms LAWRIE:** All right. Member for Nelson, I will try to explain the Bellamack approach to you again, because I agree with the sentiment of what you are saying in that the government has responsibility with releasing Crown land for development to ensure we do not price the consumer out of the marketplace. Okay? That is why we have put covenants into Bellamack which determine how many lots can be purchased, the pace of turn-off – that is, how long someone can sit on a lot before turning it off. That is why we put 15% in there for affordable and social housing.

All of these tools have not been applied in the Territory previously. All of those tools are designed to deliver more affordable housing to the consumer - all of those tools. They have not existed before in the Territory, so I get what your concerns are. However, they are embedded in the Bellamack process. It is a different way of subdividing.

**Mr WOOD:** You have heard my view on how you should release land, and I will not go back into that. Getting back to my original issue, I gather that certain developers - most of the developers - apply covenants. So the house must look a certain way, has to have a certain type roof, must be a certain size, in fact, cannot be a minimum size now. I saw the architects award just the other day. The home that won the

architects award is in Batchelor; it is a low-energy home, it is different. But, minister, will it be allowed to be built in Bellamack, and why not?

**Ms LAWRIE:** Yes, it would be allowed to be built in Bellamack.

**Mr WOOD:** Not in your little patch of land, under a developer.

**Ms LAWRIE:** Well, there is nothing precluding it.

**Mr WOOD:** Oh yes, there is. The developers determines the covenants. Why do we have black, green and red roofs? Because they want those in as part of the covenants for the subdivision.

**Ms LAWRIE:** Yes, and again, member for Nelson, that is why the government is taking a different approach to Bellamack. That is why you are probably hearing some feedback, and grief from some developers. They do not think they are getting a fair cop since government is having a more hands-on input into Bellamack as a subdivision. It is playing a role in how Bellamack turns off as a suburb to ensure accessibility and fairness - not to mention the urban design tools that will be delivered in Bellamack.

**Mr WOOD:** So, who sets those parameters for low-energy design, for different styles of architecture, for even things like the width of the roads - which are miserable in some of those suburbs, which I believe is a planning issue the planners should address? Who sets those parameters – government or the developer?

**Ms LAWRIE:** We have set those types of criteria within Bellamack, and the developers, in their bids, are coming back with ideas about how they could deliver those.

**Mr WOOD:** I know we could go on for a long time, but I opine it is an important issue because I do not believe we are doing it the right way. Land is still too expensive.

In relation to both Middle Arm and Berrimah Farm, you are the consent authority and, in both cases, the government said this is going to happen. Surely, minister, it would be far better these developments come under an independent Development Consent Authority rather than yourself. Would you not agree that, if your government says development is going to happen on Middle Arm and Berrimah Farm, from a public perception point of view, you have a conflict of interest?

**Ms LAWRIE:** Member for Nelson, as I have indicated with Middle Arm and I will indicate with Berrimah Farm, I will appoint the Chair of the DCA, Peter McQueen as the DCA, who will follow all the normal processes and provide the report to me.

**Mr WOOD:** Through you Mr Chairman, yes, but minister, that is not what I am getting at. He will not be running the Development Consent Authority, he will not have four other people who are independent, he will not be making the decision. He will pass on the advice similar to a rezoning application on which you will make the decision. Surely, with such important planning issues such as the use of the land I am talking about, we need an independent Development Consent Authority to make those decisions.

**Ms LAWRIE:** I guess I put more store in the abilities of Peter McQueen than you supposedly do.

**Mr WOOD:** Through you, Mr Chairman. I think that is a bit put-downish of people who are concerned about process.

**Ms LAWRIE:** Not at all, not at all.

**Mr WOOD:** I have no problem with Peter McQueen. It is the process, and the process is not about Peter McQueen, the process is about ...

**Ms LAWRIE:** If I did not have the process of delegating to the Chair of the DCA, I absolutely would cop the criticism.

**Mr WOOD:** Minister, you deliberately removed the power of the Litchfield Development Consent Authority from Middle Arm. It had a Development Consent Authority. Through you, Mr Chairman, if you believed in what you said about Peter McQueen, you would have not removed his Development Consent Authority from Middle Arm.

**Ms LAWRIE:** Not at all. No, I removed it from Litchfield Shire. It is not an area of development that has similar interests to elsewhere in Litchfield Shire. Clearly, it is industrial development. You know Litchfield Shire DCA deals with residential, some light industrial from time to time, I would say, but not the type of industrial zoning we have at Middle Arm. I said to you, I delegated to the Chair of the DCA.

**Mr WOOD:** Minister, with all due respect, Litchfield Development Consent Authority did the work on Wickham Point. Litchfield has industrial land.

**Ms LAWRIE:** Light industrial.

**Mr WOOD:** It has industrial land; it has large developments that have occurred. I believe you have a conflict of interest. How can people be assured a proper planning decision made by an independent authority - we have no EPA to look at. The EPA does not look at it, it is only about legislation. We now have a minister who belongs to a government which has decided this will go ahead. If INPEX came in and made a decision about itself, people would say: 'That is terrible'. But the government is now making decisions about its own land. Surely, if you want to restore people's belief in the planning process, you must allow someone independent other than yourself to make judgment over the planning of both Middle Arm - that is, INPEX - and Berrimah Farm.

**Ms LAWRIE:** The planning process that applies to Middle Arm applies to the development zone around East Arm.

**Mr WOOD:** Minister, it did not. You removed the highest form of independent decision-making. It did not have it. You took it away.

**Ms LAWRIE:** The planning process that applies to Middle Arm, applies to East Arm.

**Mr WOOD:** Minister, you will know from way back that I have always disagreed with that. The only reason East Arm does not have a planning authority is because it is not in Darwin, Litchfield or Palmerston. Middle Arm, which is in Litchfield, had an independent planning authority. Why did you take it away? Surely, it was because you wanted complete control over the decision-making process?

**Ms LAWRIE:** If I wanted complete control over the decision-making process, I would not indicate very publicly that I delegated the Chair of the DCA, the planning process.

**Mr WOOD:** He does not have the delegation of the decision-making process, has he? You are the only one that makes the decisions.

**Ms LAWRIE:** Ultimately, it will come to me with a recommendation to make a decision.

**Mr WOOD:** That is right. So there is no independent authority which will make that decision.

**Ms LAWRIE:** I would be very brave to be out there against the Chair of the DCA.

**Mr WOOD:** When a \$12bn gas plant comes along, you will not make a decision against it.

**Ms LAWRIE:** Well, you are assuming a whole lot of things.

**Mr WOOD:** I want to see a proper process, that is all.

**Ms LAWRIE:** I believe we have a proper process.

**Mr WOOD:** Minister, in relation to a development that was proposed to be built at the Frontier Hotel. You put in an interim development order stopping that development. Could you say whether the people who were proposing that development had been in contact with the government? I was told they had spent quite a bit of money - over millions of dollars. They nearly got the plan up to engineering stage. Surely, they must have discussed this with your department? Why, then, if that is true, did you wait until the very last minute before you put an interim development order to stop them from building the project the height they wanted?

**Ms LAWRIE:** What a turn-up. We just spent the last three-quarters of an hour arguing your pro-development argument, and now we get the reverse. Okay, here we go.

**Mr WOOD:** What is the reverse?

**Ms LAWRIE:** I will explain the process leading up to the interim development control order. Industry, especially the development industry, has known for a very long time, since April of last year, that we have had an Urban Design Advisory Panel looking into the issues of building heights in the CBD. I have had discussions with ministers, and the Property Council, to ensure all of their members knew of the work government was doing. The Urban Design Advisory Panel had representatives of stakeholders in it, not just as stakeholders, but for their expertise and their knowledge of Darwin. These people included a local architect, a local developer, interstate experts, as well as representatives from Darwin City Council and experts from the planning department.

So, there was no secret as to what they were doing and what they were considering in terms of building heights. There was a gentleman's agreement between me, as minister, and the Property Council that, until we received a report from UDAP (Urban Design Advisory Panel) as to what their recommendations about building heights would be, no one would come forward with a development proposal that argued special merit.

Coincidentally, just prior to my going out and publicly announcing the result of UDAP - since the recommendation had come to me - I took the recommendations as Planning minister to my Cabinet colleagues. At the same time, a development application was lodged for a building that argued special merit in excess of the allowable height limits - not within the allowable height limits, but in excess of the existing allowable height limits.

I was in the situation where, as government's Planning minister, I was about to go out and announce the building height UDAP report result and the recommendations and the public exhibition process that would be required in terms of any changes to the Planning Scheme; meanwhile, we had one development application lodged that went right to the heart of that matter.

I had a discussion with the developers and indicated to them I would be going out publicly and announcing the UDAP report and recommendations. There was to be the public exhibition process government follows as a result of that. To provide certainty and stability in the development community, I informed developers I would be putting an interim development control order across, reflecting the status quo - no arguments around special merit.

That was not designed for that one individual proposal; it was done on the advice and deliberations we had in that, if you have a window of time, a process to follow before you land on a final potential amendments to the Planning Scheme - which, as you and I both know, takes some months - would you then have an unstable scenario where development applications are quickly being lodged with building heights in excess of allowable limits? It was not just based on that one development. It did affect that development. I did, out of concern for and courtesy to the developers, have discussions with them and gave them the heads up that I was going to make a public announcement and how that would affect that particular development.

**Mr CHAIRMAN:** Just before you ask the next question, minister, could I just ask you to explain what UDAP is?

**Ms LAWRIE:** Urban Design Advisory Panel.

**Mr CHAIRMAN:** Thank you. Sorry, member for Nelson.

**Mr WOOD:** Thank you. Through the Chair, minister, I was not becoming either anti- or pro-development. I was looking at the process the government uses. In relation to building heights, which is very controversial, and having a look at a number of our buildings that are now quite considerably high, is the government looking at limitations on the density of the number of buildings that can be built? One of the poor sides of those new buildings is the lack of space around them. Potentially, you can have buildings side by side that height in Darwin and we could have another Hong Kong, which I do not think many people really want.

**Ms LAWRIE:** Yes. The UDAP, the Urban Design Advisory Panel, report which came to me with recommendations includes what they call volumetric controls that look at building envelopes and setbacks as well as the building heights. Those components will all go out for public exhibition.

**Mr WOOD:** All right. I noticed an unfortunate synergy of your buildings. There is one being built at the moment which you could play table tennis with the neighbours on the next block of flats.

**Ms LAWRIE:** I am not going to comment on existing design of our CBD. What I have undertaken to do as Planning minister is to engage our community in the debate I have felt we needed to have.

**Mr WOOD:** That is true.

**Ms LAWRIE:** Okay? We started with the Planning Forum which had a great range of stakeholders attend in April last year. This continued with the appointment of the Urban Design Advisory Panel to tackle the more difficult issues that arose out of the Planning Forum which could not be resolved.

I have to say, very positively, the forum arrived at quite a lot of things, such as the 75% interactive streetscape and putting your streetscape master plan that Darwin City Council has - your trees and how you treat your streetscape - into the Planning Scheme requirements. A lot of good things came out of that forum. Things we could not resolve were the building heights, the volumetric controls and setbacks. That team of experts have worked on that consistently. They have provided the report to government. We are now going out under public exhibition to say to the community: 'Well, this what we have been advised'. We will get that feedback and we may or may not be amending the Planning Scheme accordingly.

**Mr WOOD:** I welcome that, minister, but I take note the government has been in power for nearly eight years and, unfortunately, once a building is up, it is up. Some of our architecture and design has left our poor old city not the way a lot of people would have liked it being developed. However, that is ...

**Ms LAWRIE:** With architecture, the beauty is in the eye of the beholder.

**Mr WOOD:** Not ...

**Ms LAWRIE:** One person will say it is a beautiful building, the next person will say ...

**Mr WOOD:** Yes, but not ...

**Ms LAWRIE:** The next person will say it is not.

**Mr WOOD:** Not when it is crammed in. Minister, just one other issue in relation to Glyde Point. Was there a draft environmental impact statement drawn up but not released and, if so - as I think I have written to you - can I have a copy of it? Kellogg, Brown and the other person - KBR - yes, they actually were given the job of drawing up that draft report.

**Ms LAWRIE:** I am advised that KBR undertook a draft report which has been archived due to the decision of the government not to proceed with industrial development at Glyde Point.

**Mr WOOD:** Well, minister, I ask you at this public hearing: may I have a copy of the archived report?

**Ms LAWRIE:** I would have to take that under consideration. I would have to have discussions about that.

**Mr WOOD:** Surely, minister, under an open and transparent government, a draft report - you have made your decision?

**Ms LAWRIE:** Member for Nelson, I will take that under consideration.

**Mr WOOD:** Would you allow me to ask Kellogg, Brown and Root, whether I can get a copy?

**Ms LAWRIE:** You have asked me and I will take that under consideration.

**Mr WOOD:** That is that section, Mr Chairman.

**Mr CHAIRMAN:** You have exhausted that? Okay. Are there any further questions on that output? There being no further questions on Output 1.2, that concludes consideration of Output 1.2.

### Output 1.3 - Building Advisory Services

**Mr CHAIRMAN:** I now call for questions on Output 1.3, Building Advisory Services. Are there any questions?

**Mr MILLS:** In the interest of time, Mr Chairman, no.

**Mr WOOD:** I just have a quick one. Last year, minister, with the introduction of the building licences, some long-term builders could not get a licence to build houses because they had not built a house in the last three years. Has the government done anything to address that issue?

**Ms LAWRIE:** Good question, member for Nelson. I know some builders chose to pursue the appeal process and others did not, but I will get Fabio Finocchiaro to run us through where that process is now. I do not believe we have had any change since last year, but I will clarify that with Fabio.

**Mr FINOCCHIARO:** Fabio Finocchiaro, Senior Director Building Advisory. Mr Wood, the builders registration model was put together or commenced in 2006, if my memory serves me correctly. As part of that, the minister declared certain education criteria required for builders in experience and knowledge. I can report the board most certainly - and I think as a department - got more applications than we thought might be out there. As of 6 June 2008, there are 645 building practitioners restricted registered, and 172 unrestricted; so that is some 817 builders.

It is fair to say some people did not make the grade. I do not have those figures immediately before me. Some did take action before the courts, as it is open to them to appeal. I think without exception, the board's decisions have all been upheld by the appeals court. The inevitability of it is that, when you introduce a registration model, there will be someone who will not make the grade for one reason or another.

**Mr WOOD:** Were there, without naming names, some people who had worked in the Territory for a long period of time, had built houses, had built all sorts of buildings, but simply did not fulfil the requirement you had to have built a house in the last three years? Did the government allow some of those people to have a building licence?

**Mr FINOCCHIARO:** I am not intimately across the applications the Building Practitioners Board received; it is a separate statutory authority from mine. As I say, there were a large number of applications and there may have been. I cannot answer that question.

**Mr WOOD:** Just quickly, one complaint I heard is that sometimes – and you can correct me if I am wrong here - the manager of a building company would get a licence, but the people he actually had working for him sometimes may not be licensed. In other words, if the company is licensed because he is licensed, sometimes the people working for him are not licensed. Can that happen?

**Ms LAWRIE:** Just a point of clarification on that, member for Nelson. Are you talking about subcontractor trades versus the builder?

**Mr WOOD:** Well, the builder would have the licence but, sometimes, people you are working for him - it may be subcontractors.

**Mr FINOCCHIARO:** The licensing regime really is about the contractor, so it is the person that the consumer wants to get a house built contracts with, so the person who is the building contractor that you contract with is the person that needs to be registered. Our system has not been built with a number of sub-tradesman and other subcontractors being registered in it. So, yes, it is the builder who is registered, puts his licence on the line. He contracts with an individual party to build a particular house, that builder has the sole discretion in terms of contractors and the like. The only two trades registered in the Territory are plumbers and electricians. So it is at the discretion of the builder as to who he uses as a conduit.

**Mr WOOD:** Thank you.

**Mr CHAIRMAN:** There being no further questions for that output, that concludes consideration of Output 1.3.



### Output 1.4 – Land Administration

**Mr CHAIRMAN:** I now call for questions on Output 1.4, Land Administration.

**Mr MILLS:** In the interests of time, no, Mr Chairman.

**Mr WOOD:** Is that 1.4?

**Mr CHAIRMAN:** Yes, Output 1.4, Land Administration.

**Mr WOOD:** I have some questions from the member for Braitling, minister. Regarding land release at the end of Albrecht Drive called the Ridge development, the member asks how many first homeowner/buyer blocks will there be and how much will they cost?

**Ms LAWRIE:** Six first homeowner blocks, and I am yet to provide advice on how much they will cost.

**Mr WOOD:** Through you, Mr Chairman, minister, how much will the government pay for land reserved for seniors village, and will there be a separate contract to build the village?

**Ms LAWRIE:** The government has a commitment to purchase back the public housing, which will be the seniors village as well as the six affordable lots. We will pay \$605 000 for the seniors village Crown lease.

**Mr WOOD:** And just how many units will there be and will it be managed?

**Ms LAWRIE:** That is yet to be determined in terms of the number of units, and the design and style of those units, but I can say I have every confidence in DPI and Housing. We have seen exceptionally well-designed seniors villages built, and I would not expect this to be an exception to that.

**Mr WOOD:** That is all the questions from the member of member for Braitling. I might ask one question in relation to, I think it was in the annual report, where it talked about a land release at Pinelands. Has there been land released at Pinelands, and exactly where?

**Ms LAWRIE:** Yes, we were considering moving to the next stage of land release at Pinelands. We deferred that because of the light industrial land release that would be pursued in the private market. It was flagged to industry at the Industry Forum that, if they did not proceed, there is a lot of freehold land well located for light industrial turn-off. I have indicated at previous land release forums with industry that if private developers did not proceed to turning off that light industrial land, then government would proceed with the next stage of Pinelands. After that nudge, private developers have been proceeding with light industrial turn-offs.

**Mr WOOD:** Have you looked at releasing any more land at Humpty Doo? That is industrial.

**Ms LAWRIE:** We are currently undertaking a study of the services and infrastructure required to support the Humpty Doo land.

**Mr WOOD:** Minister, land in the rural area goes between about \$240 000 and \$340 000, making it pretty well impossible for young people to get a home. Would you consider two things - and I know what the answer will be, but I will try it: opening up some of the forestry land, which is zoned residential which are one hectare blocks, and limit it so you do not affect your market issues; or would you allow people who are going for a HomeNorth loan to build a shed as a first stage of life on a rural block. In other words – do you want me to finish that?

**Ms LAWRIE:** Yes.

**Mr WOOD:** Could they build a shed because, I think under HomeNorth, you cannot build a shed, but it is one way people at least get a roof over their heads, and develop their block later, as many people used to do once upon a time?

**Ms LAWRIE:** Member for Nelson, I guess we will get to the stage where you and I will have a discussion about the Litchfield Land Use Objectives and the minimum allowable lot size in the rural area. The one hectare minimal allowable does affect the cost of land. I am happy to engage in a future

discussion with you about whether or not we go the smaller sizes to allow the first homeowner into the rural marketplace or not.

**Mr WOOD:** You can still provide at one hectare a reasonably cheap price. You do not have to go lower.

**Ms LAWRIE:** We should have a planning discussion.

**Mr WOOD:** You would run into a lot of objections going smaller. That is for another day. Would the government at least consider releasing some of its land? Do not forget that is in the flight path, so do not go too small for that purpose. Would you allow HomeNorth to consider allowing a person to build a shed instead of a house - you can live in sheds - as a means of reducing the cost. I know this might be a bit much for suburban people, but that is what a lot of people do. It gives people a chance not to go into a large mortgage but to get themselves going before they build a house.

**Ms LAWRIE:** You could build a bachelor pad for \$160 000, that just won the architects award. That would be good – a nice shed.

**Mr WOOD:** You can, but you cannot do that in Bellamack because you will just be told you cannot.

**Ms LAWRIE:** In the rural area – a bachelor pad. Let us see more of them.

**Mr WOOD:** I agree.

**Ms LAWRIE:** Affordable.

**Mr WOOD:** Agree.

**Ms LAWRIE:** Comfortable design.

**Mr WOOD:** Come on, let the minister go out and promote them. I would love to see the government do that. No black roofs anymore. Thank you, minister. Thank you, Mr Chairman.

**Mr CHAIRMAN:** There being no further questions on Output 1.4, that concludes consideration of consideration of Output 1.4.

#### **Output 1.5 – Darwin Waterfront Redevelopment**

**Mr CHAIRMAN:** I now call questions on Output 1.5, Darwin Waterfront Redevelopment. These questions are in relation to construction. Are there any questions in relation to Output 1.5?

**Mr MILLS:** In the interests of time, no, Mr Chairman.

**Mr WOOD:** Could you say what parts of the waterfront development were intended to be built in the beginning and, of those facilities, what are not going to be built in the final approval of the waterfront, such as the soundshell?

**Ms LAWRIE:** I am advised there is a series of concept plans, and the construction program occurring at the waterfront is based on the final designs.

**Mr WOOD:** The final designs were the ones that had bits cut off it eventually. What was originally put to the people and what is really going to end up there?

**Ms LAWRIE:** Member for Nelson, you go out with concept plans on any development, as you would be aware, and you arrive at final designs. We are building to the specifications of final designs. I invite you to go down and have a look at that convention centre. It is magnificent; built on time and within budget.

**Mr WOOD:** I did not mention ...

**Ms LAWRIE:** With no lost time due to injury.

**Mr WOOD:** Minister, I do not have a problem with the convention centre. I might have a problem with the design of it, but it will be great for the Territory.

**Ms LAWRIE:** That is that beauty issue again, is it? In the eye of the beholder.

**Mr WOOD:** The old flat cockroach has been mentioned a few times out our way.

**Ms LAWRIE:** Go and have a look at it, it is magnificent.

**Mr WOOD:** I like the Dubai Hotel, but, anyway. Minister, in relation to the wave pool then ...

**Ms LAWRIE:** The lagoon.

**Mr WOOD:** The what?

**Ms LAWRIE:** It is a lagoon. That was a concept pool, it became at final design a wave lagoon.

**Mr WOOD:** Minister, so you are saying we are not having a wave pool?

**Ms LAWRIE:** We will have a big wave. It is just not as small as a pool; it is as large as a lagoon.

**Mr WOOD:** All right, I will start again.

**Ms LAWRIE:** It is going to be a big wave.

**Mr WOOD:** The wave lagoon, is it running to budget? When is its completion date? Will there be issues in relation to noise in its operation?

**Ms LAWRIE:** In terms of the wave lagoon, and I believe this has been previously announced, the original estimate was \$11.1m. The variation on that is \$5.9m, so it is coming in at \$17m for the wave lagoon. Not a pool, it is a lagoon. In terms of noise, I am advised it will be limited to day operational hours. I am aware there is the best engineering structural design going in to the equipment, the technology that provides the wave.

**Mr WOOD:** Will there be a possibility of it disrupting the use of the convention centre if there is a lot of noise during the day?

**Ms LAWRIE:** No, I am advised noise is not an issue with the wave lagoon.

**Mr WOOD:** Thank you.

**Ms LAWRIE:** Lots of fun, yes, noise, no.

**Mr WOOD:** I could ask you a budget question then. Where is the \$500 000 for the opening in budget papers?

**Ms LAWRIE:** It is within the Department of Chief Minister.

**Mr WOODS:** I will ask the Chief Minister. That is all, thank you, Mr Chairman.

**Mr CHAIRMAN:** That concludes discussion on Output 1.5.

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#### **Answer to Question on Notice No 2.10**

**Ms LAWRIE:** Mr Chairman, with your indulgence, I have a question taken on notice from the Port Corporation - question on notice No 2.10 - and I have an answer to table.

**Mr CHAIRMAN:** Thank you, minister.

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#### **Non-Output Specific Budget-Related Questions**

**Mr CHAIRMAN:** Are there are any Non-Output Specific Budget-Related Questions? Leader of the Opposition.

**Mr MILLS:** Thank you. Is it possible for these to relate to planning and lands infrastructure and transport and public ...

**Ms LAWRIE:** The staffing questions, you would like the Corporate Services questions?

**Mr MILLS:** The whole ...

**Ms LAWRIE:** Yes, we will provide the global DPI answers for you.

**Mr MILLS:** Thank you. That is good. Can you provide a list of all staff in the department by level?

**Ms LAWRIE:** By level and number? Certainly.

**Mr MILLS:** Thank you. How many executives work in the department, both executive contract and non-contract? How many of these executives have PAs, Executive Assistants, Executive Information Coordinators or Administrative Assistants?

**Ms LAWRIE:** Leader of the Opposition, the information I will be happy to table for you provides the full-time equivalent staff by the division and level as at 29 May 2008. It provides the full-time equivalents by classification and division. It provides the Executive Officers, including by gender, and it provides the Executive Officers by division and level as at 29 May 2008. It provides the location, regional or otherwise. It provides the full-time equivalent staff by region in their stream of employment as of 29 May 2008 and it has the breakdown of indigenous employees as at 17 June 2008.

In terms of the question around the Personal Assistants and administrative support, I will defer to my Chief Executive Officer, Richard Hancock.

**Mr MILLS:** Thank you.

**Mr HANCOCK:** Richard Hancock, Chief Executive Officer. We have 31 Personal Assistants to the 55 executives in the department. Some are shared amongst a number of executives and there is not a one-to-one working relationship in the department.

**Mr MILLS:** Thank you. Are there any executives with more than one support person in any of these roles?

**Mr HANCOCK:** No.

**Mr MILLS:** Thank you. We understand that executive contract officers have private use of vehicles for the part of their contract position. They pay a contribution for this, but how many other staff are able to have either home garaging for their vehicle or some factor of private use?

**Mr HANCOCK:** We would like to take that one on notice if we could, Mr Chairman.

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#### Question on Notice No 2.11

**Mr CHAIRMAN:** Leader of the Opposition, if you could restate your question for *Hansard*?

**Mr MILLS:** Apart from executive contract officers, how many other staff are able to have either home garaging for their vehicle or some factor of private use?

**Mr CHAIRMAN:** Minister, are you prepared to take that question on notice?

**Ms LAWRIE:** Yes, I am, I guess, with the qualification that it is a big agency that delivers a range of technical jobs. We will provide as much of the information as we can because, of course, we have teams going out into the regions which, by their nature - and particularly in areas like Construction Division - would be using pool vehicles. Where we can, with best endeavours, we will provide the information.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 2.11.

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**Mr MILLS:** Thank you, Mr Chairman. How many traffic accidents or crashes were departmental vehicles involved in?

**Ms LAWRIE:** I will have to take that question on notice.

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**Question on Notice No 2.12**

**Mr CHAIRMAN:** Can you restate that question for the purposes of *Hansard*?

**Mr MILLS:** Certainly. With your indulgence, I will add another component to it. How many traffic accidents were departmental vehicles involved in, and was alcohol or non-wearing of seat belts a factor in any of them?

**Ms LAWRIE:** I will take it on notice but, again, with the qualification as to the level of detail we are able to supply around seat belts and alcohol in accidents - with best endeavours.

**Mr CHAIRMAN:** All right. For the purposes of *Hansard*, I will allocate that question No 2.12.

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**Mr MILLS:** Thank you. How many speeding infringements were issued to departmental staff?

**Ms LAWRIE:** Again, Mr Chairman, we will take that question on notice.

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**Question on Notice No 2.13**

**Mr CHAIRMAN:** I ask you to go through the formalities for *Hansard* purpose. I will ask the Leader of the Opposition to restate the question, please?

**Mr MILLS:** Yes. Thank you, Mr Chairman. How many speeding tickets have been issued to departmental staff?

**Mr CHAIRMAN:** Minister, are you prepared to table that?

**Mr MILLS:** We do not need to know their names.

**Ms LAWRIE:** Yes, with the qualification of best endeavours because, as advised previously in this estimates session by another agency, speeding fines go to the individual. It may be that we do not have department-wide data on speeding fines. Obviously, where it was a corporate fine, we would have that data but, where it was individuals, we may well not have that data.

**Mr CHAIRMAN:** With that rider, you are prepared to take it on notice. Thank you, minister. For the purposes of *Hansard*, I allocate that question No 2.13.

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**Mr MILLS:** Thank you, Mr Chairman. Minister, could you please provide a list of any consultancies that were engaged during the course of the year? How many ended up more expensive than the initial costing due to variations? Who approved these variations?

**Ms LAWRIE:** I have the consultancy expenses for the Department of Planning and Infrastructure as at 31 May 2008. In consultant fees, both for the Northern Territory and interstate, the total consultancy expenses amount to \$959 798. Sorry, what was the other aspect of the breakdown you wanted? The variations?

**Mr MILLS:** Yes. Variations and who approved the variations.

**Ms LAWRIE:** There may be an issue getting the data on the variations. CEO?

**Mr HANCOCK:** Mr Mills, the issue of approving variations to consultancies is a matter of delegation. We have a system of delegations within the department and will be able to get you an outline of those variations that have been approved.

**Mr MILLS:** Thank you.

**Ms LAWRIE:** We will take the question on notice regarding the variations on those consultancies from tenders.

**Mr MILLS:** Do I assume the list of consultancies has been tabled or been provided?

**Ms LAWRIE:** The breakdown as to whom they were?

**Mr MILLS:** Yes?

**Mr HANCOCK:** No, we have not done that so far. We have the global amounts only in our documentation.

**Mr MILLS:** I would like it to be more specific than that.

**Ms LAWRIE:** So the breakdown of consultancies and the variations are on notice.

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**Question on Notice No 2.14**

**Mr CHAIRMAN:** I have to ask you to restate the question for *Hansard*.

**Mr MILLS:** Certainly. I request a list of consultants engaged in the course of the year and how many were more expensive than the initial costing due to variations, and who approved the variations?

**Mr CHAIRMAN:** Is that the question?

**Ms LAWRIE:** Who approved it? So you want the delegated officer?

**Mr MILLS:** Yes, the delegated officer.

**Ms LAWRIE:** If we can get that level of information. Look, we will be able to provide the list of consultancies. We will be able to provide the variations. Whether or not we can deal with the delegated level, we will see.

**Mr MILLS:** Thank you.

**Mr CHAIRMAN:** So you are prepared to take that question on notice, minister?

**Ms LAWRIE:** With that qualification.

**Mr CHAIRMAN:** I allocate that question No 2.14.

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**Mr MILLS:** Minister, I would assume these departments under your watch are required to bear with a 3% efficiency dividend. What does that amount to in dollar terms?

**Ms LAWRIE:** The Department of Planning and Infrastructure attracts a 3% efficiency dividend. I will defer to the CEO to provide you with the detail of the quantum.

**Mr HANCOCK:** In 2007-08, the efficiency dividend was \$3.8m for the whole department. In 2008-09, it will be \$4.3m.

**Mr MILLS:** \$4.3m. So that is just in Infrastructure and Transport is it, or Planning and Lands?

**Ms LAWRIE:** The Department of Planning and Infrastructure across the entire agency and all its divisions.

**Mr MILLS:** Excellent, thank you. How have you been able to do that? To come up with that figure, and are you able to achieve it?

**Mr HANCOCK:** We have achieved our efficiency dividend in 2007-08. We have done that through a variety of means including careful management of our personnel budget and all of our operating budgets, so that savings have been able to be made without sacrificing outputs. We have done that. We have a rigorous system in place within the department of, not only analysing expenditure year to date, but projecting expenditure to 30 June, so we constantly look at our end-of-year position and, as I have already indicated, we will achieve our efficiency dividend for 2007-08. I am confident we will achieve it for 2008-09.

**Mr MILLS:** Thank you. My questions now go to the issue of advertising. What is the cost of art work for campaigns in your department?

**Ms LAWRIE:** It would be within the department's global communications and promotions budget. We have had a concerted effort in DPI in promotions in and around road safety. The total marketing and promotion budget for the agency is \$342 226. This includes advertising, promotional material advertising, consultants' promotional material, displays, events and exhibitions, document production, corporate publications, show circuits and sponsorships. We undertake quite a few industry sponsorships, and host events such as the Motoring Extravaganza on the weekend, with the agency staff there promoting safe driving initiatives.

The total advertising, including statutory notices, TV, radio, newspaper and other, is \$585 507, so that global total promotions and marketing expenses is \$927 732. That also includes media monitoring and transcript services of \$5202 and, for interest's sake, my photo has not appeared on any advertising promotional publications.

**Mr MILLS:** I am sure I have seen it out there somewhere. It must be the Chief Minister paying for it. Do not worry, your face is out there – I have seen it. I have seen your name on a few plaques, too, but anyway.

**Ms LAWRIE:** Plaques?

**Mr MILLS:** Yes, you have your name on plaques.

**Ms LAWRIE:** Fantastic.

**Mr MILLS:** Anyway, we digress.

**Ms LAWRIE:** I will go and take photos for my kids.

**Mr MILLS:** I am interested in the internal capacity of the department to produce media and marketing activities. How many people are involved in media, marketing-related activities within your department?

**Ms LAWRIE:** I will defer the question to the CEO. What I will say, again, is that DPI is in the midst of a stepped up concerted effort promoting road safety. CEO.

**Mr HANCOCK:** We have six staff in our Marketing and Communications Unit. They look after our website, production of media releases and other statutory notice information, as well as providing support throughout the department for the various campaigns that are run – like transport safety and other sorts of things.

**Mr MILLS:** What levels are these staff on?

**Mr HANCOCK:** A range of levels. The most senior position is an ECO1 position. There is an AO8 position, an AO7, AO6 and so on.

**Mr MILLS:** Thank you. Approximate cost for that section?

**Ms LAWRIE:** We are just looking for that line item on the spreadsheet.

**Mr HANCOCK:** We are just looking for the line item, minister.

**Ms LAWRIE:** Ok, do we have it yet or will we take it on notice?

**Mr HANCOCK:** We will be able to get it quickly.

**Ms LAWRIE:** All right. Mr Chairman, we will take that question on notice in terms of – they are just quickly calculating.

**Mr HANCOCK:** Total cost of the unit is \$539 000 for this financial year.

**Mr MILLS:** And that is the cost of personnel?

**Mr HANCOCK:** Yes, and the operations of the unit. The advertising costs the minister talked about previously are spread throughout the department in the various division's and group's own budgets.

**Mr MILLS:** Ok, thank you, sir. Minister, does your office contain a Departmental Liaison Officer?

**Ms LAWRIE:** No. No, Leader of the Opposition. Good idea.

**Mr MILLS:** Reviews and auditing – the Auditor-General has had a comment globally in regards to internal auditing. Minister, are you able to give an indication of how many reviews or audits you have in place for breaches of discipline; for example, credit card abuse?

**Ms LAWRIE:** I will refer to my CEO.

**Mr HANCOCK:** The department has quite a rigorous process of internal audit. The Internal Audit Committee meets on a regular basis. We have a schedule of internal audit items that are worked through every financial year. To the best of my knowledge, we have had no breaches of credit card policy, and the department has a credit card policy that is strictly enforced throughout the department.

**Mr MILLS:** How many credit cards are there?

**Mr HANCOCK:** 103.

**Mr MILLS:** Well done. Thank you. How many investigations were authorised, minister, for IT abuse? Were there any?

**Ms LAWRIE:** For the misuse of information technology, I will defer to my CEO.

**Mr HANCOCK:** We have had two incidents of that during the 2007-08 financial year. They were thoroughly investigated and the appropriate disciplinary action was taken with the staff members concerned.

**Mr MILLS:** Are the staff members still with the department?

**Mr HANCOCK:** In one instance, no.

**Mr MILLS:** Financial probity. I am sorry I have to rush through this because we are going to run out of time. Have any conflicts of interest been identified, or other significant issues regarding probity been identified?

**Ms LAWRIE:** Leader of the Opposition, I will refer to my CEO.

**Mr HANCOCK:** We have a rigorous system of conflict of interest management and a policy throughout the department. All staff are encouraged to declare conflicts of interest, and there is an appropriate process for them to do that. To the best of my knowledge, we have had no breaches of that policy within the department.

**Mr MILLS:** Okay. Minister, were any of the department's premises subject to police investigation during the financial year?

**Ms LAWRIE:** Well, yes, if you include in our premises such as the interchanges and the like. CEO?

**Mr HANCOCK:** Yes, we have had a number of instances where the police have investigated break-ins to the department's facilities in Palmerston. Obviously, we have had some police investigation at incidences at various bus interchanges and the like.

**Mr MILLS:** Are you able to identify the cost of these break-ins - broken windows, I presume, or locks?



**Ms LAWRIE:** Richard?

**Mr HANCOCK:** The information I have is the cost of the break-ins and other incidents were not significant. I do not have an actual cost here. If you require that, I would have to take that question on notice.

**Mr MILLS:** I may want that. How many break-ins have there been?

**Mr HANCOCK:** There have been two instances at Highway House in Palmerston. There was another instance at one of our other premises. I do not actually have the details of which specific premises that was. On that basis, we had three such break-ins in the 2007-08 financial year.

**Mr MILLS:** Okay. Have those matters been resolved? Adequate investigation?

**Mr HANCOCK:** Yes, I believe so. I believe we have involved the police where we needed to. From the internal point of view within the department, we have analysed all our internal security arrangements to do what we can to prevent future such incidents from occurring. At the end of the day, we can only do as much as we can. I believe that we have done that within the department.

**Mr MILLS:** Thank you, sir. Minister, are there any assets written off that cause police investigations? For example, things gone missing within the department that have resulted in police investigations?

**Ms LAWRIE:** CEO?

**Mr HANCOCK:** Could I ask for clarification? What do you mean?

**Mr MILLS:** Laptops gone missing or equipment gone missing that has to be investigated internally?

**Mr HANCOCK:** No, there have not been any incidents of that within the department. We have, however, lost equipment as a result of the break-ins; for example, at Highway House in Palmerston.

**Mr MILLS:** Well, back to that then. You indicated that it needs to go on notice, the costs of those losses.

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**Question on Notice No 2.15**

**Mr CHAIRMAN:** Can you restate the question for *Hansard*, please?

**Mr MILLS:** What was the value amount lost through the break-ins, or as a result of the break-ins?

**Mr CHAIRMAN:** Minister, are you prepared to take the question on notice?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** I allocate that question No 2.15.

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**Mr MILLS:** Has any person in the department been a victim of assault whilst on duty?

**Mr HANCOCK:** Yes, we had six assaults recorded against departmental staff in 2007-08 and they are all contained within the Darwin Bus Service.

**Mr MILLS:** Can you describe the response that, hopefully, will prevent that from occurring again?

**Mr HANCOCK:** I am sure everyone is aware that the government is putting increased security on to the public transport network. We are also working with both unions and our drivers on the Darwin Bus network to ensure we can do as much as possible to protect the drivers from those kinds of incidents from occurring in the future. We also have CCTV on all of the busses, which is, again, a preventative measure we are certain will have an impact on those kinds of incidents in the future.

**Mr MILLS:** Thank you.

**Ms LAWRIE:** I will add to that. The government has introduced legislation to increase the penalties for assault across the bus network to include and capture into that private employees across the bus network. Also, the government has taken steps to ensure we have high-level management skills within Darwin Bus Services and the Transport department to deal with security measures. Proactive security measures and extensive training is occurring as we speak with those new officers coming on to the new network. The funding we have put towards these initiatives is about \$750 000 just in the last few months.

**Mr MILLS:** A couple of questions that will finish my global questions. How much did the department spend on interstate travel last year?

**Ms LAWRIE:** CEO.

**Mr HANCOCK:** In 2007-08, travel interstate was ...

**Ms LAWRIE:** As at 31 May.

**Mr HANCOCK:** \$228 234.

**Mr MILLS:** Are you able to provide a breakdown of those trips and the reason for that travel?

**Ms LAWRIE:** No. No, that is getting to the point of ridiculous. Our officers travel frequently, as per the nature of their tasks - if and when the job is required. They have to follow delegations and approval for their travel, so I am not going to waste precious administrative hours and effort breaking down each of those trips. I have full confidence - utmost confidence - in the decisions made by their supervisors as to whether or not their travel was required. I can say there is a requirement of DPI to travel - for example, we are involved in a COAG working group which has been meeting very frequently. I have every confidence in the agency's processes approving interstate travel. I am not going to waste their time and resources in chasing bizarre opposition rabbits down burrows.

**Mr MILLS:** Well, we only have your assertion to go on that everything is in order ...

**Ms LAWRIE:** I am pretty confident about it.

**Mr MILLS:** This is estimates and you tout it as a great opportunity to hold government to account ...

**Ms LAWRIE:** We have given you the figure; it shows you insignificant ...

**Mr MILLS:** You can close the door if you wish, and it is on your head.

**Ms LAWRIE:** I will take that on my head.

**Mr MILLS:** Well, it is. What factors are taken into account when selecting the motel accommodation? Is there a policy related to where people stay? Do you have a departmental policy on these things such as accommodation?

**Ms LAWRIE:** CEO.

**Mr HANCOCK:** There is a departmental policy and that is enforced throughout the department. The accommodation and the cost of accommodation is determined by the location to where the staff are travelling. As the minister has indicated, staff travel regularly not just to other capital cities for COAG processes, but throughout the Territory. The standard accommodation and cost varies greatly.

**Mr MILLS:** Is there a policy regarding business class travel?

**Mr HANCOCK:** Business class travel is for the Chief Executive Officer and the executive directors of the department.

**Mr MILLS:** That concludes a quick run through my global questions.

**OUTPUT GROUP 2.0 - TRANSPORT SERVICES**  
**Output 2.1 - Transport Policy and Planning**

**Mr CHAIRMAN:** We will now proceed to Output Group 2.0, Transport Services, Output 2.1, Transport Policy and Planning. Any questions? Whenever you are ready, member for Katherine.

**Mrs MILLER:** Minister, what criteria is used to determine deaths on the fatal road accidents list? Did the unfortunate death of the young man at the Bunnings car park, after falling off that Vespa, count as a road fatality?

**Ms LAWRIE:** Yes, the tragic death of the young man at the Bunnings car park is on our road toll. Anything on our road network - which is why we have pedestrians as part of our road toll.

**Mrs MILLER:** That is all the questions I have for that one.

**Mr CHAIRMAN:** Any other questions on Output 2.1?

**Mr WOOD:** Yes, two questions. Bicycle paths are part of our transport system and your predecessor, minister, when writing to our honourable chairman here, said we would have a bicycle path from Palmerston to Howard Springs during the current four-year term. What happened to the promise?

**Ms LAWRIE:** From my calculation, we still have a year to go.

**Mr WOOD:** Could I say unequivocally in the next year we will have a bicycle path from Palmerston to Howard Springs, in accordance with the promise from your predecessor?

**Mrs MILLER:** Where is it in the budget?

**Mr WOOD:** I could ask for a yes or no on that, couldn't I?

**Ms LAWRIE:** You could, but you would not get it.

**Mr WOOD:** Oh! That is not hard to say!

**Ms LAWRIE:** I know. I do not want to mislead you.

**Mr WOOD:** I want you to stick to your promise.

**Ms LAWRIE:** The government has allocated additional funding to build bike paths in this budget period. We have what we call a bicycle working group - I am not sure exactly if that is the absolute 100% correct title - who provide advice to the Northern Territory government on the priority and roll-out of bicycle paths linking ...

**Mr WOOD:** I know that. But this one has been promised, after about 15 years of trying.

**Ms LAWRIE:** Yes, and it is good.

**Mr WOOD:** So the government will stick to its promise, minister?

**Ms LAWRIE:** Well, I hope to deliver that bicycle path once we have gone through all of the processes we need to go through. We are going to look for heritage clearance along the old rail embankment, which may require the restoration, decking only, of three rail bridges.

**Mr WOOD:** Is work programmed?

**Ms LAWRIE:** It is on our department's forward works program, and the route identified as part of the old North Australian Railway corridor, past the Stuart Highway reserve between Palmerston, Yarrowonga Road and Howard Springs Road ...

**Mr WOOD:** I know all of that.

**Ms LAWRIE:** ... uses the road reserve of Howard Springs Road between the Stuart Highway and the Howard Springs Nature Park. We are working with the Arterial Cycle Network Strategic Review and this is

identified as a planning item. We are going through those planning requirements, including those heritage requirements, so when we get to the point of having cleared off all the various clearances and design the scope of work, then we will be able to deal with it on the forward works program.

**Mr WOOD:** If you have not done it now, you never will. Minister, could I just say: do not necessarily take it down to Howard Springs Nature Park. One, you cannot swim there. You would probably get more value out of taking it right down to the Arnhem Highway.

**Ms LAWRIE:** I will take that advice on board, member for Nelson. You have a lot of local knowledge.

**Mr WOOD:** Eventually you join it up with the Arnhem Highway bicycle path. Minister, there is a statement right at the beginning here which says, 'Provide transport systems that are safe, efficient and ecologically sustainable'. Could you provide an example of an ecologically-sustainable transport system in the Northern Territory, besides bikes?

**Ms LAWRIE:** I am advised the department, within the Transport Division, is energised around the use of biodiesel, and is recommencing the use of biodiesel into the fleet. It has not started yet, but we are very much fast-tracking to that path.

**Mr WOOD:** Without getting into the ethical debate about the use of biofuel, minister, have you looked at alternatives? For instance, we are going to have, possibly, another LNG plant in the Darwin region. Have you looked at LNG? Have you looked at natural gas? Have you looked at compressed natural gas? Or have you looked at hydrogen as a possible alternative fuel for vehicles, buses and other transport?

**Ms LAWRIE:** We are considering the option of compressed natural gas.

**Mr WOOD:** Would you look at LNG if it came to Darwin?

**Ms LAWRIE:** I will not rule it out.

**Mr WOOD:** Have there been any discussions with INPEX about allowing some LNG from a plant if they build it to be used by ...

**Ms LAWRIE:** No, not with INPEX. The government has secured LNG in terms of Blacktip, so whether or not we would look at that option is something we could consider.

**Mr WOOD:** All right. Have you looked at extending or increasing our public transport system in the light of the cost of fuel, especially in relation to extending the rail line into Darwin? Maybe even a rail line out to Humpty Doo with car-parking systems where people could drive there and catch public transport into town?

**Ms LAWRIE:** Yes. The agency is actively working on a Future Directions for Public Transport Strategy, which is coming to me as minister. Specifically, upon my request, that work commenced quite some time ago now, so we are nearing the final stages of that. Ideally, incrementally, what you look at, in terms of public transport, is building on your existing public transport network, which is buses, but you look at your issues, such as your commuter routes - what I call the commuter triangle - and your linkages and infrastructure. All of those aspects are being captured in the future directions, which will be encouraging people on to the public transport system and making that system clean, safe and efficient to get people to and from their workplaces. It will also look at links within areas and being able to capture your future growth of residential zones, as well.

So, in terms of rail, all the best advice I have is that we are far too small a population base to economically support and sustain a rail network. However, as Planning minister I have identified future corridors which I will dedicate to transport corridors. Whether they are bus or, indeed, light rail, we will protect our corridors.

**Mr WOOD:** That will be a good thing. Just quickly - oops, I have just forgotten the question. Thank you.

**Mr CHAIRMAN:** There being no further questions on Output 2.1, that concludes consideration of Output 2.1.

### Output 2.2 - Transport Safety

**Mr CHAIRMAN:** I now call for questions on Output 2.2, Transport Safety. Are there any questions?

**Mrs MILLER:** Yes, thank you, Mr Chairman. Minister, how many drivers have been tested at RBT stations throughout the Territory and can you break that down into regions - Darwin, Palmerston, Alice Springs, Katherine, Tennant Creek? Seeing we are running short of time, I will add a few more into that.

**Ms LAWRIE:** Before you do, that question actually goes to the Police minister.

**Mrs MILLER:** Okay. Do you have any input into the use of speed cameras by the Territory Police?

**Ms LAWRIE:** Again, that is a Police question.

**Mrs MILLER:** Okay. Anything to do with speed cameras you want me to ask him?

**Ms LAWRIE:** I can say the Department of Planning and Infrastructure has identified through the Road Safety Task Force Report, the location and installation plan for - and I want to get this terminology correct - the red light camera which includes the ability to capture speed. In our Transport Division, we are rolling out the integrated red light speed camera program. The first of the nine integrated red light and speed cameras has been installed as people would know, at BP Palms.

**Mrs MILLER:** Okay. A few years ago, the police moved to a volume-based approach to check speedsters with speed cameras, away from an intelligence-led approach. Do you want me to ask you this one of the Police minister?

**Ms LAWRIE:** It is police.

**Mrs MILLER:** Okay. So, we do not want to talk about the increase in percentages of people who are being checked for speeding?

**Ms LAWRIE:** Again, that is a police task.

**Mrs MILLER:** You want it all police, nothing under Transport Safety?

**Ms LAWRIE:** Well, the issue is if you want to discuss broadly the Road Safety Task Force Report and the recommendation to create a Traffic Branch within police, that is, again all police. The enforcement methods that you want to question again is police. I did explain the division between police work and transport safety. In terms of transport safety, you know we have the speed camera infringements which are the red light cameras at intersections program. We have installed one. We have more to go.

**Mrs MILLER:** Okay, that is fine. Thank you.

**Mr CHAIRMAN:** Any questions on Output 2.2, member for Nelson?

**Mr WOOD:** No.

**Mr CHAIRMAN:** That concludes consideration of Output 2.2.

### Output 2.3 - Public Transport

**Mr CHAIRMAN:** I will call for questions on Output 2.3, Public Transport.

**Mrs MILLER:** Yes, I have some questions.

**Mr CHAIRMAN:** Member for Katherine.

**Mrs MILLER:** Minister, in Budget Paper No 3 for 2007-08 and Budget Paper No 3 for 2008-09 in the Public Transport Performance Measures, it takes up less than half a page. It is quite deceptive, do you not think, considering the challenges that have been faced over the past 12 months, not only by the bus drivers and staff, but by the travelling public as well? I see the quality of client satisfaction with the service is 99%. How, minister, could you possibly arrive at that figure? Do you not think that it is highly questionable, particularly in the area of safety and crime issues on public transport?

**Ms LAWRIE:** Yes, member for Katherine, I welcome the question and I bring to the table Stuart Shearer who, specifically, is tasked with the issue and area of transport safety within the Department of Transport. Stuart will explain the approach the agency takes to transport safety.

**Mr SHEARER:** Stuart Shearer, Acting Director Public Transport. In relation to performance measures such as this, the figure of 99% is something you would see as being unusually high. However, in relation to a methodology of determining how you actually measure a satisfaction rate, the department had decided - and it was apparently assented through the appropriate levels - that it would be passenger complaints recorded against passenger numbers. So, the total number of passengers per annum boarding the system divided by the total number of complaints received through either the feedback mechanism or some other formal complaint mechanism, would leave you with a percentage.

**Mrs MILLER:** It seems a questionable way to do it.

**Mr SHEARER:** There is probably any number of methodologies, but it would be fair to say that it is one of the most common and it would be hard to work it any other way.

**Mr CHAIRMAN:** On that note, it is after 6 pm, the conclusion of the session. Minister, thank you for your attendance and thank you on behalf of this committee, to all of your officers who have attended with you this afternoon.

**Ms LAWRIE:** Thank you, Mr Chairman. I thank my DPI CEO, Richard Hancock, and Rod Applegate, Marj Morrissey, Stuart Shearer, and Jasmin Aldenhoven and, of course, all for their support and contribution today, and all the officers from the agency who showed up and also contributed. Well done.

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The committee suspended.

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## MINISTER HENDERSON'S PORTFOLIOS

### AUDITOR-GENERAL

**Mr CHAIRMAN:** I welcome the Chief Minister and invite him to introduce the officers accompanying him and, if he wishes, to make an opening statement on behalf of the Auditor-General's Office. For *Hansard* purposes, I note that Mr Wood has been replaced by Mrs Braham.

**Mr HENDERSON:** Thank you, Mr Chairman. I will be very brief in introducing our Auditor-General, Frank McGuinness, who will be taking questions directly from the committee. As members know, the Auditor-General's Office is a statutory office reporting to the parliament, so it is totally appropriate for the committee to ask Mr McGuinness questions directly. I can advise the committee though, if the questions go to issues of government policy or legislation then, as the Chief Minister, I will deal with those. In regard to the appropriation, budget and operational aspects of the Auditor-General's Office, I invite the committee to ask questions of our Auditor-General.

**Mr CHAIRMAN:** Are there any questions in relation to the statement? No? The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2008 as they relate to the Auditor-General's Office.

### OUTPUT GROUP 1.0 – AUDITS Output 1.1 – Audits

**Mr CHAIRMAN:** I now call for questions on Output Group 1.0, Audits, Output 1.1, Audits. Leader of the Opposition.

**Mr MILLS:** Mr McGuinness, thank you, and Chief Minister. Auditor-General, in your February 2008 Report, it was revealed that work from the Department of Chief Minister was being farmed out without any paperwork being completed. In your view, is this in accordance with appropriate procurement policies and protocols?

**Mr McGUINESS:** Mr Chairman, I probably would rephrase that a little and say that it is not that work has been farmed out without paperwork being completed. I believe my report said I found the level of recording of work that had been contracted out to be, perhaps, less than what I would have regarded as satisfactory. It highlighted a couple of errors. One was the analysis of why one firm might have been selected to do a particular job. The second was the summary of the quality of the task at the end of the job. The department, I understand, has addressed those concerns and I would expect things to move on better than they were at the time of the audit.

**Mr MILLS:** Thank you, Auditor-General. Would it be fair to say that the absence of this paperwork makes it difficult to assess whether everything is done in accordance with adequate protocols?

**Mr McGUINESS:** From an audit perspective, it means the auditor has to ask a lot more questions, and you probably are left with some degree of uncertainty about the process that was followed. In my report, you will probably observe that the firm that, perhaps, had done the bulk of the work for the department had been very highly rated at the time of the initial contract assessment, and the general view, I believe, was that it was a very competent firm prepared to put in the effort required to achieve the department's requirements.

**Mr MILLS:** Did this company receive an amount of work from the Department of Chief Minister, government, that only places it marginally out of kilter with other industry groups?

**Mr McGUINESS:** It did a lot of work for the Department of Chief Minister but, at the time, of course, there were several large programs under way. If I remember, the road safety program was one. It had also done a lot of work for the Department of Employment, Education and Training with the Middle Schools project. It is also worth noting, at the time the audit was under way, the Power and Water Corporation had gone out to tender for the same sort of services and that firm won that tender. So, I believe it might be an indication of the quality and the ability of that firm.

**Mr MILLS:** Would it be fair to say that about 85% of related work was done by this one agency?

**Mr McGUINESS:** That would probably be reasonable assessment.

**Mr MILLS:** That is certainly a lot of work going to one company. It is, unfortunately, I have to say, that there is insufficient paperwork to satisfy completely that protocols have been adequately adhered to. There have been references I have heard and I wonder whether you have heard too, in the fact that there were some gaps in the paperwork that required further investigation, interviews and so on. Did any come to light where paperwork was completed after the contract had been let?

**Mr McGUINNESS:** My report may have said at the time, Mr Chairman, that there were examples where documentation which set out the reasons for the selection of one particular firm, was completed after the contract had been awarded. As I said, I do not regard that as an ideal situation, but I believe the department has remedied it and I would expect that it will not recur in the future.

**Mr MILLS:** What remedies have been put in place, Auditor-General?

**Mr McGUINNESS:** The department had advised me they have put in processes which would (a) ensure that the reasons for selecting one firm or any firm for a particular task would be documented in advance of the award of the job under a panel contract; and (b) that the database which is required to be maintained under the contract in existence at the time, would be kept in a way where there is more detail which would permit an assessment of the quality of the work done as a means of forming a view on whether that firm or any firm should be awarded work under the contract in the future.

**Mr MILLS:** It would not be hard to form a view, Auditor-General, that, as a result of what you have described, and through your audit, that one firm was given favourable treatment. Would that be a fair assessment.

**Mr McGUINNESS:** One firm received a large part of the work, Mr Chairman, but, as I have already said, that firm is regarded as being a firm having firstly, a good mix of skills, and secondly, the will to put in whatever effort was required to meet the department's deadlines.

**Mr MILLS:** Eighty-five percent is certainly an extraordinarily large slice of the pie for one company, one that appears to have a fairly active relationship, so much so that the normal protocols were bypassed. In the investigation conducted as a result of the inadequate paperwork, did you ask the question whether this particular company had either directly or indirectly done work for the Australian Labor Party?

**Mr McGUINNESS:** No, Mr Chairman, I did not.

**Mr MILLS:** You did not ask that question?

**Mr McGUINNESS:** No, because it was an audit which was intended to assess the extent to which the department had complied with procurement guidelines.

**Mr MILLS:** Are you aware of any relationships, albeit casual relationships, between the fifth floor staff, current or former staff, and any employees of Sprout Creative?

**Mr McGUINNESS:** Mr Chairman, if I may, during the course of that investigation, I interviewed the principal of the firm. As you may be aware, Sprout Creative owns a building in Hudson Fysh Avenue in Parap. Areas of that building are sublet to other firms. The boardroom was sublet to a former senior officer of government for about two days a week. I was advised that that is where it ceased. It was purely that that person had access to the boardroom and that became that person's office for two days a week. That relationship has since ceased.

**Mr MILLS:** When did that relationship cease?

**Mr McGUINNESS:** I cannot give you the date. It was still in place at the time I interviewed the principal of Sprout Creative, and that person went to some pains to assure me that there was no business relationship, apart from the subletting arrangement, between Sprout Creative and the person in question.

**Mr MILLS:** Do you know where this person in question works now?

**Mr McGUINNESS:** I think that person is back in government, Mr Chairman.

**Mr MILLS:** It is unfortunate in the extreme that these unusual circumstances are influenced by a deficiency in a paperwork trail to cover government, would you not say?



**Mr McGUINNESS:** Sometimes an audit may bring up these peripheral issues, Mr Chairman, but I point out that the person to whom we refer had left government at that stage and was providing services to at least one other company in the Darwin area - Biodiesel Fuel, I think it was.

**Mr MILLS:** Are there protocols in place to prevent this apparent confusion in relationships that would prevent this kind of problem occurring again, where it would reflect very badly on the government - particularly this issue of relationships and poor paperwork that we have already covered, but with relationships between someone who has a relationship with the current government and who received 85% of all work in one sector?

**Mr McGUINNESS:** For that, Mr Chairman, I think you are really back to looking at guidelines. The question asked at the time was 'why has Sprout Creative received a disproportionate share of the work compared to others?' The response from the department was that the company provided a particularly high level of service. The principal of Sprout went to some lengths to explain the effort which she went into to (a) tendering and (b) her and her staff being prepared to work whatever hours were required to achieve the department's deadlines. If there was anything, I suspect the department deadlines were very tight and very ambitious, and Sprout was, perhaps, the only company prepared to bend over backwards to meet the demands.

**Mr MILLS:** Thank you. Auditor-General, during your audit did you become aware of any paperwork being submitted that reflected any conflicts of interest in this matter?

**Mr McGUINNESS:** Not that I am aware, Mr Chairman.

**Mr MILLS:** Auditor-General, we have interviewed the Treasurer, minister Lawrie today, and we found that there were systems in place to ensure that there was no conflict of interest. So is there not a standard form that needs to be filled out by public servants and political staff when conflicts of interests occur?

**Mr McGUINNESS:** In what context? The context of tendering or in the context of having left government?

**Mr MILLS:** In the context of tendering.

**Mr McGUINNESS:** The tender process, if there are conflicts of interest, yes, that should be stated at the time. But I am not aware that there were explicit or conflicts of interest there. Sprout Creative subleased the boardroom to a former government officer for two days a week. That officer, I believe, had raised the possibility of a former business relationship emerging, but that had been rejected by Sprout. The principal was very keen that she retain total control over the creative process and was not prepared to work on a partnership arrangement.

**Mr MILLS:** So there was no conflict of interest paperwork produced?

**Mr McGUINNESS:** Well, does that presume that there is a conflict of interest?

**Mr MILLS:** Perhaps so, or maybe not. But was there any paperwork you identified that had been processed during this business? Any part of the 85% of this business that went to one company?

**Mr McGUINNESS:** As I said, Mr Chairman, nothing came to light during the audit.

**Mr MILLS:** Thank you, Auditor-General. Just a couple of other brief questions. Auditor-General, what, in your view, is the largest single liability the Territory carries?

**Mr McGUINNESS:** Superannuation. The liability for superannuation, Mr Chairman, if my memory serves me correctly, which is probably marginally in front of direct borrowings.

**Mr MILLS:** Would you say there is a link between liabilities and the current wages for public servants?

**Mr McGUINNESS:** Could you repeat that question please, sir?

**Mr MILLS:** Is there a link between the wages of public servants and that current liability?

**Mr McGUINNESS:** The liability for superannuation, Mr Chairman, reflects the present value of the future benefits under defined benefits schemes. Defined benefit scheme liabilities are usually framed in terms of

the future payments to members of the schemes, which are often a multiple or linked to their final salary. Therefore, salary increases over the life of the scheme will be reflected in the liability. Bear in mind, too, that the liability shown on the government's balance sheet is the present value of those future wage claims or future payments, I am sorry. An actuary would take into account the liability as it stands, expected future growth in salaries and wages over the expected remaining life of members in the scheme, and would discount that back at an appropriate discount rate to a present value.

**Mr MILLS:** So there is a link, say, if the EBA for the Police is passed on. That will have an impact upon the superannuation liability?

**Mr McGUINNESS:** Only where there are defined benefit schemes in existence. As you may be aware, sir, the former government closed off most of the defined benefit schemes. Certainly, NTGPASS was closed off in 1999. The Commonwealth Superannuation Scheme, which is one of the largest of the components of the liability, was closed off before that. The LAMS, Legislative Assembly Members' Scheme, has been since closed off so that those liabilities now will grow by a lesser extent. There are no new members coming in.

The value of the liability is affected by two things: (1) any change in the assumptions about the size of future payments and (2) of course, if you take an individual, as an individual gets closer to retirement, the value of that person's liability increases year by year, even if nothing else changes. If you are discounting at 7% per annum, the liability will grow by 7% per annum, everything else being equal.

**Mr MILLS:** I understand, thank you. No further questions to the Auditor-General, thank you.

**Mr CHAIRMAN:** Are there any further questions? That concludes consideration of this output group. On behalf of the committee, thank you, Mr McGuinness, for your appearance today.

**Mr McGUINNESS:** Thank you, Mr Chairman.

#### **NORTHERN TERRITORY ELECTORAL COMMISSION**

**Mr CHAIRMAN:** The committee will now move on to the Northern Territory Electoral Commission.

I again invite the Chief Minister to introduce the official accompanying him and, if he wishes, to make an opening statement on behalf of the Northern Territory Electoral Commission.

**Mr HENDERSON:** Thank you, Mr Chairman. I welcome the Electoral Commissioner, Mr Bill Shephard to the committee. Again, as the Electoral Commission is an independent statutory body reporting to the parliament, I invite the committee to ask questions directly to the commissioner. However, again, where they go to issues of government policy or legislation, I will deal with those issues. Welcome, Mr Shephard, to the committee.

**Mr CHAIRMAN:** Did anyone have any questions in relation to the statement of the Chief Minister just then? We will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2008 as they relate to the Northern Territory Electoral Commission.

#### **OUTPUT GROUP 1.0 – ELECTORAL SERVICES** **Output 1.1 – Electoral Services**

**Mr CHAIRMAN:** I call on questions relating to Output Group 1.0, Electoral Services, Output 1.1, Electoral Services.

**Mr MILLS:** Mr Shephard, can you help by providing some information regarding preparation for elections. In the Territory, it could be sooner or it could be 12 months away. How is preparation made by the Electoral Commission in an environment where you are not sure whether it is this year or next year?

**Mr SHEPHEARD:** Of course, when you deal with certainty, it is a lot easier to organise things, but it is not uncommon for Electoral Commissions to work in an environment of a bit of uncertainty. In terms of the situation in the Northern Territory, as you have stated, the election can be called in a 12-month time frame, which commences on 1 July. The big challenges for us, of course, is to get our redistribution out of the way, which has been done this week. There is a bit of work associated with that, of course, an aftermath of that, because we have to convert the roll to the new boundaries, and there is quite bit of work involved in that. We hope we get that done by the first opportunity to call an election, which is 1 July.

In terms of the actual preparations for the election, there needs to be a whole range of things addressed. Firstly, there is a staffing issue, which always tends to be difficult. We are a small agency and, as you can imagine, to put a logistical exercise like a Northern Territory election on at short notice and within a very tight time frame is particularly difficult. To do that, we utilise a couple of strategies. One is, we usually involve secondments from the AEC to get electoral specialists to help us. That would be local people and also people from interstate. We can also turn towards other state jurisdictions to recruit a few electoral practitioners and properly target them and have them working on projects that are at the nerve centre, if you like, of running an election.

The second big staff issue is our casual staff. We put on well over 300 casual staff members. Members here will be acquainted with the fact that the turnover of people in the Northern Territory is pretty substantial. I have to say that the recruitment to polling official positions, not only in this jurisdiction but elsewhere, are becoming increasingly harder to fill. People treasure their weekends and we do impose, I believe, quite heavy demands on key officials we appoint. By key officials, I mean my officers in charge of polling places, of which we have about 50, and particularly the people who run mobile polling, because that is a particularly challenging environment to work in. Also, it is quite a demanding position to be involved in, in terms of time. We need someone to be available for the 10 days prior to polling, to be available for full training. In the case of remote mobile polling, we do an extended training session within, as opposed to just an officer in charge of a polling place. So, the staffing is a big issue. We try to keep on top of that by writing to our polling officials to see if they can work. Of course, it has to be done with the uncertainty of not knowing a date, which is always difficult. So we have to do it again later on when the election is actually called.

We are helped, I might add though, by the fact that we have frequent elections. We have had the municipal elections, we have the shire elections coming up. We frequently have aldermanic and mayoral by-elections. If you look historically, you can see that, even though we might only have a general election every four years for both local government and the Northern Territory Legislative Assembly, the year is usually peppered with a number of other elections. So, that is the staffing aspect. The difficulty is actually training people, too, we have face-to-face training with people who have more difficult tasks at polling - the person in charge and also declaration officers.

The other thing is that logistics in remote mobile polling tends to be a pretty challenging task. We visit nearly 300, it is about 275 or something, locations. That changes from time to time, because we arrange itineraries, as much as we can, according to our operational experience and also the new boundaries. There is quite a bit of work and a lot of intelligence that needs to be gathered to put that remote mobile poll up very quickly.

The other aspect is the preparation of not only training materials, but also forms and documentation, preparation of rolls and that sort of stuff. This is stuff that facilitates the actual election – the hire of premises, etcetera. We cannot move too much in advance if we do not know what the election date is, regarding premises. Certainly, on the other production of forms, the cardboard equipment that you see there, we make sure all those stocks are in place.

**Mr MILLS:** I think you have just presented an excellent case for fixed parliamentary terms, and then narrow your efforts down to a specific date.

**Mr SHEPHEARD:** It was not my intention, I should say.

**Mr MILLS:** We will work on that. I am often asked, am I ready for an election in August, and my answer is yes. Are you?

**Mr SHEPHEARD:** We are as ready as probably we can be in the situation, and we have been in the past. What I can say is when any election comes along and the date comes at fairly short notice then, obviously, there are a lot of things that could crop up altogether. The biggest thing is the sudden public and media frenzy about the event, and the demands on what the system and the arrangements are going to be. Just at the time when you have to look to put things in place there are those sorts of distractions. To answer the question 'Are we in a position where I feel confident we can put on an election?', I would say yes.

**Mr MILLS:** Yes.

**Mr SHEPHEARD:** However, the longer we have to prepare for that the better, and the more comfortable we are with the arrangements that are being put in place.

**Mr MILLS:** Thank you.

**Mr CHAIRMAN:** Any further questions?

**Mrs BRAHAM:** Mr Shepherd, will your department be running the shire elections?

**Mr SHEPHEARD:** That is correct.

**Mrs BRAHAM:** So, you have had a pretty busy year, have you not? At town council, federal and by-elections. There was a hiccup in the Alice Springs election results. Was that due to an IT failure or training of input?

**Mr SHEPHEARD:** There are a few reasons you could identify, I think, for that hiccup, as you say. When we analysed what had transpired, there were a couple of things that clearly became evident. One was that the computer system we used to count, whilst there are no problems with it working, it is not user-friendly. It is quite dated; I believe it was acquired back in the late 1980s. That was one reason. It did not have the capacity for use in a isolated location like that - where we do not have an office - using it as a multi-user type of capacity to do it. What we were doing was transferring data from the actual input point, which was at the council office, over to the office. There was that merging that was going on ...

**Mrs BRAHAM:** So, has that been corrected?

**Mr SHEPHEARD:** If I could continue just on the training aspect, as you raised that.

**Mrs BRAHAM:** Yes.

**Mr SHEPHEARD:** What it has brought into sharp focus is the recruitment and training of people. We do not have a problem with the system, and people who use it all the time do not have a problem with the system. When we get to an event where we are doing that at several locations, we have to enlist the help of others. We need something that is user-friendly, and we need to ensure they understand what they are doing, and the implications if they do not do something.

That was one issue, but the real issue was that the ballot papers were not all verified, which is part of our system, and part of our training, but they were not. We found there were a few batches that were not verified. That is how we detected, from Darwin, there was a problem with the count. There were two things that happened. It clearly showed too many informal votes in one of the polling booths - and we do this by doing checks on historical data. The other thing was that showed up a problem with batches that should have gone in with votes to people but they, somehow at a data input level, had shown up as a batch of informals. So something simple had happened. Someone had inputted something in an incorrect way.

In answer to your supplementary question, what we have done is document procedures using that system. We have put in sharp focus that, anybody who gets involved in that - and that will be the shire elections, if that system is in place. What we have done is initiate the acquisition of a different system which we hope will be in place before the shire elections. This is a system that is currently used by the AEC. The only electoral jurisdiction which use these sorts of things is Western Australia which has a version of it. However, the AEC is probably the best one for us because we do get AEC officers coming in and helping, as was the case in Alice Springs. That was a seconded AEC officer operating down there. More familiarity with that, plus the fact that it is more user-friendly and has more capacity. It is virtually the same system, but brought forward 15 or 20 years.

**Mrs BRAHAM:** What sort of training component have you brought into the shire elections? Obviously, it is going to be quite new to many people out there. What have you done to ensure you have good training places?

**Mr SHEPHEARD:** In terms of polling officials?

**Mrs BRAHAM:** Yes, and the collection of data.

**Mr SHEPHEARD:** There is a whole mess of things, I suppose, with training. One is the polling officials themselves. We are working with local government and the working party at the moment to put together a program for public awareness and the actual roll-out of the shire elections. We will be looking particularly towards the shires themselves to help out with some staffing arrangements and some of the intelligence gathering we need to do for that.

In terms of training though, we will be utilising staff in the shires to do pre-poll voting for us as we do at local government elections at the moment in the municipalities. Those people have to be trained, but we have had good capacity and capability of doing that and have had no problems with that in the past. In terms of polling officials, again, once the regulations are put in place, they will be very similar to Local Government Regulations. It is an update of the Local Government Regulations, more in keeping with some of the changes to the *Electoral Act* in 2004. It just needs a bit of updating. We will still be rolling out very much the same sort of training program for polling officials as we would for a Legislative Assembly election.

Regarding staff recruitment for those polling positions, because they are remote shires, one would think we would be doing a fair bit of remote mobile polling associated with them. We will be able to provide, or be seeking to provide, people from outside of the shires to actually run the mobiles themselves. They can be trained centrally and can be put into the field and would, hopefully, be pretty experienced electoral practitioners because they would be handpicked to do that sort of job. The count will be undertaken by regional coordinators we will appoint ...

**Mrs BRAHAM:** In regional centres?

**Mr SHEPHEARD:** Yes, into the centres. They will be experienced electoral practitioners and will be properly trained to ensure that, no matter what system we have in place, they are well acquainted with what is happening. We will be maintaining a network throughout the course of the election. In terms of communication network, we are on teleconference, and everyone is doing the same thing.

**Mrs BRAHAM:** In your report, you made a number of recommendations regarding the *Electoral Act*. Perhaps I should be asking the Chief Minister about this?

**Mr HENDERSON:** About legislation?

**Mrs BRAHAM:** Chief Minister, are you going to do a review of the *Electoral Act* to change those recommendations? Are you going to act upon the recommendations suggested by Mr Shephard? Where are we at? We have not heard anything about them since last time we discussed them in parliament.

**Mr HENDERSON:** Those issues that were raised in the report are still under consideration. If you look at the current debate and remember the debates in parliament around disclosure regimes, there are moves federally to review those. We are looking to see where that debate goes in regard to maintaining some harmony between the Northern Territory legislation and Commonwealth requirements in that regard. It is a watching brief and those recommendations made by ...

**Mrs BRAHAM:** So you are not going to act on any of those recommendations until the feds have moved?

**Mr HENDERSON:** That is, essentially, where we are at, at the moment; to see where those provisions land because, for everybody who is looking to support the democratic process, having one standard regime across Australia is probably the way to go. That is the reason why we have not responded formally as yet, as I said in parliament some weeks ago.

**Mrs BRAHAM:** So, you are probably aware why I raise it, because the disclosure for Independents is quite different to some of the disclosure for parties and other candidates. With speculation of an election coming up within 12 months or whatever - 6 months ...

**Mr HENDERSON:** It has to be within 12 months.

**Mrs BRAHAM:** We were hoping that, perhaps, you might move upon it. However, you do not have any will at the moment to change or make any changes until after the feds? I just want to get that clarified.

**Mr HENDERSON:** That is the current position of the government: to understand. There is an active debate occurring nationally at the moment in regard to disclosure regimes. The government's view is, wherever possible, it makes sense to have a harmonious regime between the federal act and the requirements of the Northern Territory act.

**Mrs BRAHAM:** That is all, Mr Chairman.

**Mr CHAIRMAN:** Any further questions? There being no further questions, that concludes consideration of this output group. On behalf of the committee, thanks Mr Bill Shephard, for your attendance today.

## OMBUDSMAN'S OFFICE

**Mr CHAIRMAN:** We will now move on to the Ombudsman's Office. I invite the Chief Minister to introduce the officials with him and, if he wishes, to make an opening statement on behalf of the office.

**Mr HENDERSON:** Thank you, Carol. Thank you, Vic. I welcome our Ombudsman, Carolyn Richards, and Vic Feldman, to the table. Again, the Ombudsman's Office is a statutory office created by the parliament. I invite the committee to direct questions directly to our Ombudsman. Again, if those questions go to government policy or legislation, I will take those questions on board. Thank you to our Ombudsman and Deputy Ombudsman for attending the committee.

**Mr CHAIRMAN:** No questions in relation to the statement?

**Mr MILLS:** No thank you, Chief Minister.

### OUTPUT GROUP 1.0 – OMBUDSMAN'S OFFICE Output 1.1 – Ombudsman for the Northern Territory

**Mr CHAIRMAN:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2008 as they relate to the Ombudsman's Office. I call for questions in relation to Output Group 1.0, Ombudsman's Office, Output 1.1, Ombudsman for the Northern Territory. Are there any questions?

**Mr MILLS:** Thank you, and I only have a couple of questions. Good evening. Why have you moved offices and where are you now?

**Ms RICHARDS:** Good evening. Well, we have not moved offices; we are still in NT House 12<sup>th</sup> floor where we have been for nine years?

**Mr FELDMAN:** Yes, I think so, since government moved out, basically.

**Mr MILLS:** Are there plans to move?

**Ms RICHARDS:** You would have to ask the Chief Minister that.

**Mr HENDERSON:** I am not aware of any plans, but that does not mean to say that I would be, Mr Mills. If it is of real importance, I will seek to find out; seek some clarification.

**Mr MILLS:** Thank you. Ombudsman, have you handed out any reports that may be interpreted as having a negative effect on public perception of Territory governance?

**Ms RICHARDS:** Governments or governance?

**Mr MILLS:** Governance.

**Ms RICHARDS:** Governance. In the last 12 months, not public reports, no.

**Mr MILLS:** Oh, right. So ...

**Ms RICHARDS:** But the process is that reports only get tabled in parliament and become public if recommendations made by the Ombudsman are not taken up and agreed to be implemented by the agencies concerned. If we talk about public reports, most of the recommendations we make to improve administration in government departments, they readily agree to do them. Perhaps it has something to do with the fact that they do not want it tabled in parliament.

**Mr MILLS:** Thank you. My final question: two years ago, Ombudsman, you identified your income as needing an injection to help you deal with the backlog, and you received funding. Have you now dealt with the backlog, or are there still a number of outstanding matters?

**Ms RICHARDS:** We have dealt, I believe, very effectively with the backlog, which was mainly in relation to police complaints. Catching up on those was a joint effort, both of my office and of the Northern Territory Police Ethical and Professional Standards Command, because they do most of the investigations. Certainly, as far as we are concerned, we have caught up. We have recruited staff with different skills. We

now have a couple of very experienced ex-policemen from interstate who are able to – how shall I put it? - jolly the police along and ask the right questions because they have the right skills base.

**Mr MILLS:** Thank you.

**Mrs BRAHAM:** You have had an increase in staffing?

**Ms RICHARDS:** No, we have not had an increase in staffing. We still have the same establishment.

**Mrs BRAHAM:** Okay.

**Ms RICHARDS:** But we have staff with different skill sets.

**Mrs BRAHAM:** So, your staffing in Alice Springs has not increased?

**Ms RICHARDS:** No. There are two at the moment, and it has been, certainly for the three years that I have been in this position.

**Mrs BRAHAM:** What percentage of the complaints do they handle?

**Ms RICHARDS:** They work online. I cannot give you the percentage, but if you want them, I can take that on notice. The way we operate is that we have two staff in Alice Springs who receive complaints on behalf of Anti-Discrimination Commissioner. They used to receive complaints on behalf of the Commonwealth Ombudsman, but that changed. The Commonwealth has someone co-located in our office. When they are not having complaints emanating from Alice Springs, they handle complaints that are coming to Darwin, because down there we have a lawyer who is able to do the work online, and we run a courier service between the two offices.

**Mrs BRAHAM:** So the Alice Springs Office actually handles Health Commission complaints?

**Ms RICHARDS:** That is right.

**Mrs BRAHAM:** The whole spectrum?

**Ms RICHARDS:** That is right. Yes.

**Mrs BRAHAM:** Okay. I wanted to ask about the whistleblowers' legislation, but I think I should ask the Chief Minister about that one.

**Mr HENDERSON:** Yes, legislation.

**Mrs BRAHAM:** Is that okay, Mr Chairman? Legislation.

**Mr CHAIRMAN:** Is it covered elsewhere?

**Mrs BRAHAM:** It comes into this area.

**Mr CHAIRMAN:** Then we can deal with it here if the Chief Minister is happy.

**Mr HENDERSON:** I am happy to take the question.

**Mrs BRAHAM:** You are happy to take the question? Okay. All I wanted to know, Chief Minister – we have been waiting for a while to see it. Could you give us any indication at all when it is likely to be tabled?

**Mr HENDERSON:** We are working still on these issues across government. A lot of work has been done; it is nearing completion. It is something that I am looking to bring forward to the parliament before the end of the year.

**Mrs BRAHAM:** Before the end of the year?

**Mr HENDERSON:** Before the end of the year. That is the current timing.

**Mrs BRAHAM:** So, the new *Ombudsman (Northern Territory) Act*, has that been ...

**Mr HENDERSON:** That is the same basket of issues that are being worked through. Without going into detail, obviously, there is some sort of, not link, but complementary processes that may be involved in regard to independent investigations of complaints or allegations made about actions of public servants.

**Mrs BRAHAM:** I would have thought this was something rather urgent that you would get on to, Chief Minister. I think it was one of your election promises.

**Mr HENDERSON:** Certainly, of all the things in government that are priorities, this is an issue that is being worked through. However, as I said, as Chief Minister, I am hoping to bring forward amendments or changes to the *Ombudsman (Northern Territory) Act* as well as whistleblowers by the end of this year.

**Mrs BRAHAM:** That is all I have, Mr Chairman. I was just interested to see what the status was.

**Mr CHAIRMAN:** Any further questions on that output? No? That concludes consideration of Output 1.1.

### Output 1.2 - Health and Community Services Complaints Commission

**Mr CHAIRMAN:** The committee will now consider Output 1.2, Health and Community Services Complaints Commission. Leader of the Opposition.

**Mr MILLS:** I have no questions.

**Mr CHAIRMAN:** Any other members with questions?

**Mrs BRAHAM:** I was going to ask about numbers of health complaints. Just to get an idea of the workload being generated by these complaints you get, and how many have been resolved satisfactorily, and how many are not? I am aware that, sometimes, some of your reports come down that government or the department does not always agree with. So, in regard to health complaints, could you give us an indication of numbers?

**Ms RICHARDS:** We receive about 600 approaches a year, and that covers private health services as well as public health services. Surprisingly, we get more complaints about private health services than we do about the public system. Of those, most of them are resolved in conciliation. A lot of them are resolved by us simply getting the service provider and the patient or client together to talk about it, because there are a lot of complaints about bad communication. Major investigations ...

**Mr FELDMAN:** It would probably be ...

**Ms RICHARDS:** Perhaps my Deputy could give you the precise figures as he has just turned them up in the annual report.

**Mr FELDMAN:** Vic Feldman, Deputy Commissioner ...

**Mrs BRAHAM:** I did not realise you were still around.

**Mr FELDMAN:** Very loyal and long-serving.

**Mrs BRAHAM:** Sorry, Vic.

**Mr FELDMAN:** If we just take 100 complaints, to give a bit of a percentage, I would say 80% of those will be resolved what we will call informally. Of those, when we say resolved, it probably does not necessarily mean always resolved to the satisfaction, I should say, of the complainant necessarily. What we are saying is it is resolved, either to their satisfaction, or we are satisfied the action being taken has been reasonable. There are some that are discontinued. There are a number of complaints, probably about 40% or so, that in a sense are discontinued. As you go, for whatever reasons they are either satisfied they have enough information, or they do not want to go any further.

A lot of them are resolved very quickly with the provider. Probably, I think up to 70% to 75% of complaints we get now are resolved back with the provider very quickly. That is one of the reasons we get in a very quick turnaround and why the number of staff we have is reasonable now, because we are doing that very quick process.



There is a good resolution outcome, but not necessarily resolved to the satisfaction of the complainant.

**Mrs BRAHAM:** How many of your staff are lawyers?

**Ms RICHARDS:** Me and one in the Alice Springs office.

**Mrs BRAHAM:** Okay, thanks. That is all.

**Ms RICHARDS:** If I could just add, with respect, to the resolution of complaints, we do not have any power to do much at the end of the investigation, apart from recommend. So, if we find there is a serious lack of skill or lack of standard of care, in particular medical practitioner or nursing practitioner, that then goes back to the various medical board or nursing board. We have done the investigation and they take that information. They have the authority to decide whether the practitioner should be disciplined or not, and there is a proportion of those.

**Mrs BRAHAM:** Thank you.

**Mr CHAIRMAN:** That concludes consideration of that output group.

### **Non-Output Specific Budget-Related Questions**

**Mr CHAIRMAN:** Are there any other Non-Output Specific Budget-Related Questions? No? Okay. That finishes that. On behalf of the committee, Ms Carolyn Richards and Mr Vic Feldman, thank you attending today.

### **DEPARTMENT OF CHIEF MINISTER**

**Mr CHAIRMAN:** Chief Minister, I now invite you to introduce your officials assisting you and make an opening statement on behalf of the Department of the Chief Minister.

**Mr HENDERSON:** Thank you, Mr Chairman. I welcome a number of officials with boxes of paperwork to the table. We will get to those in a moment.

I would like to introduce Mr Mike Burgess who is the Chief Executive of Chief Minister's, and Mr Karl Dyason, Chief Financial Officer. Other officers of the department are available to assist the committee in their deliberations as required.

I will make some brief introductory comments in relation to my portfolio responsibilities; that is, the activities and expenditure undertaken by the Department of Chief Minister, Department of Police, Fire and Emergency Services and, of course, the independent agencies who have just been at the committee.

The Department of Chief Minister not only provides leadership in facilitating government's priorities, but also provides a range of services which support the business of government. The major achievement this year has been the coordination of the development and implementation of the *Closing the Gap* strategy to address indigenous disadvantage. I would be happy to take questions on how this is being implemented.

The department has also been extremely busy this year coordinating this government's efforts to bring the INPEX gas project to Darwin. Other significant matters managed by my department over the last year include: development of the Northern Territory's position on climate change; establishment of the Darwin Waterfront Corporation; coordination of strategies to enhance Darwin and Alice Springs; establishment of the Territory Crisis Centre to facilitate communication with other jurisdictions in the event of a serious emergency; establishment of a Cabinet subcommittee with specific responsibility for security and emergency matters; and production of the Territory Emergency Recovery Plan.

In relation to my department, the Department of Chief Minister, I inform the committee that I will be taking questions on climate change, information and communication technology policy, Australian government and NT relations, Darwin Waterfront Corporation; and the AustralAsian railway. In the Policy Advice and Public Sector Coordination output, questions on the Asian Relations output will be covered by minister Vatskalis on Wednesday; Indigenous Policy output will be handled minister Scrymgeour on Wednesday; and Multicultural Advancement output will be covered by minister Bonson on Thursday.

I will make some further comments and introduction in relation to Police, Fire and Emergency Services when that portfolio comes before the committee.

**Mr CHAIRMAN:** Thank you, Chief Minister. Are there any questions on the opening statement? Leader of the Opposition?

**Mr MILLS:** No, Mr Chairman, not on the opening statement. However, I trust the capacity to deal globally before we proceed to a line-by-line basis?

**Mr CHAIRMAN:** No. That will be wrapped up, I think, at the end in Non-output Specific Budget-Related Questions which will come after Output 4.2 and, then again, when we change portfolios and do the Police, Fire and Emergency Services at the end - Non-output Specific Budget Questions are available there.

**Mrs BRAHAM:** Can I just clarify Indigenous Policy. Will the Chief Minister be answering questions on that or not?

**Mr HENDERSON:** I will take questions in regard to the coordination and implementation of *Closing the Gap* across Northern Territory government agencies. On issues specifically relating to Indigenous Policy, minister Scrymgeour will take questions on that.

**Mr CHAIRMAN:** Any questions in relation to the statement? No? The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2008-09 as they relate to the Department of Chief Minister.

### **OUTPUT GROUP 1.0 – POLICY ADVICE AND PUBLIC SECTOR COORDINATION** **Output 1.1 – Policy Advice and Coordination**

**Mr CHAIRMAN:** I call for questions relating to Output Group 1.0, Policy advice and Public Sector Coordination, Output 1.1, Policy Advice and Coordination. Are there any questions? Leader of the Opposition.

**Mr MILLS:** Thank you, Mr Chairman. Thank you, Chief Minister. Chief Minister, it is very important to engage with the community and communicate to get your message out regarding the number of important initiatives already announced - and there is probably more to come from this government. Are you able to identify how much advertising the Department of Chief Minister has booked for July and August of this year?

**Mr HENDERSON:** Thank you, Leader of the Opposition. In regard to your opening remarks, yes, it is very important government communicates its policy to Territorians, and also its programs to Territorians in relation to the delivery of government services. It is a key role of government to advise Territorians, consult with Territorians, and communicate with Territorians in not only the formation of government policy but also the delivery of government services. That is a responsibility for all government agencies and for all ministers of government.

In regard to your specific question about what has been booked by Chief Ministers for July and August, I will hand over to my Chief Executive. I am not sure whether we would have that information.

**Mr BURGESS:** Mike Burgess, Chief Executive. We have booked around \$40 000 worth of advertising space in July and August. There are a number of things coming up. During that time, we will have the results of the Mud Bay court decision. There are some important public service recruitment campaigns coming up. It is about \$40 000, which is quite consistent with spending in those areas.

**Mr MILLS:** It is quite normal you need to go ahead and block out \$40 000 worth of ads a couple of months ahead?

**Mr BURGESS:** At this time of the year, advertising space is at a premium because of the level of activity. We did want to ensure we did have some space put aside.

**Mr MILLS:** Chief Minister, regarding the information that is broadcast: are you really satisfied that is it accurate?

**Mr HENDERSON:** Leader of the Opposition, as Chief Minister, I am very busy. I do not get to watch a lot of television or listen to a lot radio. Obviously, I read the media. Regarding being confident, I can say yes, I am confident that government agencies and departments do communicate accurately with Territorians. There is a code and a guide. I am confident government agencies abide by the code and the guide in developing their communication to Territorians.

**Mr MILLS:** Did you see the ad that gave a clear impression there would only be a mandatory limit of two diversions before juveniles go to court? It suggests that is the law. Did you see that?

**Mr HENDERSON:** Well, it is the law.

**Mr MILLS:** But isn't there discretion?

**Mr HENDERSON:** There is a very tiny amount of discretion provided only to the Police Commissioner, where only the Police Commissioner can authorise a third diversion for a juvenile, only if the commissioner is absolutely satisfied the juvenile would benefit from that particular diversion. That discretion would be used on the rarest of occasions. It would be used in a circumstance whereby a juvenile may have had, at the age of 10, 11 or 12, a couple of diversions; did not go on to re-offend until they were 16 or 17; committed and was charged with a very minor offence. Then, the commissioner may use that level of discretion. It would happen on a very rare circumstance and only the commissioner himself could approve that. The intent of the legislation and what was communicated - that juveniles would only get access to diversion on two occasions – is accurate.

**Mr MILLS:** But the point of the ad was it carried no impression that there was any discretion whatsoever – two and you are before the magistrate.

**Mr HENDERSON:** Well, that is exactly what will happen in probably 99.9% of the cases. I would doubt there would be very few occasions - and we will wait to see when this legislation comes into force, I believe, around 1 July this year - how often this occurs.

You would be aware of the Cabinet process in drafting legislation. Obviously, police made significant comment on the development of this legislation, particularly given it was the police who had significant concerns that small number of juveniles were using diversion as a revolving door, and there was no attempt by a small number to cease re-offending. The Police Commissioner was very supportive of this legislation and would only use this very small element of discretion in the rarest of circumstances. Therefore, the communication accurately conveys the intent of the legislation of government, and the policies of government, that juveniles should only have two attempts at diversion.

**Mr MILLS:** But there was no way that idea was conveyed in the advertising that Territorians funded.

**Mr HENDERSON:** Well, I disagree, Leader of the Opposition. The intent of the legislation is very clear. The advertisements, I believe, absolutely comply with the code. I believe you made reference to that to the Auditor-General and you have received a response.

**Mr MILLS:** On that specific matter?

**Mr HENDERSON:** To my understanding.

**Mr MILLS:** Well, we will have to wait and see, thank you. Chief Minister, what is the single largest liability that the Territory carries?

**Mr HENDERSON:** Can I seek - not that I am trying to avoid the question, but trying to facilitate the process, Mr Chairman - some clarification on how this question is relevant to the output of Policy Advice and Coordination of the Chief Minister's Department?

**Mr MILLS:** I will let it go. It will take some time, so I will leave that be.

**Mr HENDERSON:** I am trying to be helpful.

**Mr MILLS:** I know, thank you. That will do for that line.

**Mr CHAIRMAN:** Any other questions in relation to Output 1.1? There being no further questions, that concludes consideration of Output 1.1.

## CORPORATE AND INFORMATION SERVICES

### Matters of Policy Involving Information and Communication Technology Services

**Mr CHAIRMAN:** The Chief Minister has indicated he is also the Minister for Information and Communication and Technology Policy; that is, Matters of Policy Involving Information and Communication Technology Services that sits within the Corporate Services Output Group, under the Department of Corporate and Information Services. Are there any questions relating to Information, Communication and Technology Policy? There being no questions, that concludes consideration of Information and Communication Technology Policy.

**Mr HENDERSON:** Can I just thank officers from the department for making themselves available. Thank you very much.

**Mr CHAIRMAN:** On behalf of the committee, thank you to those officers. I also note, for *Hansard*, Mr Wood has replaced Mrs Braham as a member of the committee.

**Mr HENDERSON:** If Dr Lim was still here we would have had questions.

### Output 1.2 – Indigenous Policy

**Mr CHAIRMAN:** I note from the schedule that Output 1.2 will be addressed by the Minister for Indigenous Policy on Wednesday, 18 June, so that concludes consideration of Output Group 1.0.

## DEPARTMENT OF CHIEF MINISTER

### OUTPUT GROUP 2.0 – MAJOR PROJECTS, ASIAN RELATIONS AND TRADE

#### Output 2.1 – Major Projects, Asian Relations and Trade

**Mr CHAIRMAN:** The committee will now consider Output Group 2.0, Major Projects, Asian Relations and Trade; Output 2.1, Major Projects, Asian Relations and Trade, , but it is noted that questions on Asian Relations will be addressed by the Minister for Asian Relations on Wednesday, 18 June. Are there any questions on Major Projects and Trade within this output?

**Mr MILLS:** No.

**Mr WOOD:** Yes.

**Mr CHAIRMAN:** Member for Nelson.

**Mr WOOD:** Minister, could you say when the government first contacted INPEX, and why did you contact them?

**Mr HENDERSON:** Regarding the first part of the question, I might defer to the Chief Executive because I do not have the specific dates in mind. However, when I became Chief Minister late last year, it was very high up my priority list of issues to pursue. The reason why government contacted INPEX was, essentially, the department and Major Projects and Trade, and the Gas Task Force, keep a very keen and watchful eye on the development of projects, not only in the Northern Territory and Northern Territory waters, but also within our region. My department has very good contact with the principal oil and gas companies in the region and keeps a very close watch on opportunities that may be worth pursuing for the Northern Territory.

So, at some point, 12 or so months ago, Paul Tyrrell, who was then the Chief Executive of the department, advised Cabinet he believed, based on observations of what was occurring in the national arena, particularly in Western Australia with the big bank-up of major resource projects developing there, that an understanding of the time pressures in relation to the INPEX project in delivering to gas customers in Japan, there could well be a very long shot opportunity to encourage INPEX to look at delivering their project in the Northern Territory as opposed to Western Australia. Tentative, initial contact was made, back around September 2007. That was when the very first, initial approaches were made. Those approaches have significantly intensified over that period.

**Mr WOOD:** Chief Minister, in January this year, you signed a formal facilitation agreement with INPEX. What was in the agreement?

**Mr HENDERSON:** That facilitation agreement required the Northern Territory to utilise its best efforts to facilitate and provide information to INPEX to assist them in a rigorous technical and commercial feasibility study of land at Middle Arm for delivering their project to Darwin through the Gas Task Force. It was a commitment by me as Chief Minister, and through Cabinet, to provide every assistance and information to INPEX to facilitate what they had committed to do, which was a technical and commercial feasibility study of Darwin. That way the board could make a final decision about where they would base their project - Western Australia, or Darwin - based on similar information.

**Mr WOOD:** Chief Minister, who actually selected the site in Middle Arm?

**Mr HENDERSON:** I believe the Gas Task Force showed Mr Tyrrell the land at Middle Arm was appropriately zoned, was gas-ready as one LNG plant had already been built there, there was significant infrastructure in place, and the zoning was appropriate for that particular project. A number of sites were available and INPEX would have looked at the most suitable site.

**Mr WOOD:** Would it be more correct, Chief Minister, to say the site was not, at that stage, a site that could be used for LNG and it required the government to change the NT Planning Scheme to allow it to happen?

**Mr HENDERSON:** Member for Nelson, I am sure you will ask the Planning minister the details of the planning questions, but it is my advice the zoning at Middle Arm has been for this type of development right back from, I think, 1984. There has been no change to the zoning and the land has always been available for this type of development.

**Mr WOOD:** It was zoned industrial, but there was a specific clause - and I do not have the NT Planning Scheme with me - which your government removed. I think it might be section 9.3, which said the Middle Arm Peninsula was not to be used for LNG.

**Mr HENDERSON:** Member for Nelson, I can absolutely say, in the planning scheme that came into force on 1 February 2007, schedule 9.1.2 restricted the nature of the development of the DV zone at Middle Arm. This land has been available for this type of development. You can see with the Wickham Point gas plant that has been developed there, it has been nothing but a significant boost to the economy of Darwin.

**Mr WOOD:** I understand that, minister, but I was just taking you to task on the fact that the Middle Arm Peninsula was specifically written into the Northern Territory Planning Scheme which was approved by your government on 1 February last year, which specifically said Middle Arm Peninsula was not to be used for LNG plants. I understand we can point to the exceptions. I do not have the Planning Scheme with me right here, but that was what we were discussing in parliament. Your government introduced an amendment through the Planning minister to remove that. If you look at the *Planning Act* today, that section of the NT Planning Scheme has been removed.

What I am saying is that, at the time you were talking to INPEX about coming to Darwin, the middle of the harbour was not available under the NT Planning Scheme for an LNG plant.

**Mr HENDERSON:** Member for Nelson, we are a long way from securing the project. The company is yet to make a decision where to site its project. If it does make a decision where to site its project - and we are hoping for that by the end of the year - in Western Australia or the Northern Territory, it will then have to go through up to a 12-month period for front-end engineering and design, leading to a final investment decision by the company as to whether to go ahead with the project in either Darwin or Western Australia some time in 2009.

The evolution of this has taken some time. There was significant public consultation under *Creating Darwin's Future* that I am sure the Planning minister went through, where Middle Arm was identified as the preferred location for LNG expansion and gas-based industry. That consultation did occur. It was part of that consultation where government decided to set aside Glyde Point for no industrial development, as a distinct decision in preserving Glyde Point and basing future LNG expansion and gas-based industry at Middle Arm.

Government processes, whether they be planning processes, government policy, legislation - it all evolves. It does not stand still in a vacuum in time never ever to change. We went through a process of public consultation and the decision not to base industrial development at Glyde Point was well received by all arms of the conservation and environment movement. It was well received by the Amateur Fishermen's Association. In terms of potential future impacts on the Territory government's financial position, to put in

base infrastructure at Glyde Point that exists at Middle Arm was absolutely ludicrous since the expenditure required – would have been up to \$500m worth of public money - .

I contest this has been an evolutionary process and government's planning does not stay set in concrete until the end of time.

**Mr WOOD:** Thank you, minister. Sure, but, in February 2007, after much consultation, public meetings - it took about six years to put the plan together - your government approved the NT Planning Scheme. So you cannot say that; things have changed. You brought out the NT Planning Scheme and, within a year, you changed it. That sounds like there should have been, perhaps, more discussion in relation to your NT Planning Scheme. However, Glyde Point was part of that. That was also approved after much consultation with people. It is your document, the NT Planning Scheme.

**Mr HENDERSON:** And it has been amended.

**Mr WOOD:** Only after one year.

**Mr HENDERSON:** What is the problem? I have to say, member for Nelson, what is the problem with that if it is the right decision and it is a good decision?

**Mr WOOD:** You try to get an amendment to the NT Planning Scheme if you are not the government, just after they have released their NT Planning Scheme - very difficult.

**Mr HENDERSON:** I believe that, if we are successful - and I will leave no stone unturned as Chief Minister - in achieving a \$12bn investment in our economy, with up to 4000 jobs in the construction phase, underpinning investor confidence in the economy for decades to come, protecting Glyde Point from industrial development, and not seeing the duplication of public infrastructure to the tune of \$500m that is money that can go into health, education, other infrastructure around the Territory, I say that was a good amendment to the scheme.

**Mr WOOD:** Minister, in questioning Minister for Planning and Lands today, I found there was a draft environmental impact statement for Glyde Point. Nowhere in any statements made by you or the minister for Planning, or the previous Chief Minister, has there been any recognition of that draft environmental impact study. The reasons originally given for Glyde Point not being suitable were simply because the Environment Centre, which opposed most of the private development anywhere in the Northern Territory generally, and AFANT said: 'We did not necessarily say there will be no development there'. They did not support the type of project proposed where a lot of mangroves would be killed.

That draft environmental report, which I would have thought would be the basis on which the government would say Glyde Point should go ahead, has not been released for public discussion. In fact, the minister, when I asked if I could get a copy of it, has not given me a 'yes' on that particular matter. Surely, minister, if you believe the process is up-front and correct, the public should be able to at least see the draft environmental impact statement your government paid for, and what it said in relation to the development of Glyde Point - not just what the Environment Centre says. They are biased; they are against the development, full stop.

AFANT does not want to see fish stocks destroyed, and I agree with them. However, they did not say no to development; they said they were not happy with that particular type of development being proposed. Surely, minister, we should be able to see the draft environmental impact statement, and then make a statement about Glyde Point. If it cannot be used for INPEX now, why can it not be looked at in the future? Once Middle Arm is full, where does your government plan to put the next industrial development?

**Mr HENDERSON:** Well, member for Nelson, there is a bit of latitude here. I take these questions under Major Projects. The details of the planning scheme and the land for future industrial development should be directed to the Planning minister.

In regard to Middle Arm and this project as a major project, I can give every assurance to this committee and to Territorians that, if INPEX choose to do the project in Darwin, they will have to comply with Territory government's environmental legislation. They will have to provide an EIS. If that triggers, as it probably will, the Commonwealth *Environmental Protection and Biodiversity Act*, they will also have to comply with rigorous Commonwealth legislation. That will be an open and transparent process, where all Territorians will have access to the EIS and will be able to make comments on it.

I can assure Territorians that an open and transparent process will be required. I have said this to the president and the chairman of INPEX in Tokyo and the vice-president of Total in Paris; that the government will not be compromising any of its environmental or heritage legislation to facilitate this project. Emotive, unsubstantiated allegations about projects that would destroy - and I quote, your words: 'fish stocks destroyed in the harbour'.

**Mr WOOD:** I beg your pardon! I did not say that.

**Mr HENDERSON:** Yes, you did.

**Mr WOOD:** When? I ...

**Mr HENDERSON:** You said that these were allegations made by ...

**Mr WOOD:** I have never said that.

**Mr HENDERSON:** You said these were allegations that were made by, I think you said AFANT were talking about fish stock being destroyed ...

**Mr WOOD:** In Glyde Point.

**Mr HENDERSON:** I thought you were saying it in relation to ...

**Mr WOOD:** No, that was their reason for having some concerns ...

**Mr HENDERSON:** Well, whatever. I can absolutely assure Territorians that no environmental approvals will be granted by my government that would lead to fish stocks being destroyed in Darwin Harbour, or anywhere else around the coast of the Northern Territory.

**Mr WOOD:** Minister, there is a section in the NT Planning Scheme that says you must take into account the aesthetic values of the harbour.

**Mr CHAIRMAN:** Member for Nelson, I am a bit conscious of the time constraints. This is Major Projects. I leave it open to the Chief Minister, but I am giving as much latitude, and you are going over the wrong side of it. Chief Minister, if you wish to answer, you can, but I will uphold or make a ruling that this is a planning issue, as opposed to a major project.

**Mr WOOD:** Well, can I respond to that, Mr Chairman?

**Mr CHAIRMAN:** Sure.

**Mr WOOD:** Sure, it is a major project, but a major project requires good planning, and the two are very closely integrated. I will try to keep it away from some of the specific planning issues that I asked the minister for Planning. The Chief Minister has responded to me on these issues, and did respond on radio recently. The question I ask the minister, because I said that I felt that the minister, when deciding whether this site - that is, Blayden Point - should be a suitable for INPEX, the minister has a conflict of interest - not the Chief Minister, the minister for Planning - because the government has removed the normal planning process using the independent planning authority. The government has ...

**A member** interjecting.

**Mr WOOD:** Yes, you have.

**Mr CHAIRMAN:** Member for Nelson, this may assist in relation to relevant questions for this committee. 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 hearing. Your question is way outside of that. This is something that has been provided to me - Conduct of Committee Hearings, Rules of the Senate, Relevance of Questions - which is talking about the procedures committee at the Commonwealth level, which is similar. That is the link that has been pointed out to me. The planning issues are not affecting the Department of the Chief Minister. That is a question for the minister for the relevant department. I am afraid I am going to have to say that that question is well outside the relevance.

**Mr WOOD:** Could I just answer you by reading the section in the Budget Paper No 3, page 32, under the heading 'Major Projects Asian Relations and Trade'. 'Key priorities include ...' and it goes down to say, '... promoting Darwin as the preferred gas manufacturing hub ...', and '... developing Darwin as a tropical harbour city ...'. Two areas that I am concerned about, two areas that surely come under ...

**Mr CHAIRMAN:** If your question goes to the operations of the Chief Minister's Department or the financial positions of that department in relation to that, then fine, but you are asking about details with respect to planning which should have been directed to the minister for Planning. That is my ruling on that question. It is well outside of the Chief Minister's portfolio responsibility and the responsibility of this particular department.

**Mr WOOD:** Does that mean I cannot ask about a gas-based manufacturing hub in Darwin?

**Mr CHAIRMAN:** Ask the specific question and I will decide on the basis of that.

**Mr WOOD:** Mr Chairman, as I said before, we are working through an accrual accounting system, which is about input and outcomes. The government's input is that it wants to bring gas to Darwin. The output is, what the heck is Darwin Harbour going to look like when it is finished, and how did the government get to make this decision? Surely that is exactly what we are here for? We have been doing it all afternoon. We have not looked at every dollar, we have been looking at the overall policy of government to see what their policy means, and what will we finish up with and how we got there.

**Mr CHAIRMAN:** My concern, member for Nelson, is that you are going into pretty specific questions with respect to planning rather than the Chief Minister's Department's role in respect of its major projects responsibilities. That is why I am jumping in, because I think we have left well behind the area that can be investigated. If you have another question in relation to this matter that is not in the detail of planning material, then ask the question. On the basis of your specific question, I will do my best to make a ruling. In allowing latitude, I also indicate that, if the Chief Minister wants to take it, then I will sit back. However, I am also conscious of the fact that we have a finite amount of time and there are other members of the committee who want to ask questions, well within the outputs, in other areas, so I have to balance those two competing interests.

**Mr WOOD:** Chief Minister, perhaps we can have a longer question time one day so we can ask more of those questions. I hoped this Estimates Committee gave us a time where we could not normally have to scrutinise really important things, and INPEX, a \$12bn development surely, in an Estimates Committee should be something we should be able to ask the boss ...

**Mr HENDERSON:** I am happy to talk about it.

**Mr WOOD:** ... and raise issues which I think people would like to hear?

**Mr CHAIRMAN:** Subject to the rider that it has to be within the department's area of responsibility. Unless I am wrong - and I am happy to be proved wrong - but planning is not.

**Mr WOOD:** It is very hard to take planning out of major projects. They have to go somewhere. All right. I will give you this question. Minister, if you believe Darwin should be a tropical harbour city and should be developed that way, do you think an industrial Middle Arm is a good example of a tropical harbour city?

**Mr HENDERSON:** Member for Nelson, I believe you can have both. We are pretty smart, as human beings; we can have development and protect our environment and so have Darwin as a beautiful, tropical city that we all love so dearly. Yes, member for Nelson, I believe with good design, with good effort, you can have both. A development such as this that, as I said, would underpin confidence in investing in the Territory's economy for decades to come is a great boost to our tourist industry, as well.

I do not see people saying: 'We are not going to fly to Sydney and we are not going to enjoy Sydney Harbour because there is industrial development and shipping on the harbour'. People go to cities for all sorts of different reasons.

**Mr WOOD:** You cannot change Sydney, but we have the chance here because this is the first time we have done something major in this part of the world. Those decisions should be carefully thought out because we, as Territorians in 2008, are making the first decisions which change the face of our harbour. I believe there is a lot of importance with what we do.



**Mr HENDERSON:** Yes, I will agree.

**Mr WOOD:** Minister, I hope this question does not get called planning as I raised it once before. Was there any consideration given to putting the gas plant at, say, Wadeye as a means of developing industry there in a regional context, or was it something not even considered?

**Mr HENDERSON:** Thank you, member for Nelson. At the end of the day, INPEX will make a commercial decision on where they will develop their project, be it Western Australia or the Northern Territory. The key competitive advantage the Northern Territory has over Western Australia is this project can be delivered in a capital city, with capital city physical, economic and social infrastructure; all of which will be attractive for very highly-skilled, highly-paid people to live and work - people who will not only build on the investment but operate the investment for decades to come.

One of the challenges INPEX faces in Western Australia is not only the financial and economic challenge of delivering the project in a very isolated part of Australia, but in a global economy where skills are an absolute premium, the capacity to attract the people to actually not only deliver the construction of the project but the ongoing operation of the project. That is the competitive advantage and the opportunity that we have placed before INPEX. For them it is a commercial decision as to where they build this project.

That is the position, that is the vision the Territory government has shown in approaching them to develop this project at the only land in Northern Australia, member for Nelson, that is gas-ready. This is the only land in Northern Australia, from Queensland to Western Australia. It is gas-ready and ready for investment here, now and today.

**Mr WOOD:** Minister, if we had Wickham Point built in 2000, and you are now saying that ...

**Mr HENDERSON:** It was not built in 2000.

**Mr WOOD:** Wickham Point?

**Mr HENDERSON:** The LNG plant did not start construction until 2003.

**Mr WOOD:** But it was approved by then.

**Mr HENDERSON:** It was not approved in 2000.

**Mr WOOD:** The 10 mega plant one was. The 30 mega plant was later on.

Minister, you have had a long time to make land available for gas. When you say we were gas-ready and you do not have other alternatives, does that not say the government has not planned well enough for heavy industrial development? They relied on Glyde Point and, at the last minute, they took it off the radar.

**Mr HENDERSON:** I say it is good planning by government. Ultimately, the people will decide. It is good planning by government that we have made use of infrastructure already in place at Middle Arm. We can protect the environment in attracting this investment. Regarding emotive language such as 'heavy industry' - I do not know what that is supposed to convey - but why would any sensible government duplicate up to \$500m worth of infrastructure that already exists, to attract a project that is not going to have a detrimental environmental impact on Darwin Harbour? It would be economic vandalism and totally irresponsible of government to do that.

I contend it was a good planning decision to not develop at Glyde Point. I just go to the Amateur Fishermen's Association and the statement they put out when a planning decision was made not to develop at Glyde Point, after significant public consultation. They stated in December last year:

*We advised government ...*

The Northern Territory government:

*... that the proposed development at Glyde Point posed real threats to the environment and recreational fishing in the area and that options to place gas and related industries in the East Arm area of Darwin Harbour should be fully explored.*

They went on to say:

*The challenge now for government, industry and the people of Darwin will be to ensure that any new developments in the East Arm/Middle Arm area are carefully planned so they are environmentally responsible and allow the continued enjoyment of the harbour by recreational fishers, boaters and the general public ...*

I can say, member for Nelson, that INPEX has fully consulted and made their proposals, if they come to fruition, available to AFANT, and there is a good working relationship. They are making those proposals available to the Environment Centre of the Northern Territory - who will never agree to this project, wherever we attempt to site it anyway - and other people of Darwin. This is an open and transparent process. It is a good planning decision to consolidate this industry on Middle Arm and also have zero environmental impacts on Darwin Harbour.

**Mr WOOD:** Minister, you quote that letter, but the Amateur Fishermen's Association is giving their opinion. The proper opinion that was needed is the draft environmental impact statement. They are not the scientists; they are just protecting their particular point of view. So, I take that with a grain of salt.

Minister, have any agreements been made with INPEX in relation to allowing some gas to be used in the Territory, or is this just an open cheque that they can come here without any requirement to provide energy sources to the Territory?

**Mr HENDERSON:** Member for Nelson, as I have said, this is purely a commercial decision for INPEX of where to locate their particular project. We, as a government, take a non-intervention policy into this role. In regard to the Territory's gas supply needs, they are fully met by the contract we have signed with ENI to develop the Blacktip field in the Bonaparte Gulf. That project is well under way. Just a few weeks ago I was at the camp watching the construction of the pipeline. ENI is very confident they can supply, not only in terms of the contracts they have signed with Power and Water, and also forecasts for additional requirements for Power and Water over the next 25 years, but also additional gas for industry if required. They are very confident with geological structures that there is further gas within that particular field and fields nearby. We have done the deal with ENI that provides for the Territory's gas needs for the next 25 years.

As far as INPEX is concerned, one of the competitive advantages we have in trying to seize this project from Western Australia is that we do not have a gas reservation policy. That gas can be monetised to the benefit of the company. Again, that comes down to impacting on the commercial decision. If we had a gas reservation policy like Western Australia's, the one thing that would be certain is that we would not be in this race and the project would go to Western Australia, and we would miss the opportunity for \$12bn worth of investments in the Territory's economy. That is the economics of it.

**Mr WOOD:** Minister, Wesfarmers is setting up an LNG distribution depot in Perth to provide LNG for trucks and for remote power stations - exactly what we have in the Territory. With increasing diesel prices, a reliance on long-distance transport, a reliance on generating plants in remote communities, surely, for a \$12bn plant, we could have asked that INPEX supply an alternative energy source - a source that only attracts 12¢ a litre excise - to help the Territory avoid the problems of increasing diesel prices?

**Mr HENDERSON:** Member for Nelson, you are drawing an extraordinary long and populous bow here on the back of increased global oil prices. I have tried to explain to you that the Territory faces a significant hurdle in achieving this investment in the Northern Territory, by the fact that we are some 800 km further away from this particular gas field than Western Australia. That comes at huge capital costs, not only in the construction of the pipeline, but also in the engineering of the sub-sea platforms, the platform itself, and the compression points for the gas over 800 km. It will be one of the longest pipelines in the world between the field and an LNG plant - engineering that has not been attempted anywhere else in the world over that distance. That comes at a risk that has to be factored into the project.

I have taken the position that, in taking a project that 12 to 18 months ago we probably had 1% chance of capturing to at least being 50:50 today, we have tried to facilitate this investment decision because it faces an enormous number of capital construction cost and engineering hurdles.

As I said, we have a deal with ENI that provides for the Territory's gas supplies for the next 25 years, and the capacity as well, with the ENI project, unlike our current gas reserves in Central Australia, to meet increased demand as the Territory's economy grows over the next 25 years. We can have both. If we went to INPEX and put gas reservation hurdles in their way, the project would not be coming to Darwin. That is the direct advice I have from the company.

**Mr WOOD:** Well, minister, I am not asking them to give us the gas. I would imagine that we pay for it. I am not saying they would lose on it, I am just saying it would be beneficial for us. Surely, we should get some benefit directly from the use of that gas?

**Mr HENDERSON:** I attest that we do get a direct benefit. The direct benefit would be - if they make a final investment decision to build this project in Darwin, the way construction costs are going through the roof - at least \$12bn worth of capital investment. It would be the biggest single project the Territory has ever seen, with 4000 jobs in the construction phase. Member for Nelson, I have been overwhelmed, as I have been around Darwin at events over the last few months, by Territorian business people coming up to me wishing me all the best; as well as workers who worked on the LNG plant at ConocoPhillips in the best conditions they have ever worked with and earned the best wages that they have ever earned - money and conditions which have directly benefited them and their families. They want the opportunity to work on a project on a similar scale.

This would also underpin investor confidence in the Territory's economy for decades to come. If that is not a direct benefit to all Territorians - and the member for Macdonnell is here from Central Australia - with increased revenues to government as a result of increased economic investment, and increased employment in the Northern Territory, allowing us to provide better services to all Territorians. If that is not a direct benefit to Territorians, I do not know what is.

**Mr WOOD:** Well, minister, yes, look I know there are plenty of benefits. I put another benefit to you that I think we should have, but one we are obviously not going to get.

On another issue in relation to biofuels, could you explain what has happened to our biofuel company? Has it closed permanently, and have you any reports on its future?

**Mr HENDERSON:** Thank you, member for Nelson, just a correction. We would love to own everything, but this is not a government facility, it is purely a commercial operation.

**Mr WOOD:** You gave it lots of praise in parliament, minister. You said it was wonderful.

**Mr HENDERSON:** We did, but government is not a shareholder, but we certainly did ...

**Mr WOOD:** That is why chicken is going through the roof in price these days.

**Mr HENDERSON:** We did facilitate natural fuels and their investment in the Territory, but it is a commercial operation, we have just been a regulator. We understand that biodiesel production from the Darwin facility has been suspended due to process issues and the increasing price of palm oil, the principal raw material for the production of biodiesel in this facility. Once these issues are resolved, it is understood that biodiesel production will recommence. However, it is a commercial decision outside the control of government. Whilst biodiesel production has been suspended, the plant has focused on producing glycerine. That is all in the public domain and it really is a commercial issue for the company.

**Mr WOOD:** Thank you, Mr Chairman.

**Mr CHAIRMAN:** Are there any further questions in relation to Output 2.1? There being no further questions, that concludes consideration of Output 2.1.

### **Output 2.2 - Management of the Darwin Waterfront**

**Mr CHAIRMAN:** The committee will now consider Output 2.2, Management of the Darwin Waterfront and this is in relation to the support provided by government to the waterfront. Leader of the Opposition.

**Mr MILLS:** Mr Chairman, on 11 August 2003, with the promise of things to come, the waterfront development was promised. At that time, there was an indication and a public document; that is, a press release, that it would be completed mid-2007 and that it would cost taxpayers \$100m. Chief Minister, given that is the case, it is now mid-2008, and the waterfront development now will cost in excess of \$100m, how on earth can you say it is on budget and on time? What public document can you point to some time in the past where it was described to the public that it would be the middle of 2008 and on budget as it is described now? What public document?

**Mr HENDERSON:** Thank you, Leader of the Opposition. Yes, I do assert the project is on time and on budget as per financial flows and when contracts were signed with the consortium. Certainly, the

Auditor-General, in his report on this issue to parliament, stated very clearly this was very much a good deal for the Territory.

**Mr MILLS:** So, is that a public document? Was that broadcast for all to see; that was the amount of money and this was the projected date?

**Mr HENDERSON:** I will defer to one of the officers from my department with carriage with this, Mr Andrew Kirkman, who can give that advice.

**Mr KIRKMAN:** Andrew Kirkman. Mr Mills, the Auditor-General tabled his report to the parliament in February 2007 which detailed the costs breakdown of the project in full. That is the public document, if you like.

**Mr MILLS:** Okay, the Auditor-General's report. The Auditor-General contains that report, because there was concern in the community that we were not sure about what was going on. We had a public announcement by way of a media release on 11 August 2003. Where is the accompanying media release, issued with a smiling face from the Chief Minister, that there is a new figure and a new date, therefore, justifying and substantiating that it is on time and on budget? Is there a public document apart from the Auditor-General's report which was placed on the table in parliament?

**Mr HENDERSON:** Leader of the Opposition, we know that you hate this project. We know that, from day 1 when this project was conceptualised ...

**Mr MILLS:** You digress.

**Mr HENDERSON:** ... you have used every ounce of your time to knock this project, to tear it down. At one point you said that you would scrap the project. That is very clearly your position. I can very confidently say, as supported by the Auditor-General who looked at the whole process and the public/private partnership and all of the contractual details, and arrived at the finding that this deal was a good deal for the Territory. When contracts were signed for the construction of the convention centre, the contracts determined that it would be built, completed by – July?

**Mr KIRKMAN:** April 2008, which is ...

**Mr HENDERSON:** April of 2008. Construction was completed, and within the financial outlays the government committed. Very proudly, Leader of the Opposition, I will be opening the convention centre tomorrow morning.

Also, through the entire selection process, the probity auditors were involved. Regarding external scrutiny of this project and its value to the Territory, and whether all of the appropriations by the parliament and all of the contractual arrangements had been met, I defer to no higher authority than the Auditor-General who was very clear in his findings.

**Mr MILLS:** I suspect, once being in opposition, you would understand why the Auditor-General has paid some attention to aspects related to the waterfront.

**Mr HENDERSON:** Is that a statement or a question because, if it is question, I do not understand the question?

**Mr MILLS:** No, it was not a question. Chief Minister, there was a media release that stated clearly it had cost more and was not on time. There has been other advice provided to the public justifying your position. I let you know though, Chief Minister, that as a result of the estimates and being a shadow for education, among many of my shadow responsibilities, I will not be at the opening tomorrow. Please do not misconstrue my absence as hatred of the project. In no way do I hate the project, as you and the member of Nhulunbuy have fondly alleged across the Chamber ...

**Mr HENDERSON:** You detest it.

**Mr MILLS:** The only concern I have had, and rightfully so, from opposition is the handling of this project by the government. We will leave it at that. You can say whatever you wish but you know what the case is.

**Mr HENDERSON:** You were very clearly on the public record on many occasions but, on 3 December 2004 as the CLP leader, you said that you wanted to scrap the waterfront. That is very clearly your

position. You stated at the time: 'I do not want to see a project that is focused on a residential and convention centre'. You did not want the convention centre down there. You did not want residential down there. You also questioned \$900m worth of private investment in the project, and went on to say: 'I want to see a project that is taxpayer owned and managed'. The great socialist republic of the Northern Territory owning and running a convention business rather than a developer owned and managed.

The Auditor-General said very clearly in his report of February 2007 and I quote:

*The analysis that was undertaken ... was comprehensive and indicated strongly that the cost to the Territory, if it were to act alone, was significantly greater than would be the case if private sector involvement was included.*

Your model would have cost, according to the Auditor-General, significantly more to the taxpayer than if we got the private sector involved. Leader of the Opposition, you are very clearly on the record of not wanting this project to go ahead. You would have scrapped it, and any convention centre that you would have built would have been taxpayer owned and managed at huge additional cost to the Territory taxpayer. That is your position.

**Mr MILLS:** Unfortunately, Chief Minister, you are labouring under a serious misapprehension. You are, in fact, being asked questions. If my proposal at that stage is the concern that you have, perhaps I could provide you with a detailed briefing so that you are better equipped to further assess it, rather than going on an *NT News* headline.

**Mr HENDERSON:** An accurate one. It quoted you.

**Mr MILLS:** We will now move on, though. For presentation purposes, we have had a media release that stated something which is now at variance with your present statement. I recall there was this great rush of excitement through the city when there were these models that all the community could go out and have a look at what we were going to get. There was one in the mall and out at Casuarina. All could come and have a look. At those presentations, the good citizens of the Territory were able to see art markets, water gardens, barbecue and picnic areas, sculpture walks. I could go on but I will start back at the beginning. Are the art markets still there, Chief Minister?

**Mr HENDERSON:** Okay, we have been up hill and down dale on this in the parliament. The documents that you were referring to were draft concept plans. They were at the early stages of the project, and they were concept plans about what this waterfront precinct could look like. They, in no way, represented what is eventually going to be delivered after detailed negotiations. However, a large amount of what was in those concept plans will be.

The art markets, physical structures for these, were never included in the green works, but they may well take place when the precinct is operating. Regarding the barbecue and picnic areas, barbecues are currently being considered as to their appropriateness within Stage 1, given the nature of the precinct. Public art is being delivered. My colleague, the Arts minister and Deputy Chief Minister, opened some public art at the waterfront just this week; this has not gone, either.

I know that you are trying to use every opportunity to attempt to denigrate this project. I can say the document you are referring to was not a commitment from the Northern Territory government to deliver on every drawing in that document. It was a concept plan, and concept plans do evolve into contractual documents and some of the things were in, and some of the things were out. It was a concept plan.

**Mr MILLS:** Yes. All right. It is clear now by the impression that was deliberately presented to the community that it is not on budget nor on time, nor many of the things ...

**Mr HENDERSON:** No, it is on budget and it is on time.

**Mr MILLS:** No. There has been no matching media release. So, it is not on budget, it is not on time, nor are many of the facilities which are public amenity – which you probably, in other words, described something that was merely for presentation purposes, just to convey the most favourable image for Territorians. That means many of the aspects presented for public consultation, those which pertain to public amenity, are gone. There is a place where you can swim but it looks like you are going to have to pay to swim there. Sound shells, beach volleyball, all those happy people frolicking around the place, that has now gone. There is no children's playground, cultural/historical centre. We have not heard much more about that. It appears now that the frame of this project has changed considerably.

Chief Minister, what is of concern here, is the project itself. Do not get too caught up with what I might think about the project, but the fact that you have made one presentation to the community and now it has changed significantly. Are you concerned at all about that?

**Mr HENDERSON:** A point of clarification and correction. The contract we entered into with the builders of Stage 1 of the project, the convention centre which I will be opening tomorrow, it is on time and on budget. The public areas of the development will be absolutely world-class, Leader of the Opposition. They are going to well supported, well visited, and well enjoyed by the people of Darwin as they come on-stream. If I had a dollar for every kid around the northern suburbs who asked me when the wave pool was going to be open and when they could go down there and catch a wave, I would be a rich man.

The only person who is knocking this project, Leader of the Opposition, is you. I have not heard any other Territorian so consistently knock this project and try to tear it down. I can honestly say you are on your Pat Malone. I have not met another Territorian who has so consistently knocked this project, that has not only delivered in regard to what private sector investment will deliver - something to the tune of around \$840m to the Territory economy with thousands of jobs being created in that period. I believe \$90m worth of contracts for the convention centre have gone to Territory-based companies that have employed Territorians. I know all of those small businesses and medium-sized businesses have been very happy with the project, and there is another \$840m to go. The only person who is knocking this project and saying that it will not be great for the Northern Territory, for the tourism industry is you. Talk to any of the tourism operators in Darwin; they are pretty ecstatic about the 11 000 delegates who are going to come on conventions to the Territory next year because I think that translates to 76 000 room nights.

I am quite happy for you to continue this continual bagging of this project, but what has been contracted is what will be delivered. It will be a huge boost to the tourism industry, to jobs, and it will be a great recreational place for the residents of Darwin.

**Mr MILLS:** Well, I do not deny any of that. Perhaps it would be must better for you if there were no opposition, there was no voice to raise any concerns whatsoever about anything that you do and, then, it would be much nicer. We could have Emperor Hendo who could just do whatever he wished.

**Mr HENDERSON:** I would not have anywhere near ...

**Mr MILLS:** However, all these kids that you have been running into around the Territory ...

**Mr HENDERSON:** There are heaps of them.

**Mr MILLS:** Yes, they are all saying, 'Gee, Emperor, when can we go for a swim?'

**Mr HENDERSON:** They do not call me 'Emperor'; they call me Mr Henderson, and some of the ones I know better call be Hendo.

**Mr MILLS:** Okay. Mr Henderson, when is that wave pool going to be open? If you were able to take a dollar from each one, you would be a rich man. How much will those kids actually have to pay to use the wave pool?

**Mr HENDERSON:** We are very much hoping that the wave lagoon - which is bigger than a pool, so it has grown. That was one of the design changes, Terry. It is going to be a lagoon, not a pool ...

**Mr Wood:** What happened to the sound shell?

**Mr HENDERSON:** Do not knock it, member for Nelson.

**Mr WOOD:** I am not knocking it. I was looking forward to the sound shell, so I could talk to myself.

**Mr HENDERSON:** I am sure you will be there in your boardies with your boogie board ...

**Mr WOOD:** Oh yes, that will scare everybody away.

**Mr HENDERSON:** By the end of the year, we are very hopeful that the wave lagoon will be up and running. I am not going to commit to an absolute date because, obviously, it is a unique piece of engineering. We have not built a wave lagoon before and ...

**Members** interjecting.

**Mr HENDERSON:** Anyway, I will not go on. Hopefully, by the end of year. In terms of costs, yes, there is going to be a small charge to access the pool, as there is with council swimming pools. It will be a small charge, but it has not been determined. It will not be a detriment to families enjoying the facility.

**Mr MILLS:** It is only a small matter, I guess, but in May 2005, there was a briefing to the media regarding the wave pool – the waves are going to be 1.8 m high. How high are they going to be today?

**Mr HENDERSON:** The advice I have is that there was never any promise for waves to be at 1.8 m. Again, at the conception stages, I am advised that the waves are at 1.6 m, which ain't a bad wave, and when you look out the window of this building, it is significantly more than on the harbour on any given day. So, 1.6 m is not a bad wave. It will be the maximum size of the wave, but my understanding is that the technology will provide for different size waves at different points of the day to allow the little tackers to get in there and enjoy it, as well.

**Mr MILLS:** Thank you, Chief Minister, and please, do not misconstrue this, that I did ask a question about the waves, I am not knocking the waves. I am just asking the question. 1.8 m, I understand it is now 1.6 m?

**Mr HENDERSON:** There was never a commitment; it was part of a conceptual design.

**Mr MILLS:** Yes, just for presentation purposes, I guess.

**Mr HENDERSON:** 1.6 m is a pretty good wave.

**Mr MILLS:** That is right, so we have lost 0.2 m, but it does not matter.

**Mr HENDERSON:** You are knocking it again.

**Mr MILLS:** No, just the waves. Thank you, Mr Chairman, that will do for the waterfront from me.

**Mr WOOD:** Chief Minister, I am all in favour of it, but I have to ask you some questions. I do not want you to get the wrong idea now ...

**Mr HENDERSON:** I do not have a headline from you, member for Nelson, saying that you wanted to scrap the project.

**Mr CHAIRMAN:** Do you have many questions?

**Mr WOOD:** No, just two.

**Mr CHAIRMAN:** Okay, we will conclude that and then have a break.

**Mr WOOD:** Okay. You say in your highlights – there are funny highlights sometimes - you are providing \$14.6m towards management and the operating payment for the convention centre. How many years will that payment continue?

**Mr HENDERSON:** I might hand over for the detail of the answer to that question to Mr Kirkman, because it is fairly complicated.

**Mr KIRKMAN:** Payments and repayments for the convention centre facility will go for the term of concession over the 25 years. They will not always be as high as they are for the first number of years. As per any mortgage-type situation, as your principal repayments get paid, your interest element drops as well, so towards the end of that concession period those payments will reduce. But, yes, they will be over 25 years, at which point the Centre will handed back to government.

**Mr WOOD:** Chief Minister, I have to ask you this. I run into people sometimes who ask why you are spending all of that money. I run into many people who ask why you are spending all that money. Not knocking the convention centre, but \$500 000 for the opening of the convention centre - where is it in the budget papers?

**Mr HENDERSON:** My advice is this that it is contained within the grant to the corporation. This amount of expenditure has been budgeted for. I believe it is a totally appropriate amount of money to celebrate the opening of what is the most significant tourism infrastructure that has been developed in Darwin ever. It is consistent with the money spent on the opening of the railway. My advice is it is also consistent with, proportionately, the amount of money spent in 2000-01 with the opening of the Alice Springs Convention Centre. The important thing, as I have been saying today, is that I want Territorians and the people of Darwin to be ambassadors for our convention centre. To invite all Territorians down over the next five days for free tours of the convention centre, to really understand the size, the scale, the importance of the convention centre, and to promote that to friends and families interstate and overseas, is totally appropriate and consistent with similar amounts of money that have been spent on opening other big parts of infrastructure the public has had, through the taxpayer, a significant investment in.

**Mr WOOD:** Chief Minister, I understand that. I am not against an opening of the convention centre, but do you think people would be a little cynical in saying that it looks more like a political opening for the politicians, rather than a people's opening where, obviously, you are the person who would open it. Do you not think we could simply have had a grand open day for all the people to come - I am sure the RAAF did not spend \$500 000 in opening up the RAAF Base the other day - something that was just a little more about the people rather than the politicians. You could have had markets, you could have done it a little cheaper. That would have sent out a signal that this is not really about the government, this is about a place for the Darwin people to enjoy and celebrate. It is not about the politicians.

**Mr HENDERSON:** I absolutely agree. It is absolutely not about the politicians. There is going to be five open days for the public to come down and see this centre. A significant part of the expenditure is tour groups and school groups coming through. The only two official parts of the five days of the opening that I am going to be involved with, or any politician is going to be involved in, is the opening tomorrow which is appropriate, and I will be making a very short speech at the dinner next Monday night. This is not an opening that is going to be dominated at all by politicians. We have two small roles. It really is going to be a community celebration of what will be the jewel in the crown of the Top End's tourism industry, regarding business tourism. By having this facility open and available to the public and making it easy for the public to access the convention centre, the reality is I want every visitor who visits over the next five days to be an ambassador for this particular project and this facility.

**Mr WOOD:** Thank you, Mr Chairman.

**Mr CHAIRMAN:** That concludes consideration of Output Group 2.0. As I indicated we will take this opportunity to have a couple of minutes break during which hopefully we will get the light fixed, as well.

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The committee suspended.

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**Mr CHAIRMAN:** All right. If everyone is ready. For the purposes of *Hansard*, the member for Araluen has replaced the member for Greatorex.

### **OUTPUT GROUP 3.0 – GOVERNMENT BUSINESS SUPPORT**

#### **Output 3.1 – Support to Executive, Ministers and Leader of the Opposition**

**Mr CHAIRMAN:** The committee will now proceed to Output Group 3.0, Government Business Support, Output 3.1., Support to Executive, Ministers and Leader of the Opposition. Leader of the Opposition, do you have questions.

**Mr MILLS:** I have plenty of questions, Mr Chairman, but I am going to have to let them go, sadly, in the interests of time because there are other things I wish to focus on.

**Mr CHAIRMAN:** So, none at all in the interests of time, or have you a couple? Just for 3.1?

**Mr MILLS:** Just for 3.1, 3.2 and 3.3, as far as I am concerned. Output 3.1 I will leave out.

**Mr CHAIRMAN:** So 3.1, no? Member for Nelson?

**Mr WOOD:** Just on Protocol, that is all.

**Mr CHAIRMAN:** Yes?



**Mr WOOD:** Minister, this is just a fairly mundane question. What is the protocol for an MLA in relation to providing flags for local schools in their area? When I rang up last time regarding providing a flag, I was told I had to buy it, but I thought Territory flags for your local schools were free.

**Mr HENDERSON:** I have to take that on notice. I concur, it is confusing. We all get asked for flags for our schools. Normally, I end up dipping into my electorate allowance for them. I am not sure whether there is an established protocol. I seek to take that question on notice, but most of the time I end up dipping into my electorate allowance.

**Mr CHAIRMAN:** I have to say I have been told the same thing. Would you like to restate the question for the purposes of *Hansard*?

**Mr WOOD:** After saying that, I did the same thing for the Lutheran School. I had to buy them all which I do not mind, but it would be interesting to clarify that.

**Mr HENDERSON:** Well, Mike, is here. What do you ...

**Mr BURGESS:** I do not know the right answer.

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### Question on Notice No 3.1

**Mr CHAIRMAN:** All right. Member for Nelson, restate the question.

**Mr WOOD:** Minister, what is the protocol in relation for a local MLA in wishing to provide – I will put flags and you can say which sort of flags – flags for a local school in his electorate?

**Mr CHAIRMAN:** Chief Minister, are you prepared to take that on notice?

**Mr HENDERSON:** I am very interested in the answer to that questions as well, so I will take it on notice - happy to.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 3.1. Can I just ask someone from the department to note the number so when the answer comes back it can have the number incorporated, thank you.

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**Mr WOOD:** I have a second question, Mr Chairman. This section manages the VIP vehicle fleet and VIP drivers. How many cars do we have in the VIP fleet? What type of cars? How many drivers do we have? Is the government considering using smaller diesel or hybrid vehicles for its fleet as part of its climate change policy?

**Mr HENDERSON:** Whilst I will talk to the second part of the question first, just to see if our people here have answered the first part of the question. Yes, I can say, as the Minister for Climate Change, we are looking at NT Fleet for what would be a better utilisation of vehicles on the market that would reduce greenhouse gas emissions. That would also include the VIP fleet. That is part of the policy considerations under way at the moment.

In regard to how many drivers we have and how many cars that we have - five drivers, five cars, is the advice.

**Mr WOOD:** And the main type of car, or do we swap between ...

**Mr HENDERSON:** Well, you have seen them downstairs in the car park.

**Mr WOOD:** Do we swap between companies? Or is there a – just to keep them all onside and happy?

**Mr HENDERSON:** The five cars are: a Fairlane Ghia, a Caprice, Statesman, another Fairlane, another Statesman. So, two Statesmans, a Caprices and two Fairlanes.

**Mr WOOD:** Thank you.

**Mr CHAIRMAN:** If there are no further questions for Output 3.1, we will conclude consideration of Output 3.1.

**Mr WOOD:** I have no more questions for that.

### **Output 3.2 – Legislation Production**

**Mr CHAIRMAN:** The committee will now consider Output 3.2, Legislation Production. There are no questions in relation to that, so that concludes consideration of Output 3.2.

### **Output 3.3 – Support to Administrator and Government House**

**Mr CHAIRMAN:** The committee will now proceed to Output 3.3, Support to Administrator and Government House. There are no questions in relation to Output 3.3. That concludes consideration of Output Group 3.0.

## **OUTPUT GROUP 4.0 – COMMUNITY ENGAGEMENT**

### **Output 4.1 – Multicultural Advancement**

**Mr CHAIRMAN:** We will now consider Community Engagement. I note from the schedule, Chief Minister, that Output 4.1 will be addressed by the Minister assisting the Chief Minister on Multicultural Affairs on Thursday, 19 June.

### **Output 4.2 – Support to Community Organisations and Events**

**Mr CHAIRMAN:** The committee will now proceed to Output 4.2, Support to Community Organisations and Events. Leader of the Opposition.

**Mr MILLS:** Mr Chairman, Chief Minister, is this the appropriate place to ask questions about the sponsorship of major events that have come to town?

**Mr HENDERSON:** That is through this output, I am advised, Leader of the Opposition.

**Mr MILLS:** For large events like, say, *BassintheGrass* or Elton John, can you help me understand the relationship entered into when government sponsors these types of events. How much did the Territory contribute to Elton John's visit? That is a place to start.

**Mr HENDERSON:** The cost to the Territory to support the visit of Elton John was \$60 000. We would not have been able to secure his concert without that level of financial support. You were there, Leader of the Opposition, but ...

**Mr MILLS:** Yes, I know, I saw you, you were up the front.

**Mr HENDERSON:** Yes, and had a good wander around the event. It was an absolutely fantastic event, and goes to the broader policy objective of ensuring the Territory is the best place to live, work and raise a family. Talk to any business person in the Northern Territory and you will discover the issues and the difficulties they have in attracting and keeping a workforce. This type of investment into lifestyle means that people really do enjoy living in the Territory. Getting access to acts like Elton John they take for granted interstate, means that people do not feel not so remote from mainstream cultural activities. It also goes to support the Territory as being a great place to live, work and raise a family. I believe that \$60 000 was money well spent, well enjoyed by Territorians and, without that level of support, we would not have had the opportunity.

**Mr MILLS:** Right, the contribution made by the Territory government for *BassintheGrass*?

**Mr HENDERSON:** Bear with me two seconds. For *BassintheGrass*, the contribution was \$350 000, but I think that is on a par with other years. That is, obviously, offset by ticket sales to *BassintheGrass* and sponsorship. We have not had a reconciliation of the recent event but, again, a fantastic event well supported by Territorians.

**Mr MILLS:** So I understand that \$350 000 comes from the Territory government for *BassintheGrass* and *BassintheDust*?

**Mr HENDERSON:** *BassintheDust* comes at a contribution of \$100 000.

**Mr MILLS:** Okay, and the contribution of the Territory government in these cases with *BassintheGrass*, if we take that one, is offset by the ticket sales. If it is a successful event, you could, in fact, make money out of it?

**Mr HENDERSON:** I will hand that to Mike Burgess, our Chief Executive, to give an detailed answer.

**Mr BURGESS:** The \$350 000 is a grant to the Major Events Company to support the running of the event. That \$350 000 offsets the total cost of running the event. Then ticket sales balance out the amount required to run the event. It is not a case of making a profit. It is a case of balancing out ticket sales with the grant that is applied to the total cost.

**Mr MILLS:** Would you expect, knowing how many people went to it and how much the tickets cost, to have this event balanced on the books?

**Mr BURGESS:** Yes, it is designed that way. It would be at the margin. If there is a small surplus generated that goes into the reserves of the Major Event Company to be applied to other events and, if not, it will register on the bottom line of that company when it submits its reports.

**Mr MILLS:** I did go to see Elton John but I did not go to *BassintheGrass*. How much was a ticket to *BassintheGrass*?

**Mr BURGESS:** The presale tickets were \$50.

**Mr MILLS:** Right. Going back to Elton John, \$60 000 goes in and they come. So, without the \$60 000, I assume they would not come. If that is the case, Chief Minister, can you explain why they would not come if \$60 000 was not provided?

**Mr HENDERSON:** I will defer the details of that. It was negotiated through Major Events, but my understanding on advice was that we needed to provide that level of support otherwise we would miss the opportunity. However, for the details of that, to Mr Burgess.

**Mr BURGESS:** There were a number of sponsors for the event. Paspaley Company was a major sponsor and ourselves. Those sponsorships enabled the event to come to Darwin and tickets to be sold at a price that locals could afford. So, it went to the viability of the event.

**Mr MILLS:** So \$60 000 was a deal breaker? If that had not been provided, are you saying that Elton John would not have come?

**Mr BURGESS:** I am not saying that. I am saying that it helped to define the ticket prices.

**Mr MILLS:** Okay. So, it is, in fact, a sponsorship opportunity. If you are a sponsor, you get certain opportunities. Say, you are a Gold sponsor, you get this. I have worked the footy club. If you are a certain level sponsor you can get a shirt, membership to the football club, all their events, you do not have to buy sausages at the sausage sizzle, that sort of thing. You might be a Silver sponsor or a Bronze sponsor. In return for this sponsorship, what does the Territory government receive in material terms? What is the package deal? These guys are in the business of running concerts and, obviously, if you are a sponsor, you get something back. Perhaps a T-shirt or ...

**Mr HENDERSON:** Before handing over to Mr Burgess, you are using the word 'sponsor'. We were presented with an opportunity by the agents of Elton John to perform in Darwin. The very clear judgment that I had was that if we could not support the promoter in bringing Elton John to Darwin, he would not come; the ticket costs would have been prohibitive. That means that we would not have had the people through the gate, which would have meant that the return was not there for the promoters. So, a contribution was required by the Northern Territory to make this particular concert a success, and to have ticket prices structured as such that would see 14 000 people come through the gate, which would, obviously, deliver to the promoter the return that they were looking for. You are calling it sponsorship – I would call it a facilitation in regards to any specific reciprocal provisions made back to Major Events. I will hand you over to ...

**Mr MILLS:** Thank you, Chief Minister, it is just that Mr Burgess did refer to it as sponsorship and it is an appropriate term. I understand what that means. Thank you, Mr Burgess.

**Mr BURGESS:** The only things made available were some tickets. The vast majority of the 30 free tickets went to selected community members and volunteers. This included community members such as, for example, carers, elderly, disabled and sporting volunteers. Some tickets were purchased by the Chief Minister's Office as well. There were eight complimentary tickets to pre- or post-function functions which were not utilised. There were eight all-access passes, but only four of those were utilised by staff of Major Events working on the ground at the concert.

**Mr MILLS:** How many tickets were purchased by the Chief Minister's Department?

**Mr BURGESS:** We did not purchase any.

**Mr MILLS:** I thought that you just said that the Department of the Chief Minister?

**Mr BURGESS:** No, the Office of the Chief Minister. I understand a couple of tickets were purchased by that office.

**Mr MILLS:** By the office?

**Mr BURGESS:** Yes.

**Mr MILLS:** Just a couple? Like two tickets?

**Mr HENDERSON:** We made a very clear decision regarding the tickets that came with the sponsorship - I think, Mike there were 30 – that they should be allocated to, as Mike said, volunteers, people who are carers looking after disabled people, the unsung heroes in the community who are real battlers, who would not have been able to afford to go. We made a decision to make those tickets that were provided available to those people. That was absolutely, totally appropriate and very well received.

**Mr MILLS:** Thank you, Chief Minister, that is good. How much, Chief Minister, was spent on advertising in the *NT News* 2007-08 – maybe I am – no, excuse me, I am getting ahead of myself. That will come later. Events – no, I will leave it at that. That will do with my events because there are a couple of other things to come.

**Mr WOOD:** Just one question, thank you, Mr Chairman. Just feeding off from what Mr Burgess said that the \$50 000 was to keep the price of tickets down. My quick maths would have been that there were 14 000 people and you gave \$50 000 that would have only changed the price of a ticket by \$4. Chief Minister, would it not be a bit hard to say that, if you did not give the \$50 000 it would not have made a really big difference to the ticket price?

**Mr HENDERSON:** I will leave that to the Chief Executive. My advice, and I keep reiterating it, was in terms of the discussions that Major Events were having with the promoter; that without this level of contribution, Elton John would not have been able to come to Darwin with the costs associated with bringing the production to Darwin, and the return that the promoter had to get. Obviously, how that is all structured financially would have been worked through by the Chief Minister's Department. That was the advice that was clearly provided to me.

**Mr BURGESS:** Part of the package was an amount of in-kind support that we normally provide for major events that are held in that precinct: traffic management on the night, those sorts of things such as buses, the facility, and a few other things. It is all part of that package that makes it viable. In other venues in other places, the entrepreneur would be up for a good range of those costs. So, the cash is one component, but it is a broader package.

**Mr WOOD:** So, the Northern Territory government would pay for the lighting - the electricity bill for the night?

**Mr BURGESS:** That would be a normal part of the conditions we have for handing over the TIO Stadium for special events.

**Mr WOOD:** The managers at the TIO Stadium would pay for the electricity, would they? Or the government would pay for that?

**Mr BURGESS:** No, the government would pay for those aspects of the lighting that was not produced by the entrepreneur, because they had their own on-site generation for a number of facilities.

**Mr CHAIRMAN:** Any further questions on that output? There being no further questions, that concludes consideration of Output Group 4.0.

I note that the member of Greatorex has replaced the member of Katherine on the committee table.

#### **Non-Output Specific Budget-Related Questions**

**Mr CHAIRMAN:** Are there any Non-Output Specific Budget-Related Questions, Leader of the Opposition?

**Mr MILLS:** Thank you, Mr Chairman. Chief Minister, going back to the presentation made by the Auditor-General, he made some very interesting revelations regarding the relationship between an agency that received 85% of all advertising work from this government, and the presence of a person in that building who worked closely with the recipient of 85% of government advertising work, and who once worked on the fifth floor whilst working in this agency, which received 85% of work and with missing or flawed paper trail. That person now is working back on the fifth floor. Can you reveal who that person is?

**Mr HENDERSON:** I can say, Leader of the Opposition, because I took notes in regard to comments that were made by the Auditor-General - and I wrote these down, so I believe they are accurate - that there was no business relationship between the person and the company involved. The issues in regard to the subletting of the office space for two days a week were peripheral issues. The Auditor-General stated that there was no conflict of interest and, in his audit, nothing came to light.

Also, in regard to the decision for the Department of the Chief Minister to award that contract, it was in large regard - and certainly his comments in his report to parliament; so this is nothing that has been revealed tonight, Leader of the Opposition, because he reported to parliament on this - was based on a very tight time frame in communicating that particular public information campaign and the capacity of the company involved to deliver a very ambitious and timely project under very tight time frames.

I do not know where you are going with this, but the Auditor-General himself has stated very clearly on the public record tonight that there was no conflict of interest. In regards to his very detailed audit, nothing came to light in that regard.

**Mr MILLS:** Who is this person that worked on the fifth floor, left the fifth floor, and then has returned to the fifth floor - who is this person?

**Mr HENDERSON:** I am quite happy. I do not like bringing people into the public arena, and I do not know where you are going with this, but the person you are referring to, I am advised, is Adele Young, who is my Chief of Staff and a very professional, competent Chief of Staff with the absolute integrity that I would require of that position. That is the person that you are referring to, but the Auditor-General himself, on the public record tonight, said that, in regard to the assertions that you are trying to make - and I wrote his comments down - there was no conflict of interest and, in terms of the audit that he conducted, nothing came to light.

**Mr MILLS:** Chief Minister, there were breaches of protocol of quite significant nature, were there not?

**Mr HENDERSON:** Again, the Auditor-General was very rigorous. He reported to parliament, and I do not believe the Auditor-General used the language that you have just used. The Auditor-General is satisfied that the company involved was the best qualified to provide the services. I quote from the Auditor-General:

*I am satisfied that the Company was the firm best qualified to provide graphic design services at the time. That view is based upon the initial assessment made of the various firms as part of the tendering process and which saw the Company ranked above other panel members offering similar services, together with information obtained about the capabilities of several firms, including the Company.*

That is what the Auditor-General stated: that he was satisfied that the company was the best firm qualified.

**Mr MILLS:** That may well be the case; however, the issue here is breaches of protocol in following procurement protocols. As the Auditor-General indicated, the missing paperwork indicated there was a

breakdown in process. That has been attended to. When was it responded to, when you were Chief Minister or the previous Chief Minister?

**Mr HENDERSON:** I am advised that as soon as the breach of protocol referred to in the Auditor-General's report came to light they were immediately addressed by the Chief Minister's Department at the time that they were brought to the department's attention.

**Mr MILLS:** Thank you. Chief Minister, I wish to ask questions about the cost of advertising, due to noting the volume of material that flowed from government to letterboxes and unsuspecting citizens right across the Territory after the budget. I found that not much of it came from the Treasurer. She suggested I should ask you where it came from and who paid for it. Can you provide me the cost of all advertising from DCM?

**Mr HENDERSON:** I will hand to my Chief Executive in regard to that particular question.

**Mr BURGESS:** All marketing and promotion expenses in 2007-08 for the department, including ministerial offices, amounted to \$1.85m to date.

**Mr MILLS:** Is that up or down on last year, Mr Burgess?

**Mr BURGESS:** It is down on last year. Last year, it was \$2.493m.

**Mr HENDERSON:** I am advised, if you do the maths on that, total expenditure on whole-of-government marketing promotion is down 21.6% on last year's number.

**Mr MILLS:** So we have, on that, ads booked up ahead, which is out into the next financial year. So the full amount may well get a different story. Is it unusual ...

**Mr HENDERSON:** Can I just ask my Chief Executive to respond to that assertion?

**Mr BURGESS:** Any costs that are expended next year will be paid in that year.

**Mr MILLS:** Yes, I understand that. Is it unusual to put \$40 000 or thereabouts and block it out for July and August?

**Mr BURGESS:** No. As I explained before, it is a particularly busy time of the year for advertising because there are so many things happening in town, so space gets booked up pretty quickly. We judged it was prudent to take some space.

**Mr MILLS:** All right. So this time last year, the same story?

**Mr BURGESS:** I could not answer that accurately because I do not have that in front of me.

**Mr MILLS:** Could I get that on notice, please?

**Mr BURGESS:** My assessment was based on what we saw in front of us for the coming year.

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#### Question on Notice No 3.2.

**Mr MILLS:** I request that on notice: July/August last year, the advertising budget for television.

**Mr CHAIRMAN:** Are you prepared to take that on notice, Chief Minister?

**Mr HENDERSON:** Yes, I am prepared to take that on notice, but I just point out that the department has determined in the coming few months that, significantly we expect, the Blue Mud Bay decision to come down which is a huge issue for the Territory. Whatever the decision of the High Court may be in regard to Blue Mud Bay, it is important to be able to communicate that decision and what it means to Territorians. It is very prudent of the agency, not understanding what that decision is going to be, to book advertising space to communicate that decision and its implications to Territorians. It is very much in the public arena that this issue has gone to the High Court. We anticipate a response and a decision of the High Court over that period.

**Mr CHAIRMAN:** Thank you. Before we go any further, I allocate for *Hansard*, that question No 3.2.

**Mr MILLS:** Thank you, Mr Chairman. Chief Minister, I assume that within DCM there is the capacity to produce marketing campaigns, advertising campaigns, media work. How many work in that agency?

**Mr HENDERSON:** I refer that question to my Chief Executive.

**Mr BURGESS:** In our Marketing and Communications Unit inside the department, we have nine employees.

**Mr MILLS:** And what levels do they work on, Mr Burgess? I do not mean Level 5. I mean ...

**Mr BURGESS:** In my briefs, I have a document that I can table for this.

**Mr MILLS:** I appreciate that. The costs of advertising in the *NT News*. How much was spent on advertising in the *NT News* in 2007-08 and how does that compare with 2006-07?

**Mr HENDERSON:** I will just get advice as to whether that information is available here this evening.

**Mr BURGESS:** I think we will just have to calculate for that particular supplier, but it is easy enough.

**Mr HENDERSON:** I am happy to take that on notice.

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**Question on Notice No 3.3.**

**Mr CHAIRMAN:** Leader of the Opposition, if you could restate the question for the purposes of *Hansard*?

**Mr MILLS:** I request a comparison between advertising costs in the *NT News* 2007-08 with 2006-07.

**Mr CHAIRMAN:** Chief Minister, are you prepared to take that question on notice?

**Mr HENDERSON:** I am happy to take that on notice.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 3.3.

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**Mr MILLS:** Chief Minister, how much did your department spend on letterbox advertising?

**Mr HENDERSON:** Can you define what - in terms of ...

**Mr MILLS:** Cracking down on youth crime-type stuff.

**Mr HENDERSON:** Okay. I will see if we have the information.

**Mr BURGESS:** The total amount in 2007-08 was \$81 660.

**Mr HENDERSON:** Could I just confirm, Mike, as Chief Executive, would that also have taken into account the direct mail the Leader of the Opposition made to every Territorian? The direct mail claiming the Chief Minister wanted to put heavy industry in our harbour. Would that figure take into account that publication, or is that under a different costing?

**Mr BURGESS:** No, that would be separate. This was the departmental mail-out.

**Mr MILLS:** Over and above that.

**Mr HENDERSON:** We will get that number.

**Mr MILLS:** It is probably \$1bn or something.

**Mr HENDERSON:** I am just wondering, Leader of the Opposition, are you actually going to write back to those Territorians, putting your new position that you now support putting heavy industry in our harbour ...

**Mr MILLS:** I know you are good. I will write, do not worry.

**Mr HENDERSON:** The allegation was that we need a 21<sup>st</sup> century plan for the development of Darwin and putting heavy industry in the harbour belongs to the 19<sup>th</sup> century. Given that you backflipped totally on this position, are you going to write to Territorians and say that you now support putting heavy industry in the harbour a la the 19<sup>th</sup> century that you opposed some couple of months ago?

**Mr MILLS:** Do not get yourself too concerned about that.

**Mr HENDERSON:** It is just that it is important to accurately communicate to Territorians what your policy positions are which, quite appropriately, is what the Territory government does.

**Mr MILLS:** Yes, well, talking about accurate communication, Chief Minister, on 16 May 2005 - this is the amazing shrinking wave story, 1.8 m high the *NT News*. You have told us here tonight the waves are 1.6 m high and we have *Hansard* here, and minister Burns giving us some quite detailed information about how the waves are produced and telling us that the waves are going to be 1.2 m high to 1.5 m high. So, in the interests of accurate information, do we need a Malibu or a boogie board or are we just going body surfing? We do not know. We need to get ready, but it could be a huge wave 1.8 m, or 1.2 m. What is it, Chief Minister?

**Mr HENDERSON:** It will be a much bigger wave than would have been there if you had made the decision. I point to another piece of information that, obviously, went to every Territorians' letterbox on 6 December 2004 with your face and signature on it: 'Important information about the Darwin City Waterfront', where you stated: 'The development will remain for generations, long after the novelty of the wave pool fades'. So, obviously, you did not support the wave pool. You had two plans that went out to every Territorians' letterbox. I do not know if it was letterboxed in Alice Springs but, certainly in Darwin and Palmerston, about the Martin Labor government plan and how terrible that was, and the CLP alternative plan that did not include a convention centre or a wave pool. Certainly, that was very absent from the CLP plan, and also absent was leveraging \$880m worth of private sector investment. Your alternative plan would have been taxpayer owned and managed, as per Soviet Russia and North Korea. Regarding the wave lagoon, I am advised the waves will be maximum 1.6 m and, that is certainly 1.6 m more of a wave than would have occurred under your CLP alternative plan.

**Mr MILLS:** I grew up on the beach. I am guessing you are going to have watch the weather forecast to see what the swell is like today because it is going to fluctuate.

**Mr HENDERSON:** Our kids, unfortunately, do not get waves and do not have wave reports for the beach, but they will certainly be flocking in their thousands to use this particular public facility, with the decision of the government to deliver it as opposed to your myopia in terms of the Stalinist structure that you would have developed ...

**Mr MILLS:** Heil, Hendo!

**Mr HENDERSON:** Taxpayer owned and managed - not one dollar of private sector investment would have been ...

**Mr MILLS:** Now, you really are labouring under a serious misapprehension.

**Mr CHAIRMAN:** No further questions?

**Mr MILLS:** No, no.

**Mr WOOD:** Just one, Mr Chairman. After all that comrade stuff, in regards to advertising, I had a member of the public ask me this question. Recently, there was an insert in the *NT News* at the time of Glenti and, on the back page of that insert was a large ad which had the pictures of the members of the ALP. Was that a Northern Territory government ad or was it a Labor Party ad, because it had no declaration as to who that ad came from? It was in the colours that government puts out with some of its ads. The bottom line said 'delivering for families'.



**Mr HENDERSON:** I am advised that the party paid for it. It was not paid for by the taxpayer.

**Mr WOOD:** That is fair enough, Chief Minister. Why did someone not write that on the bottom of the ad, because it could give the impression that it is a government ad, which it was not? However, if it was written as being paid for by the Australian Labor Party it would have clarified that in the first place.

**Mr HENDERSON:** Anyway, I am just advising. I spent a couple of afternoons at the Glenti amongst the thousands of people who were there, and nobody raised it with me as an issue or a concern. I can assure taxpayers that the ALP paid for the ad.

**Mr WOOD:** That is fine. That is what I am here for. Thank you.

**Mr CHAIRMAN:** Okay. If there are no further Non-Output Specific Budget-Related Questions.

**Mr WOOD:** I am not against the Glenti, you know.

**Mr HENDERSON:** No, I did not say you were. I would never accuse you of being against the Glenti, Gerry. I know you are not against the Glenti.

**Mr CHAIRMAN:** That concludes consideration of the Department of the Chief Minister. On behalf of the committee, I thank the officers who have provided advice to the Chief Minister this evening.

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#### **Answer to Question on Notice No 3.1**

**Mr HENDERSON:** We have a response to the questions on notice about the flags.

**Mr CHAIRMAN:** Which number is that – No 3.1?

**Mr HENDERSON:** Yes, 3.1. I am happy to table that. We have lots of information here for members.

The following list indicates the type of organisation that may be eligible for the issue of a free flag. It says private schools, school groups, Girl Guides, voluntary youth organisations, voluntary philanthropic, voluntary sporting, churches, community service groups, ethnic organisations, and ambulance services. Requests from other organisations are considered on their merits. Government bodies, that is, public schools, do not qualify for free flag issue and they should obtain funding for flags through the normal budget process. That is the current protocol and answer to question on notice No 3.1.

**Members** interjecting.

**Mr HENDERSON:** It is a bit weird, but it is information for all 25 members. I have often wondered myself. Thank you, Mike.

#### **NORTHERN TERRITORY POLICE, FIRE AND EMERGENCY SERVICES**

**Mr CHAIRMAN:** The committee will now move on to the Northern Territory Police, Fire and Emergency Services. I now invite the Chief Minister to introduce the officials accompanying him and, if he wishes, to make an opening statement on behalf of the Northern Territory Police, Fire and Emergency Services.

**Mr HENDERSON:** Thank you, Mr Chairman. I welcome Commissioner Paul White to the committee; Greg Nettleton, Director of NT Fire and Rescue Service; Rose Hallet, Director of Finance and Procurement; and Audrey Ko, Executive Director of Corporate Services within the agency.

Mr Chairman, Budget 2008-09 provides record funding of \$247m to Police, Fire and Emergency Services, an 81% increase since 2001. Highlights of the budget include 60 extra police dedicated to patrolling our suburban streets. These additional police are in addition to the 40 additional staff provided this year as part of government's commitment to *Closing the Gap on Indigenous Disadvantage*.

There is a \$13m initiative to upgrade the police digital radio network, giving police the tools they need to do their job. There are new and expanded police facilities being provided at Casuarina and Galiwinku. Galiwinku Police Station has a partnership arrangement with the Australian government. Funding of \$0.5m per annum is provided to maintain the major fire appliance suite. 2008-09 will see the replacement of old tankers at the Pine Creek and Batchelor fire and emergency response groups as well. Recurrent funding is

of \$0.27m to enhance the capability of the Northern Territory Emergency Service, particularly in area of training and support to volunteers.

The budget also provides for our continued emphasis on indigenous recruitment that is demonstrated by the increase in ACPOs from 51 to 86, a 69% increase from 2001. That is an extraordinary result and one that I am very proud of as minister for Police. I commend the commissioner and the agency on seeing that increase. With those few words, I am pleased to take questions from the committee on behalf of this agency.

**Mr CHAIRMAN:** In relation to the statement, are there any questions? There being no questions, the committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2008-09 as they relate to the Northern Territory Police, Fire and Emergency Services.

**OUTPUT GROUP 1.0 – COMMUNITY SAFETY AND CRIME PREVENTION**  
**Output 1.1 - Community Safety and Crime Prevention**

**Mr CHAIRMAN:** I will now call for questions on Output Group 1.0, Community Safety and Crime Prevention, Output 1.1, Community Safety and Crime Prevention. Are there any questions?

**Ms CARNEY:** Yes, thank you, Mr Chairman. Hello, everybody again. We are going to run out of time; I will do my best to race through it. Chief Minister, if you would do your best as well, we will see how far we will get.

Chief Minister, can you please provide - and you probably have it on the table for me, if so, table it. Please provide a complete list of the Territory's establishment FTE, broken down by rank, command, division and section for the whole police force.

**Mr CHAIRMAN:** Sorry, member for Araluen, would not these questions have been asked, I think, as part of a raft of questions?

**Ms CARNEY:** No, this is just this question.

**Mr CHAIRMAN:** Okay, in that case, I will butt out again and leave you to it. Chief Minister.

**Mr HENDERSON:** For that information, I will defer to the Police Commissioner.

**Ms CARNEY:** Sorry, do you have that in tabled form?

**Mr HENDERSON:** I believe we do, but I just defer it to the Police Commissioner.

**Commissioner WHITE:** Good evening. Yes, we do, we will have it tabled.

**Ms CARNEY:** Okay, thank you.

**Mr CHAIRMAN:** Sorry, if I can just remind officials, I know it is a bit of halted process, but if I could get you to state your name before you speak, even if there has been a referral like that from the Chief Minister, thank you.

**Ms CARNEY:** Sorry, did I miss the document? Yes, thank you. We will get into full swing before too long, I am sure. Do you also have - and if you have it in table form can you table it - a list of personnel actually committed or occupying the positions contained in the document you have just tabled as at today's date?

**Mr HENDERSON:** Police Commissioner.

**Commissioner WHITE:** Paul White. Yes, if I understand the question, correctly, the table provides a breakdown of rank by location.

**Ms CARNEY:** Through you, Chief Minister, my question was can you also provide a list of personnel actually committed or occupying those positions?

**Commissioner WHITE:** Yes. By name or number according to each unit?

**Ms CARNEY:** Well, numbers. Is that in the tabled document?

**Commissioner WHITE:** Yes, it is.

**Ms CARNEY:** Okay, thank you. Chief Minister, what was the attrition rate for 2007-08, and what is the projected attrition rate for 2008-09?

**Mr HENDERSON:** Thank you, Leader of the ...

**Ms CARNEY:** Jodeen.

**Mr HENDERSON:** Member for Araluen. I just have fond memories, you know.

**Ms CARNEY:** Some of mine are fond and some are not.

**Mr HENDERSON:** Of previous debates in previous years, member for Araluen. I will defer that to the Police Commissioner for a response.

**Commissioner WHITE:** We use two definitions for attrition: one which excludes retirements, dismissals and deaths, and one which includes retirements, dismissals and deaths. The reason is that we are interested in those who leave the NT Police to go and find other employment. The attrition rate, when you exclude those categories I have mentioned, for constables and above for 2007-08, year to date is 8.79%, for ACPOs it is 12.59%, and for police auxiliaries, 14.1%. In relation to attrition which includes the categories I have referred to, the attrition rate for constables and above is 9.99%, for ACPOs 16.78%, and for police auxiliaries 14.84%.

**Ms CARNEY:** What was the figure you – I do not have the information in front of me, but which of those two categories did you use to advise the Estimates Committee last year of the attrition rate, because I do not remember the distinction coming before us before.

**Commissioner WHITE:** I do not personally recall. I suspect it might have been the attrition rate which excludes retirements, dismissals and deaths, but I do not recall.

**Ms CARNEY:** Okay. How many new police officers, all ranks, were added to the force in 2007-08 and what is the projected additions for 2008-09?

**Mr HENDERSON:** Again, I will defer to the commissioner for a response.

**Commissioner WHITE:** On 6 September 2007, 26 constables graduated; on 20 December 2007, 25 constables graduated; on 4 April 2008, 25 constables graduated; on 5 June 2008, 13 constables graduated; making a total of 89 graduated. We have other squads currently in training that are due to graduate in 2008-09.

**Ms CARNEY:** Do I take it, through you, Chief Minister, that you have 89 new graduates for 2007-08?

**Commissioner WHITE:** Correct.

**Ms CARNEY:** What is the projected total of graduates for 2008-09? Would it be about the same?

**Commissioner WHITE:** It will be. There is Part A and Part B to this. Part A is attrition-based recruitment, so we would plan to recruit against forecast attrition which could be roughly about the same as this year, around say 70. However, then we will also recruit for growth; that being, additional police under *Closing the Gap* and Safer Streets. We anticipate we will graduate around 155 in 2008-09.

**Ms CARNEY:** Sorry. That was 155?

**Commissioner WHITE:** Yes, 155.

**Ms CARNEY:** Both of the figures you gave me - 2007-08, 89 and 2008-09, 155 - excludes interstate police officers coming here, I assume?

**Commissioner WHITE:** It excludes police officers coming here under Task Force Themis, but it does not exclude interstate police officers joining the Northern Territory Police Force.

**Ms CARNEY:** Around about how many interstate people do you expect next year? How many interstate people did we get this year?

**Commissioner WHITE:** The course that graduated on 4 April 2008 consisted of 25 interstate-based police officers.

**Ms CARNEY:** Oh, I see.

**Commissioner WHITE:** They undertook a transitional entry program, and we are looking to conduct a similar, but not the same, recruitment course later this calendar year.

**Ms CARNEY:** And you said the figure 70? So, that is generally the attrition?

**Commissioner WHITE:** Roughly, yes.

**Ms CARNEY:** Roughly each year?

**Commissioner WHITE:** Yes. We forecast on average six per month. Sometimes it is above, sometimes it is below, but by-and-large it is around that average.

**Ms CARNEY:** Okay, thank you. While I have you, commissioner, what is the establishment number for Alice Springs? Is it 137?

**Commissioner WHITE:** What I can tell you is that Alice Springs has, if you are talking about the Police Station itself, an establishment of 121. If you are talking about the Alice Springs operational service provision, it is, I believe, 147. On top of that, you have regional investigations which comprise units such as the Investigations of Crime Scene Examination, Domestic Violence and Personal Violence Protection Unit, and the Coronial Investigation Unit, and there are additional numbers on top of that. So, it depends on the question you ask.

**Ms CARNEY:** Let us take off, then, the last two categories for obvious reasons. Does it follow that there are 100 – sorry that the establishment for police on the beat, if you like, general duties police officers, is 121?

**Commissioner WHITE:** Correct.

**Ms CARNEY:** Thank you. Staffing in Tennant Creek. You will remember, I think, Chief Minister and commissioner, in about October last year the Police Association issued a media release in which it was concerned that probationary members at Tennant Creek were working unsupervised. Has that problem been rectified?

**Commissioner WHITE:** Yes, it has.

**Ms CARNEY:** Okay. So it no longer occurs?

**Commissioner WHITE:** We have recruited supervisors to Tennant Creek, and I understand the situation has been resolved itself. However, that is not to say, with policing, people do gain promotion and transfers to other positions. So, the nature of policing is, to some degree, a moving feast. People transfer on promotion or according to job streams on a reasonably regular basis, but my understanding is that those positions in Tennant Creek have, in fact, been filled at the supervisory rank.

**Ms CARNEY:** Okay, so if it happens that probationary members are working unsupervised, you would say it happens infrequently?

**Commissioner WHITE:** Infrequently, yes.

**Ms CARNEY:** Just getting back to police on the beat, operational police, general duties police, is it the case there are, or are not, an extra 200 more constables in operational roles than there were in 2001 - if you compare it to 2007-08 to today?

**Mr HENDERSON:** I refer that to the commissioner.

**Commissioner WHITE:** Thank you. We have increased the number of police between 30 June 2001 and 31 May 2008 by 246. That comprises 191 constables and above; 35 ACPOS; and 20 police auxiliaries.

**Ms CARNEY:** Thank you. Police cars and police patrols. How many cars patrol each evening shift in Darwin and Alice Springs? Maybe you have it in table form. If you do, perhaps, for each region. If you do, could you table that?

**Mr HENDERSON:** To the Commissioner.

**Commissioner WHITE:** No, I do not have that information before me, but I can give some idea as to the numbers. The numbers do, in fact, vary, depending on the day of the week and on the hour of the day. You would generally find more police on duty on Thursday, Friday and Saturday evenings than you would say, perhaps, on a Sunday, Monday or Tuesday evening. My recall is that on Friday and Saturday night just past, for instance, in Darwin we had in the order of 22 patrols on duty.

**Ms CARNEY:** For all of Darwin? Does that include Palmerston?

**Commissioner WHITE:** That is Darwin, Casuarina and Palmerston and, if my memory serves me correctly, it was 17 patrols on duty including City Safe, plus five on a special operation.

**Ms CARNEY:** That was the other night. What is an average for 2007-08 to date?

**Commissioner WHITE:** An average for 2007-08?

**Ms CARNEY:** For 2007-08 for Darwin and Alice Springs.

**Commissioner WHITE:** I stand corrected, but I suggest to you anywhere between 15 and 20.

**Ms CARNEY:** For Darwin, Casuarina and Palmerston?

**Commissioner WHITE:** On those busier nights for Darwin, Casuarina and Palmerston. Sometimes in excess of that.

**Ms CARNEY:** Alice?

**Commissioner WHITE:** For Alice, my knowledge is not as complete as Darwin, so I would rather not speculate. I can obtain that information.

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#### Question on Notice No 3.4

**Mr CHAIRMAN:** Perhaps we could take that question on notice. If that is the case, if you are happy to do that, member for Araluen, if you could repeat the question for *Hansard*.

**Ms CARNEY:** I might just modify it slightly because it is probably going to be easier for us both. How many cars patrol each evening shift in Alice Springs and how many officers are on? Does that make sense?

**Commissioner WHITE:** Again, it varies. I have been there myself and done afternoon shift and there have been up to 14 cars on duty. On other occasions, it is probably half that.

**Ms CARNEY:** Perhaps with your consent, Mr Chairman and Chief Minister, I will ask again in relation to Alice Springs and I will give you some extras which I assume will be on notice.

**Mr CHAIRMAN:** Just to help Hansard keep track of it, we will just restate the question on notice for *Hansard*.

**Ms CARNEY:** How many cars patrol each evening shift in Alice Springs? How many cars patrol the other shifts in Alice Springs? That will do.

**Mr CHAIRMAN:** Okay. Chief Minister, are you happy to take that question on notice.

**Mr HENDERSON:** Happy to take it on notice, but also referencing that it is not going to be specific because it does depend on circumstances, and the answer would be an average.

**Ms CARNEY:** Okay. An average.

**Mr CHAIRMAN:** All right, I allocate that question No 3.4.

**Ms CARNEY:** How many cars patrol all other shifts in Darwin, Casuarina, Palmerston, on average in 2007-08? Do you know that, or would you like to ...

**Commissioner WHITE:** That does, in fact, vary. As I have indicated, on the busy nights sometimes between 15 and 20. I am referring to response patrols, not non-response patrols. Often, you will find other cars on duty, such as an investigation or a crime scene car.

**Ms CARNEY:** Sure. Are you able to give the average or will you ...

**Mr HENDERSON:** He just gave it, I thought.

**Ms CARNEY:** No, he did not. Do you want to give the average? You said it varies. I assume you would be able to give the average of how many cars are on patrol each shift in Darwin, Casuarina, Palmerston for 2007-08.

**Commissioner WHITE:** It does vary from shift to shift. For instance, on a Thursday, Friday or Saturday evening, the numbers are quite high. During those periods where, we generally find, there is less work or less demand on our services, there are not the same number of patrols. However, generally speaking, above 10 at any given time. It would rarely go below 10.

**Ms CARNEY:** It is above 10 on the other shifts?

**Commissioner WHITE:** Yes.

**Ms CARNEY:** An average of 10?

**Commissioner WHITE:** Yes.

**Ms CARNEY:** Above 10, less than 20?

**Commissioner WHITE:** Yes.

**Ms CARNEY:** Right, we are narrowing it down - above 10, less than 15, as an average?

**Commissioner WHITE:** Yes.

**Ms CARNEY:** Thank you. Chief Minister, you announced in April this year that there would be 60 more police recruited as part of the Safer Streets plan. Where and when will those police officers be recruited and on the beat?

**Mr HENDERSON:** Thank you, member for Araluen. Yes, there was a significant announcement in the budget, building on the 246 additional police we have seen since June 2001. Obviously, that is funded across the next two budgets, given the recruitment capacity of the college and, within the numbers the commissioner has stated, looking to recruit an additional 155 officers this year, I believe the commissioner said. Obviously, the 35 in the budget for this year would be part of that. For the specifics of when those officers are likely to be coming online, I will defer to the commissioner.

Whilst officers are looking for the specifics, the additional funding is in the budget for the 2008-09 financial year, and those additional 35 funded in 2008-09 will be recruited and trained within that financial year. It would be appropriate, commissioner, to say that?

**Commissioner WHITE:** Yes.

**Mr HENDERSON:** But, specifically, what squad they graduate from will depend as well on attrition and backfilling against those positions.

**Ms CARNEY:** Okay, let us say 35 in the first year. You would have some idea of where those 35 officers are going to be deployed. Can you tell me where they will be deployed?

**Mr HENDERSON:** Given that that is very specifically an operational issue for the commissioner, it is the commissioner who determines where police are going to be deployed, not the minister, I will defer that reply to the commissioner.

**Commissioner WHITE:** Yes, in 2008-09, 35 police will be deployed to Darwin - to Casuarina and to Darwin itself - and, in 2008-09, to Alice Springs, Katherine and Palmerston.

**Ms CARNEY:** Sorry, are you saying that, in 2008-09, in respect of the 35 officers, they will be deployed Darwin, Casuarina, Alice Springs, and you mentioned one other place.

**Commissioner WHITE:** In 2008-09, to Darwin region, consisting of Casuarina and Darwin stations, and in 2009-10, to Alice Springs, Palmerston and Katherine.

**Ms CARNEY:** Chief Minister, you have been at pains to say that you do not organise where people go. Can you explain to the average Territorian, because I am sure they do not understand, why it is that you issue the media release that says you have announced 60 more police but, in terms of where they go, you say: 'No, that is not my gig, that is the Commissioner's'. Can you explain to an average person how that works?

**Mr HENDERSON:** Very clearly, under the *Police Administration Act*, I cannot direct the Police Commissioner in the running of the police force. There is a provision under the act where I may do so, but under extraordinary, rare circumstances. Since the *Police Administration Act* came into being - I stand to be corrected - but I doubt there has ever been an incident where the minister has directed a Police Commissioner in regard to the running of the police force. I believe the act states that if such a direction were given, that direction has to be tabled in parliament at the next available opportunity. I am precluded from directing the commissioner under the act.

The Police Commissioner deploys his resources across the Northern Territory to enforce the law as he deems is an appropriate police response in regard to issues of law and order in those communities. That is very clear. What we do at budget time is take on board submissions from the Police Commissioner in regards to resourcing, and what his requirements may be in maintaining and improving protection and security for Territorians. One of the issues we confronted and dealt with in this budget was, specifically, more police to the front line in our major urban centres patrolling our streets, our suburbs, being a visible presence and deterrent, working with the community, and responding to crime. That request has been funded within this budget round but, as to the deployment of where those officers are to be deployed, that is an operational issue for the Police Commissioner. I will defer to the commissioner in regard to how he makes those decisions.

**Ms CARNEY:** If I may, in the interests of time and with great respect, I do not need to know how it is that the commissioner makes decisions. My question was to you and you have answered it so, thank you. In relation to your answer, I do not have a copy of the act in front of me but, is it not the case that you can simply put in writing a request to the commissioner to deploy officers in particular locations? Is it not as simple as that?

**Mr HENDERSON:** I believe, Leader of the Opposition ...

**Ms CARNEY:** Thanks.

**Mr HENDERSON:** Member for Araluen - I have such fond memories - yes, there is a provision for me to do that. I stand to be corrected that such a request has never been made. It would be an extraordinary request by a Police minister to do so. I have every confidence in the Police Commissioner to deploy his resources to maintain law and order and improve protection and security of Territorians as he professionally sees fit, as opposed to me as a politician sitting here in Darwin.

**Ms CARNEY:** You as a politician, though, obviously issue lots of media releases. The aim over and above getting a media hook is to let your fellow Territorians know what you are doing. In relation to, let us say, your media release of 14 April this year in which you, amongst other things, announced 60 new police would be delivered by you. I do not remember seeing any small print saying: 'Oh, and by the way, it is not my job to determine where they are'. Do you deliberately mislead people who read those media releases or is it just an inadvertent omission; that you, on the one hand, announce something giving the impression that

it is going to be greeted enthusiastically by those who read your media releases and, then, forget to put in fine print on the bottom you are not going to put them where some people think they should go?

**Mr HENDERSON:** Before getting to the substance of the question, I seek to raise a point of order, and I am sorry to do this to the Chair. We are in committee, but I believe standing orders of parliament still apply. Member for Araluen, if you are to accuse me of deliberately misleading this committee, you can only do so by way of a substantive motion.

**Ms CARNEY:** No, point of order. You have ears - I did not suggest that you mislead the committee. I asked whether it is an intention to deliberately mislead your fellow Territorians by issuing media releases saying that you announce 60 more police but, then, fail to put in fine print on the bottom: 'Oh, and by the way, they are not coming to an area near you'.

**Mr HENDERSON:** Leader of the Opposition ...

**Ms CARNEY:** That is Terry.

**Mr HENDERSON:** ... I suppose I will not get into semantics. I do miss you, member for Araluen.

**Ms CARNEY:** I am touched.

**Mr HENDERSON:** I enjoyed the combat so much more because it was so much more robust and effective.

Member for Araluen, we will not get into semantics because it is getting late. By saying and referring to a media release that I am deliberately misleading Territorians by implication - and that is what we are discussing here. Very clearly in that media release, I believe - and I do not have it in front of me - I did state those resources would be deployed to the front line in Darwin, Palmerston, Casuarina, Katherine and Alice Springs. That was on advice from the Police Commissioner in regard to forming up the Safer Streets initiative, which the government funded in this budget to provide for additional frontline patrols in those centres. That was in the media release, by my memory of it and, therefore, I attest that it is absolutely not misleading at all; it is the truth.

**Ms CARNEY:** In regard to the Safer Streets plan, is there a document? Is there a published document called the Safer Streets Plan, or is it a bit of a moving feast?

**Mr HENDERSON:** No, this is an operational plan by the police, and part of delivering on that plan is the funding of the additional 60 officers to be 24/7 in the front line, increasing patrols in our urban centres across the Northern Territory. The Safer Streets Plan is an operational plan for the Police Commissioner.

**Ms CARNEY:** So, it is not a published document put in people's letterboxes as such?

**Mr HENDERSON:** Look, along with any other operational police plan, that is an operational issue for police and it is not a public document.

**Ms CARNEY:** Okay, thank you. What about some words that have made an appearance in relatively - well, perhaps not so relatively recent - Community Safety Plans? How many are there? Where are they? Is it a document that I can find or are the Community Safety Plans, once again, operational?

**Mr HENDERSON:** My advice from the Police Commissioner is that those Community Safety Plans have been overtaken by Alcohol Management Plans that have been put in place across the Territory.

**Ms CARNEY:** So Community Safety Plans have been replaced by Alcohol Management Plans?

**Mr HENDERSON:** That is the advice from the commissioner. As anyone would understand the nature of policing across the Northern Territory, the cause of so much antisocial behaviour and crime, particularly violent crime in the Northern Territory, is fueled by alcohol. So, an attack on the cause, as well as providing police with the resources to respond, is an evolution of those Community Safety Plans.

**Ms CARNEY:** Okay, thank you. I had some other questions but time is against us. Gangs, let us talk about gangs, Chief Minister. You and your colleagues have said, both in and out of the parliament, that gangs are a problem in some parts of the Northern Territory. We know that gangs are a problem,



particularly in Darwin and Alice Springs. Can you tell us, in the last 12 months, what inroads have been made into reducing their impact in the community?

**Mr HENDERSON:** Certainly, member for Araluen but, obviously, the Police Commissioner can expand on this. Gangs, in their form and substance, have a variety of discrete profiles across the Northern Territory - if we are talking about loose affiliations of kids who come together under banners like the Caz Boyz or more organised established criminal networks across the Territory. My government and the parliament – or my predecessor, but this government - has delivered significant additional legislation requested by police to deal with gang activity across the Northern Territory, and there has been some significant results. I will defer to the commissioner for more discussion on this item.

**Commissioner WHITE:** Thank you, minister. Referring specifically to the *Justice Legislation Amendment (Criminal Group Activities) Act 2006*, under the Justice legislation amendment, from January to May 2008, 73 persons were proceeded against by police ...

**Ms CARNEY:** Sorry, were proceeded against?

**Commissioner WHITE:** Were proceeded against by police under the legislation: three offenders for failing to comply with a loitering notice, five offenders for failing to cease loiter ...

**Ms CARNEY:** Sorry, could you just slow down. Three for failing to comply - and I would be very grateful if you would speak up.

**Commissioner WHITE:** Three offenders for failing to comply with a loitering notice, five offenders for failing to cease loiter, 59 offenders for engaging in violent conduct, and 14 offenders for fighting in a public place.

**Ms CARNEY:** Thank you. So, January to May 2008, the failure to comply with a loitering notice, that is section 47B Loitering in the *Summary Offences Act*? Correct?

**Commissioner WHITE:** I understand that is the case, yes.

**Ms CARNEY:** What about – sorry, we will go back. You said 73 people were proceeded against. What does that mean?

**Commissioner WHITE:** Charged with a combination of offences - arrested or summonsed.

**Ms CARNEY:** Charged. Okay. Convictions?

**Commissioner WHITE:** I do not have that information before me. Arrested or summonsed.

**Ms CARNEY:** So, to you Chief Minister, we have the other figures the commissioner mentioned will be charges made in pursuance of the *Summary Offences Act*. You know how many have been charged, but you do not know how many have been prosecuted. My question was: what inroads have been made into reducing the impact on the community? Lots of people can be arrested and charged. I think my fellow Territorians would want to know how many have been prosecuted, and many of them would want to know how many have been locked up? How many?

**Mr HENDERSON:** Just before deferring to the Police Commissioner, obviously, the member for Araluen would know that this is just an evolving issue, and this type of activity has peaks and troughs. If we are talking about gangs, look at the type of activity at Wadeye, for example, which is pretty notorious for this type of behaviour. The briefing I sought the other day regarding that particular community at the moment, informed me that, as a result of a whole range of measures - not just policing measures, but including policing measures and utilising the anti-gang legislation - the community of Wadeye has been the quietest it has been - and I hope I am not tempting any fate here; so touch wood - for many years. A whole range of measures in that particular community have been very effective - touch wood - in the recent past.

In regard to success or failure, it is a bit of a moving feast, depending what you are targeting. In regard to how many convictions, those would really be issues for the Justice Department to provide that information. However, in an assessment as to how effective the legislation and police activity is across this particular issue, I will defer to the commissioner again.

**Commissioner WHITE:** Thank you, minister. It is not just the criminal activities act that we use to counter the incidences of groups of youths or kids or gangs. There is a whole range of other offences. I refer to an incident at Leanyer earlier this year. The police arrested, I believe, 14 offenders for a range of substantive criminal offences beyond the act I am referring to - offences such as aggravated assault and damage and so on.

We also actively police bail, and do charge a number of people who are breaching their bail. So, from a policing view point, it is a priority for us. We do spend a lot of time monitoring the activity of these groups and making sure they are complying with curfews or bail conditions, in addition to charging substantive breaches of the *Criminal Code* or other legislation.

**Ms CARNEY:** Commissioner, through you, Chief Minister, you gave a total of 154 people who can be described as being proceeded against under the banner of gangs, from January to May 2008. What is significant about that five-month period? I ask because it is a strange snapshot, if you like, one that we do not usually come across in estimates. So, why, and what are the figures in 2007-08 to date - please do not go through them all again - but total of people who have been, to use your words, 'proceeded against', for gang or gang-related activity?

**Commissioner WHITE:** Yes, I hear what you say and I will have to take it on notice. The information prepared for estimates was based on that January to May period. I cannot give you a reason why, but we can provide the information for the whole financial year, but I have to take it on notice.

**Ms CARNEY:** Okay.

**Mr CHAIRMAN:** Can I ask you to restate the question, member for Araluen?

**Ms CARNEY:** In 2007-08 to date, how many people, to use the Police Commissioner's words, were 'proceeded against' in relation to gang or gang-related activity in the Northern Territory?

**Mr CHAIRMAN:** Chief Minister, are you prepared to take that on notice?

**Mr HENDERSON:** Before I respond, I defer to the commissioner, just to explain the difficulties given how this question is phrased.

**Commissioner WHITE:** I would be more than happy to provide it, but it is going to take some time. The reason is, it is quite clear that I can produce information in relation to the criminal activities act within a very short time frame. However, in relation to a broader question about how many people have been proceeded against for gang-related activity, it is going to take some time. For instance, the Leanyer incident involved 14 offenders being arrested for a range of offences, so we are going to have to sit down and work out what we define as a gang incident, and then find out who was arrested or charged as a result. It is going to take some time to do that.

**Ms CARNEY:** I am sorry about that; however, we would like that information. So, before going on, do I assume that question is accepted on notice?

**Mr CHAIRMAN:** No, because I have not had that formally from the Chief Minister. I think that was just a clarification to make sure you were aware that it would take some time.

**Ms CARNEY:** Well, you know, straightforward questions on notice take about 11 months, so I am a patient woman.

**Mr CHAIRMAN:** Chief Minister, subject to what the commissioner has just said, are you prepared to take that question on notice?

**Mr HENDERSON:** Look, I am not, because I am advised by the commissioner, in the way it is phrased - I am not trying to be difficult here, member for Araluen - it would take an extraordinary effort by police, who would have to go back and ascertain, not only under the use of *Justice Legislation Amendment (Group Criminal Activities) Act*, but incidents where groups of people have come together, committed offences. They would have to trawl through those on an individual basis, right across the Northern Territory, and charges that would have been laid under other legislation. It is going to be a manual process that will take a long time.

**Ms CARNEY:** I can give it to you differently, I think.

**Mr HENDERSON:** The commissioner is saying he is quite happy, and it would be fairly simple to provide that information in relation to the *Justice Legislation Amendment (Group Criminal Activities) Act*. We can provide that, but the broader trawl would be an unrealistic and very time and resource-intensive request.

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**Question on Notice No 3.5**

**Ms CARNEY:** How about you take the following question on notice? Can you provide the numbers for people - using the Police Commissioner's words – 'proceeded against' for 2007-08 to date under the *Justice Legislation (Group Criminal Activities) Act* and sections 47B, 47AA and 55A of the *Summary Offences Act*?

**Mr CHAIRMAN:** Chief Minister, are you prepared to take that question on notice?

**Mr HENDERSON:** Thank you for being reasonable, member for Araluen, yes.

**Ms CARNEY:** You sound shocked, Chief Minister.

**Mr HENDERSON:** No, I am not. It is a very reasonable question.

**Mr CHAIRMAN:** For the purposes of *Hansard* I allocate that question No 3.5.

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**Ms CARNEY:** I will tell you why I am interested in this area because, not only in my electorate am I receiving an increasing number of distressing phone calls from constituents in relation to gangs, I know it to be a problem in Darwin and Palmerston. In August 2006, then Attorney-General, Peter Toyne, issued a media release headed 'New laws will shut down gangs'. The first line said:

*A tough new package to deal with gang-related activity will be introduced into Territory parliament today.*

Then on 17 October 2006, the next Attorney-General said in his media release:

*Tough new lines designed to shut down gangs have been passed in Territory parliament today ...*

He went on to say:

*The Justice Legislation (Group Criminal Activities) Bill will be an effective tool to break up gangs, and dramatically reduce their impact on the community.*

That was 2006. The information you, Chief Minister, bring to the Estimates Committee hearing in relation to an issue that is close to being top of mind for many of my constituents - and I am sure is close to being top of mind for many people in the Top End - is that all we have are figures for January to May 2008 of people who were charged; we do not have any information on how many were prosecuted, how many were locked up. The commissioner said they are monitoring the situation, you said it is a moving feast, it is an evolving activity. It continues to move and evolve since 2006. Is it not reasonable for you, as Chief Minister, to have some answers for Territorians as to what inroads are being made to limit the damage the gangs are doing in the community?

**Mr HENDERSON:** Finished?

**Ms CARNEY:** Yes, got an answer?

**Mr HENDERSON:** Yes, I do. I have a comprehensive response. I am not pretending I have a silver bullet that is going to cease all gang activity in the Northern Territory. If I did, it would have been done elsewhere and the types of behaviour you have described are not just an issue for your constituents or people of Darwin and Palmerston; they are issues confronting cities right across Australia. I have discussed this with the commissioner on many occasions. If we are talking about young people getting involved in this type of behaviour it is a concerning evolution of activity not only in Australia but other developed countries around the world. Time does not stand still and I will continue, as Chief Minister and as Police minister, to continue to take advice from police on legislative tools they require.

As I stated earlier, this is not just a response in relation to tougher laws for police and more police to combat this type of behaviour. We have to look at broader issues in society and in the community as to why - if we are talking about juvenile gang activity and antisocial behaviour and crime - kids are behaving in that way. We need to provide the police with the legislation and additional resources they need. That is why my government has also introduced a comprehensive strategy to deal with juvenile offenders which will, for the first time that has been tried in Australia, have a regime of parental agreements and parental orders that will attempt to ensure parents of these juveniles who are out of control across the Northern Territory, are brought into the loop in remedying their offspring's behaviour.

This has not been attempted, in the way that we are trying to do it, anywhere else in Australia. I absolutely stand by the facts that there are a relatively small number of juveniles who are at the core this particular problem, and that their parents, carers, whoever the primary carer is, do not appear to give a damn about what their kids are up to, and it is the police who have to deal with the consequences in regards to the antisocial behaviour and the criminal activity that surrounds these kids.

So, the regime of parental agreements and orders is about to be put in place. The facts are, again, a small number of juveniles have been taking advantage of the *Juvenile Justice Act* and receiving up to eight or 10 goes through juvenile diversion without amending their behaviour. That particular door is going to be closed. Juveniles, after a second go at juvenile diversion, if they commit and are charged with further offences, will face the court. As well, we are establishing and funding, for the first time in the Northern Territory, alternatives and youth camps in the Northern Territory - two in the Top End and one in Central Australia - that are starting to receive kids to some effect.

So, member for Araluen, this is not just an issue that confronts police or that only police and the courts can solve. This is a broader issue affecting our society and our community, and needs a broader policy response, as opposed to a purely law and order response, as important as that is.

We are giving the police the additional tools to do the job. In Casuarina, under the Safer Streets program, we are also going to have a general duties Youth Crime Unit that will see an additional 12 officers focused on that. This is an evolving body of work. However, we are not Robinson Crusoe here in the Northern Territory with problems of this type of behaviour, and it is not just a one-shot-in-the-locker approach to it in regard to additional police resources, although those resources are also being provided.

**Ms CARNEY:** Finished?

**Mr HENDERSON:** I have. Comprehensively.

**Ms CARNEY:** Well, not quite.

**Mr HENDERSON:** Not quite?

**Ms CARNEY:** Clichés are one thing, but detail is another, Chief Minister. It follows, does it not, that when the government – you were not the boss then but you had your evil way and then you became the boss – the government ...

**Mr HENDERSON:** I beg your pardon?

**Ms CARNEY:** The government – I withdraw that.

**Mr HENDERSON:** Thank you.

**Ms CARNEY:** The government, of which you were a senior member - in fact, minister for Police at the time - issued media releases with headings 'New laws will shut down gangs'. Another one, talking up the virtues of the legislation, that is, anti-gang legislation, said: 'The government is committed to reducing gang activity across the Northern Territory'.

**Mr HENDERSON:** Yes.

**Ms CARNEY:** Does it not follow that what is in the media releases just cannot be believed because you do not actually have the numbers to indicate whether you have succeeded or not? Putting to one side spin, you come before this Estimates Committee knowing what an important issue gangs in the Territory is with so little information. I have to ask you how serious you are about monitoring the very legislation that your government so seriously introduced to the parliament in 2006.

**Mr HENDERSON:** Thank you, member for Araluen. I do take this issue very seriously. We monitor this all the time and that is why we are continuing to build on the policy response, the policing response, the funding response, to this issue that is of concern to so many Territorians. Time does not stand still and there is no silver bullet that is going to eliminate this problem from the Northern Territory because, if there was a silver bullet, it would have been used in other jurisdictions in other parts of Australia, and in other developed countries, and we would have implemented it here in the Northern Territory.

This is a problem that will continue to require a comprehensive policy response across agencies of government and, very importantly, involving our community. Quite tragically, this type of behaviour is not in isolation, only occurring in the northern suburbs of Darwin, Palmerston and Alice Springs, and does not occur in other cities or towns of similar size across Australia. All similar sized towns and cities across Australia have similar issues.

We continue to monitor this issue and continue to attempt to deal with it on a policy basis across a number of fronts, rather than just as a policing issue because, at the end of the day, the police are at the receiving end of this type of behaviour. If we can influence the causative factors through strategies I have just spoken about, then we hope to see a reduction of that type of behaviour.

Even though the regime of parental orders has not been tried anywhere else in Australia before, I am very much seeking information from the commissioner on a regular basis when I meet with him, about how the police are going to be using the powers they have to approach the courts for parental responsibility orders, because police are at the front line and they know who these dysfunctional families are. The advice from the commissioner is that they very much are going to be using that legislation as soon as it is available. Maybe, commissioner, you might want to embellish on that.

**Ms CARNEY:** If I may, in the interest of time, your answer was really very long and answered the question. With respect, I do not need another person to say similar things.

**Mr HENDERSON:** I thought you might not understand how the police were going to make use of it.

**Ms CARNEY:** No, my question is to you because you are the Chief Minister and the Police minister. Despite your long answer – and you referred to government continuing to build on policy. What do you know you need to build on, if you do not know how you are going in respect of what you built two years ago?

**Mr HENDERSON:** Okay. In responding to that, I will defer to the commissioner because it is the Police Commissioner who advises me on legislation. As I said, there is a small, hard-core group of juvenile offenders at the heart of this problem across the Northern Territory. In regard to how we are going to ensure this legislation is built upon and is utilised to effect, I will hand over to the commissioner in how he is going to utilise this legislation he has advised me is required for the police to curtail, if not eliminate, the activities of the hard core who are at the heart of it.

**Ms CARNEY:** But my question is to you. With the greatest of respect, I do not need the commissioner to answer this question. We certainly need the commissioner to answer a whole lot of other questions, but you have answered – albeit, not well in my view ...

**Mr HENDERSON:** In your view.

**Ms CARNEY:** Yes, in my view. I have a different view from you. My view is, you come to this Estimates Committee hearing without information you would reasonably expect the opposition to ...

**Mr HENDERSON:** In your view.

**Ms CARNEY:** Come on! You would reasonably expect us to be asking questions about gangs.

**Mr HENDERSON:** In your view.

**Ms CARNEY:** Hang on. It is disappointing you do not have that information.

**Mr HENDERSON:** In your view.

**Ms CARNEY:** I guess you do not think the average Territorian would think it is disappointing that you, as Chief Minister and Police minister, have no idea how well your anti-gang legislation has been working? You do not think the average ...

**Mr HENDERSON:** I have given ...

**Ms CARNEY:** ... punter might be a bit disappointed to know you do not have any idea? You are joking!

**Mr HENDERSON:** I totally refute that. We have just spent the last 15 minutes talking about the impact of the legislation across the Northern Territory and how we are building on that legislation in other areas because it is not just an issue of policing. Unless you have not listened to my response over the last 15 minutes, I have a very clear and comprehensive understanding of the issue in the Northern Territory, the impacts on Territorians, the impacts on legislation to date in dealing with that, and also building on that to provide other means of dealing with the causes and the consequences of that behaviour. So, I have a perfectly clear understanding of the issue, what we have done, what we continue to build on, and the effects of the measures that we have put in place already.

**Ms CARNEY:** All right, well, we will have to agree to disagree on that one. The committee, as a result, does not have data, and it would appear you do not either, on its success.

**Mr HENDERSON:** The commissioner gave you data.

**Ms CARNEY:** Hang on. We have data for five months. That is the best you can do? I do not think that is good enough.

**Mr HENDERSON:** No, we were asked the question ...

**Ms CARNEY:** You have data for five months.

**Mr HENDERSON:** We will provide you the information over a longer period, and you will get that information. We are not trying to hide it.

**Ms CARNEY:** Yes, by Christmas next year, no doubt it will arrive in the post, thanks.

Let us move on. Let us move to - so many questions, so little time - crime statistics. Are all reports of crime included in the crime statistics?

**Mr HENDERSON:** I will defer to the commission for this in how the police report crime.

**Commissioner WHITE:** Yes, they are. In fact, I suggest that the Northern Territory has probably one of the most failsafe methods for recording and reporting in relation to crime. I say that because of the PROMIS system. All reports of crime are entered onto PROMIS, and that is integrated with the IJIS system. So, I can state that all offences are recorded and reported.

**Ms CARNEY:** Thank you. Why cannot I get the rate of domestic violence incidents, then, from the crime statistics?

**Mr HENDERSON:** Commissioner.

**Commissioner WHITE:** On the basis that I report annually on reported crime. The end report contains quite a bit of information, but it is offence-based as opposed to incident-based. Therefore, it is not always readily clear the number of offences which are related to domestic violence, although, in my last annual report we did indicate the percentage of offences against the person that were domestic violence related. Essentially, it gets down to our practice to report on an offence-based nature. There are other ways to report. One of them is by incident, but we have, for some time, reported against offences as opposed to incidents, and that is consistent nationally.

**Ms CARNEY:** Through you, Chief Minister, my question was: are all reports of crime included in the crime statistics? The answer was yes.

My second question was: why cannot I get domestic violence rates from the crime statistics? The answer, was, 'I think they are in the annual report'. Correct?

**Commissioner WHITE:** Correct.

**Ms CARNEY:** So, in fact, it is not the case that domestic violence offences are contained in the crime statistics. Correct?

**Mr HENDERSON:** Leader of the Opposition ...

**Ms CARNEY:** You have done it again! I am touched.

**Mr HENDERSON:** It is getting late – you should be drawing the salary, actually.

Are you referring to, in regard to crime statistics, the Office of Crime Prevention quarterly statistics, or are you referring to the statistics in the commissioner's annual report?

**Ms CARNEY:** The quarterly crime statistics - and I think you both know that, with great respect.

**Mr HENDERSON:** The advice from the commissioner is that the commissioner has nothing to do with how these statistics are compiled and reported. They are compiled and reported through the Justice Department. The Police Commissioner is accountable for the statistics that he provides in his annual report. He has no part in the production of those quarterly statistics.

**Ms CARNEY:** That was not my question. In any event, page 1 of each quarterly crime and justice statistics publication says under the heading 'Data sources':

*The data used in sections describing offences recorded by the NT police was extracted from Police Real-time On-line Management Information System. This is an operational system run by Police that contains data relating to incidents and offences recorded by the Police.*

So, while the commissioner does not sit there typing information in, very clearly, the crime and justice statistics are based on police information. Correct?

**Mr HENDERSON:** Absolutely

**Ms CARNEY:** Thank you. Why is it, then, that I cannot get - nor can anyone else - domestic violence offences or incidents from the crime stats; noting that the commissioner's answer was: 'Yes, all crimes are recorded in the crime stats'. What am I missing?

**Mr HENDERSON:** Leader of the Opposition, I know it looks like we are going around the houses on this, but the Police Commissioner and my department can only talk with accuracy on the figures that the Police Commissioner is responsible for producing, and his annual report. Although the Office of Crime Prevention derives quarterly statistics from data from the PROMIS system; how those statistics are reported and the various categories reported are not the responsibility of the commissioner. However, the commissioner does have comprehensive data that was reported for the first time in his last annual report and ongoing, that we have discussed up hill and down dale over the last four or five Question Times on information the Police Commissioner has provided me in regard to domestic violence. For a response to your question, I will hand over to the commissioner who can talk about those statistics.

**Ms CARNEY:** Well, I think you have given the answer because ...

**Mr HENDERSON:** Do you want to hear what the answer is in regards to the percentage for DV because the commissioner has that information?

**Ms CARNEY:** Well, can I do it like this? Chief Minister, you said in parliament on the 29 April that regarding assaults from 1 October to 30 March 2007 and how they related to domestic and family violence, there were 2679 assault offences recorded; of that figure 52% were attributed to domestic and family violence. Is that the figure you were going to read out?

**Mr HENDERSON:** Just before deferring to the commissioner, before every session of parliament I receive briefings on those issues, and that was the information supplied to me by the commissioner for parliament.

**Ms CARNEY:** So, this is pretty much what you were saying. Those figures are contained in your police report, is that correct?

**Mr HENDERSON:** The figures you quoted, for whatever the time period was, in the annual report are annual figures. Therefore, they would be over a different time period and the percentage will probably change as a result of that.

**Ms CARNEY:** Time is against me, but can you answer this: how do you calculate that, in relation to the figures the Chief Minister most recently quoted in the parliament, 52% of those assaults were attributed to domestic and family violence? How do you record that?

**Mr HENDERSON:** Commissioner.

**Commissioner WHITE:** Yes, it is at the discretion of the attending police who assess the situation as one of domestic violence within the framework of their training, the legislation, and our policy and procedure. Quite often, those substantive criminal offences are accompanied by applications by the police for domestic violence orders and, then, a rigorous policing of domestic violence orders themselves to again charge people with breaching domestic violence orders.

Domestic violence and family violence is a priority for the police force, and we have put a lot of time and energy into making sure that any instance of reported domestic violence is dealt with properly, so as to provide the best protection to victims, who are predominantly women. I predicted, when we commenced our Violent Crime Reduction Strategy, that we would see an increase in reports of domestic violence and substantive criminal offences. That has turned out to be the case. As the commissioner, I argue that we are not seeing, necessarily, an increase in offensive assault; we are seeing a greater preparedness of victims, particularly women, to present to the police and for us to deal with their circumstances. So, I would say, as the commissioner, that whilst we abhor every single act of violence against a woman, it can be seen as a positive news story because more women are now confident in reporting to police their plight and their circumstance.

I believe I can confidently say, as the commissioner, we have pulled out all stops to ensure we afford better protection to women in the Territory than the police force has ever done before. We have doubled our capacity ...

**Ms CARNEY:** Thank you. Is it not the case that - please correct me if I am wrong because I looked at this some time ago - in fact, in relation to domestic violence, the only figures you record in your annual reports are breaches of domestic violence orders?

**Mr HENDERSON:** Commissioner.

**Commissioner WHITE:** Thank you, minister.

**Ms CARNEY:** I have a report here, but if you could point me to where the figures are for domestic violence offences and incidents, I would be very grateful.

**Commissioner WHITE:** I do not believe I can. What I can say is, on page 119, we do make reference to the percentage of offences against the person which are domestic violence-related, but we do not report on the number of applications for domestic violence orders taken out by the police, nor the number of breaches that we prosecute.

**Ms CARNEY:** Time, unfortunately, does not permit us to go into this, but I am - and have been for some years and I am not the only one - very troubled about how government - and government should really turn its mind to this because the last government was not very good at it, and with respect, your government is not very good at it. How can any government come up with meaningful policy solutions and ideas to tackle domestic violence if you do not have the data? You must have that data. It is not included in the quarterly crime statistics. I think it should be. I think I make that point at every estimates. I am glad the Chief Minister, every sittings of parliament, can get up and give us some figures, but I cannot get those figures, nor can those who work in this area. So, somewhat unusually, I implore you to put some intellectual grunt into this issue because, I suspect, every estimates I am going to be down this track again. I believe the women of the Territory are poorly served by not having those who can, collect the right data.

**Commissioner WHITE:** I can say that I know my men and women work very hard at applying the Violent Crime Reduction Strategy to make this place a safer place for women, in particular, and we will continue to do so. I do get concerned about debates on the statistics when what we are trying to do is make the Territory safer. I have said that I can confidently state - and perhaps I need to provide more



information about domestic violence - that the traction of our Violent Crime Reduction Strategy has seen, and is directly attributable to the increase in, you call it, assaults.

**Ms CARNEY:** Again, with respect, the art of the instinctive sciences is a good one, but you do not have any data?

**Commissioner WHITE:** I do have information.

**Ms CARNEY:** That is your considered view. You are a professional and you are a commissioner, and you know, that is interesting, but ...

**Commissioner WHITE:** I have information. Perhaps I need to take notice of what you are saying and provide more information in my annual report.

**Ms CARNEY:** Thank you. Regrettably, the rest of the questions I have spent so much time preparing, are not going to be asked. I now need to turn to some generic questions. I think I have timed it reasonably well but, of course, the member for Nelson might have some questions, and this is just one output area, is it not?

**Mr CHAIRMAN:** Yes. We have another four output areas to go. Member for Nelson.

**Mr WOOD:** Just a couple, Mr Chairman. Chief Minister, on the domestic violence, I am wondering whether you have the statistics for male versus female in relation to charges being brought against the person in relation to domestic violence? Do you have that? Either a percentage or a number?

**Mr HENDERSON:** Commissioner White?

**Commissioner WHITE:** Thank you. I would like to take your question on notice. We have done a lot of work in preparing for estimates. We have a lot of information. I can provide a lot of information, but I cannot tell you the number of male offenders arrested and charged year to date for 2007-08.

**Mr WOOD:** Can I put that on notice? Would that be okay?

**Commissioner WHITE:** We can do it. I can tell you that it is, overwhelmingly, sadly, an indigenous problem.

**Mr HENDERSON:** He still wants to put that on notice.

**Mr WOOD:** Can I put that on notice?

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### Question on Notice No 3.6

**Mr CHAIRMAN:** If you could repeat the question, member for Nelson.

**Mr WOOD:** Chief Minister, could you provide the figures which show the break-up of victims of domestic violence from a gender basis, male and female? Perhaps you could break that up also into indigenous and non-indigenous people.

**Mr CHAIRMAN:** Chief Minister, are you prepared to take that on notice?

**Mr HENDERSON:** Yes. Yes, I am. I concur because, obviously, I have worked through this with the commissioner. Unfortunately, that will tell a very sorry tale that, predominantly and totally disproportionately, it is a very significant problem in our indigenous community.

**Mr CHAIRMAN:** For the purposes of *Hansard*, I allocate that question No 3.6.

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**Mr WOOD:** Quickly, minister, the Humpty Doo Police and Fire Station. I think there was expected to be a review of how that station was operating. Has there been a review of the working of that station?

**Mr HENDERSON:** I will refer that to the commissioner – it is not so new any more - about the fantastic facility out at Humpty Doo.

**Commissioner WHITE:** Thank you, minister. No review as such, although I can say that the Humpty Doo police conduct regular patrols of the district in conjunction with Palmerston police. From our point of view, it has been particularly successful because they have a rural focus and work day and afternoon shifts - not every day and every evening, but they do work day and afternoon shifts - and are doing a good job.

**Mr WOOD:** Along with the fire brigade. We had better give them a mention tonight.

**Mr HENDERSON:** Yes. And the fires.

**Mr WOOD:** Another question, Chief Minister, in relation to, I suppose, crime prevention. Besides early intervention programs, do we have other proactive programs? I will give you a couple of examples because they are in the annual report. One was Constable Bill Foster and Matthew McKinlay did some work with youth cleaning up graffiti in Humpty Doo. There are youth forums being run by Senior Sergeant Pauline Polychrone. There is also that sports trailer that used to go down to Beswick which a couple of police used to operate as well. Is there an emphasis on trying to use police in a manner which is not about arresting people or normal work that police do, but getting in early to try to, I suppose, allow youth to feel confident with police and see police as a normal part of their community that they can relate to?

**Mr HENDERSON:** I will hand this one to the commissioner because they do a magnificent job as community-based police right across the Territory. Commissioner, I am sure you have a couple of examples ready to mind?

**Commissioner WHITE:** Thank you, minister. I can say that, to try to keep it as succinct as I can, the police force is divided in relation to a number of functions, primarily frontline general duties response and investigation. However, amongst that there is a general approach that can be community-based policing, whether it is attending meetings with councils, groups, Neighbourhood Watch, school-based policing, or Blue Light discos.

In fact, I am intensely proud of all of my police officers attached, particularly to the rural and remote areas, for the work that they do in building capacity with young people, not just enforcing the law. I have heard numerous stories about the work, for instance, at the stations that have been put in place since the intervention, where police engage in Blue Light discos, barbecues, umpire football matches, play in football matches, coach football teams, drive the school bus, knock on doors, make sure young children are ready to go to school, take them to school and, in some cases, ask parents why their kids are not at school. They are doing an enormous amount of work. It is very reassuring to visit some of these stations to see the bond between the police and the community, and it is second to none.

**Mr WOOD:** Through the Chair, is that something the department positively encourages their police to do?

**Commissioner WHITE:** My word.

**Mr WOOD:** Just one last question in relation to this. We have a Police and Citizens Youth Club. It came from, I suppose, the old Police Boys Club that used to be in this area here. I am just wondering whether we need something like the Police Boys Club. I am not saying the Police Boys Club, something that was meant to allow those kids on the street to be attracted to a place where they could learn some skills. For example, there used to be boxing.

**Mr HENDERSON:** Are you saying you want the boxing ring back?

**Mr WOOD:** I have nothing against boxing – if boxing is done properly as amateur boxing.

**Mr HENDERSON:** I agree, but there was a story about where that ring went to.

**Mr WOOD:** I do not know, but amateur boxing, if run correctly, is a great sport. I do not think it is dangerous if run properly, but it is good for kids. Do you think the existing Police and Citizens Youth Club has, perhaps, lost that focus and become a place for those who can afford to go there, because it does judo and gymnastics. They are fine sports but, perhaps, we have lost the focus that the Police Boys Club used to have. Is there a possibility of something like that coming back into the northern suburbs or Palmerston, for instance?

**Commissioner WHITE:** There is an element of truth to what you are saying, but none of this is straightforward. It takes time and energy, and a commitment by a range of people. It is also a whole-of-community issue, not just a policing issue. However, we do the best with the resources we have. We would endorse any strategy that is based on building protective behaviours.

**Mr HENDERSON:** To follow up on that, it is something you have raised, and I have thought along similar lines, so let me take that away. I believe something is needed for those kids who are on the fringes, and I agree that, although boxing is not for everyone, but if it is done in a controlled and a professional way for some of those young boys, it has been very beneficial to many kids. I believe we have lost a bit of that, and I will take it on board to see if we can find a way to resurrect that aspect - whether it is with police or some other people, I just have some thoughts going through my head.

The commissioner would like to add something.

**Commissioner WHITE:** Just one more thing, if I may. I point out that the Northern Territory Police case manages a number of programs for youth, principally under diversion. However, a few years ago, we took the step of incorporating into those programs, not just kids who had offended, but kids who are at risk of offending, and they are Territory-wide.

**Mr WOOD:** I got brought up with boys clubs – trampolining, boxing, table tennis, all those sorts of things. I know YMCA do some good work, but it would be good if the police revisited that as well. Thank you, Mr Chairman.

**Mr CHAIRMAN:** If there are no further questions on that output, that concludes consideration of Output Group 1.0.

**OUTPUT GROUP 2.0 – GENERAL POLICING, CRIME DETECTION,  
INVESTIGATION AND PROSECUTION  
Output 2.1 – Response and Recovery Services**

**Mr CHAIRMAN:** The committee will now proceed with Output Group 2.0, General Policing, Crime Detection, Investigation and Prosecution, Output 2.1, Response and Recovery Services. Are there any questions?

**Ms CARNEY:** I do, Mr Chairman, but, in the interests of time, to some extent it is academic - hang on.

**Mr CHAIRMAN:** For the purposes of planning, I will be going until five past on the clock on the wall over there to account for ...

**Ms CARNEY:** Do you have any questions on this, Gerry?

**Mr WOOD:** Yes, I have questions based on one aspect.

**Ms CARNEY:** That is response and recovery?

**Mr WOOD:** Yes, and you probably could answer it fairly quickly, maybe on notice. It is in relation to the Joint Emergency Services communications. I am interested to know how many people actually work in the Joint Emergency Services communications? What hours do they normally work a shift? What breaks do they have? What assistance do they get in relation to dealing with traumatic calls? The last one: on busy nights, Friday or Saturday for instance, are there sufficient numbers to handle a large number of calls?

**Mr HENDERSON:** I will defer to the commissioner.

**Commissioner WHITE:** In answer to your first question, there are 58 staff attached to the Joint Emergency Services Communications Centre. My understanding is they are currently working a 12-hour shift, although we have sickness. We want to review that.

They undertake a reasonably extensive training program on recruitment. They are supervised at a number of levels, whether it is the Call Centre Supervisor, the JESCC Supervisor or the Senior Sergeant Watch Commander. I also add that we recently undertook a review of the Joint Emergency Services Communications Centre and we are in the process of implementing all of the recommendations of that report which goes to a number of operational practices and training, as well.

**Mr WOOD:** Chief Minister, I was going to ask whether I could come and stay one evening to see what the auxiliaries do on that night. Would that be possible at all or, if it is not appropriate at the moment, as you are reviewing the manner in which this section of the Police Force is changing, would it be better that I ask after you have put in the changes? Could I go one evening to stay with the people who work in this area and see what they actually have to do, for my own education?

**Mr HENDERSON:** If you put that in writing officially to me, I will forward it to the commissioner. I am advised that it should not be a problem. Time will be an issue but, if you can put a formal request to me in writing as minister, we will do what we can to try to make it happen.

**Mr WOOD:** Just quickly, is that at the Berrimah Police?

**Mr HENDERSON:** Yes.

**Mr WOOD:** That is in my own electorate.

**Mr HENDERSON:** You will see the great job that those specialists do there.

**Mr WOOD:** Thank you, those are all my questions.

**Mr CHAIRMAN:** Okay, Member for Araluen.

**Ms CARNEY:** We are not going to - sorry, you have questions on the other output areas?

**Mr WOOD:** Only Output 3. Oh well, I have it on Output 3 and 4.

**Ms CARNEY:** In that case I will press on, because we are not going to get to the generics.

In terms of Output 2.1 Response and Recovery Services, I wanted to ask, Chief Minister, about the ongoing difficulties with the communications system in Alice Springs. It has been going for a while. In February 2007, minister Burns, Police minister at the time, said he was aware of problems, indicated that they are fixed. I think April 2007, there were further indications things were going to be fixed.

You would be aware, I think, of a story - because, I assume you read from cover to cover the *Centralian Advocate*, just like I do - a couple of weeks ago about the owner of a security company who had to wait 109 minutes as he was on hold to the police station. His name was Skimbo Turnbull - *Centralian Advocate* story 30 May. The 109-minute phone call cost him \$50.61, but he was more interested in why he could not get through on the number 131444. We then find out that there is, in fact, an external review going on.

So, can you, once and for all, tell us what is happening with the communications system at the Alice Springs Police Station?

**Mr HENDERSON:** Police Commissioner.

**Commissioner WHITE:** We have put a lot of work into improving customer service, if I can call it, at that call centre at Alice Springs. We introduced new computerised technology. It is the same computer technology as Darwin. We introduced the 131444 number. We then introduced call data information so we could see just what was happening by minute of the day and the type of calls that were being missed.

I accept that a lot more work needs to be done; so much so that we arranged for the same person who reviewed JESCC in Darwin to review the call centre in Alice Springs. I am currently awaiting that report and I will act upon it as soon as I receive it.

One of the difficulties we experienced is attracting people from Alice Springs to take employment as an auxiliary at Alice Springs. Time and again, despite our advertisements, we fail to obtain sufficient numbers of people willing to take on that job which, in turn, means we have to put frontline police into the call centre to fill the void that we are having to carry because we cannot recruit people in Alice Springs as call takers ...

**Ms CARNEY:** Just to stop you there for a moment, you are saying, essentially, it is a recruitment problem? That it has nothing to do with the communication system?

**Commissioner WHITE:** It is largely a recruitment problem, and it is a matter of training these people. Unfortunately, you cannot become a call take expert overnight. There is degree of training involved in

dealing with people who are traumatised and ringing urgently, and it does take time to train and become practiced at what you are doing. We have had a good deal of difficulty hiring sufficient numbers from Alice Springs. I know that the Alice Springs police have indicated they have thought about shifting the whole practice to Darwin, which I do not want to do because I do not want to take jobs from Alice Springs. However, if we do not get people to put their hand up and take on employment in Alice Springs, our hands are going to be tied on this. It is a genuine issue for us. We just do not seem to be able to get the people to put their hand up now, for whatever reason. I do not know what it is. I would have thought it would be quite a good job, an interesting job, but we are just not getting the people to apply for it.

**Ms CARNEY:** If it is, essentially, a recruitment problem, why is a Superintendent Colin Cornish from Adelaide engaged to finish an external review of the stations communication hub?

**Commissioner WHITE:** Superintendent Colin Cornish is probably the most distinguished ...

**Ms CARNEY:** Employment expert?

**Commissioner WHITE:** Call him an expert. ... in Australia on communications centres, including issues to do with police or civilian employment. I expect his report will look at policy and procedure, training and equipment and, hopefully, will provide a better way forward.

**Ms CARNEY:** So, when the former, former Police minister told parliament in April and February last year of the problems, and assured people that things would be fixed, was he genuinely mistaken?

**Commissioner WHITE:** Yes, he was. I believe that would be the case, too. As I said, we spent hundreds of thousands of dollars on new computer equipment, call recording technology, expecting that this would, in part, solve the problem, but it has not. It is a combination of things. One of the most predominant things is the recruitment factor, but it is a whole range of things.

**Ms CARNEY:** But it is the communication system itself?

**Commissioner WHITE:** No, not necessarily, because it is used here in Darwin to good effect. You do not become an expert overnight. It takes time and practice to become used to using the system taking calls, and being able to handle those things. If you have an attrition rate or you have people who do not want to take on that employment, and police coming off the road to have to do that because we cannot get the staff to do it then, obviously, things begin to break down.

**Mr CHAIRMAN:** I am going to have to break in. We are ...

**Ms CARNEY:** One finishing question, if I may, and it is needs its finishing ...

**Mr HENDERSON:** I am in such a good mood – one last question.

**Ms CARNEY:** The reason I need to be clear is because I need to tell constituents when they ring. Do I tell them that it is a combination of communication system and recruitment, or do I tell them that there are not enough people to answer the phones?

**Commissioner WHITE:** I would like you to say we have put a lot of time and energy into providing a much better customer service for Alice Springs residents - believe me - through dollar cost and training. It is a combination of factors, as I have recited tonight. However, one of the things - and this I would really like to get across to Alice Springs residents - is, please, apply to become an auxiliary, to help us out. Undergo the training and, over time, we will have a much better system in place.

**Mr CHAIRMAN:** Thank you, commissioner. On behalf of the committee, I thank all officers from Police, Fire and Emergency Services who have attended tonight and provided advice to the Chief Minister this evening. Also, thank you, Chief Minister for your time today.

**Ms CARNEY:** And enjoy your party tomorrow. I am sorry we did not get to you, I am so sorry.

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The committee suspended.

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