

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

Mr CHAIRMAN: Good morning, everyone. As Chairman of the Estimates Committee, I formally declare open this meeting of the Estimates Committee of the Legislative Assembly of the Northern Territory on this Tuesday, 20 June 2006. I extend a welcome to everybody present.

While this is the fifth sitting of the Estimates Committee and the procedures adopted throughout the sittings have been accepted practice, there are a number of areas regarding the conduct of the public hearing which I shall place on record.

I table a copy of the resolution of the Legislative Assembly dated 13 June 2006 which refers this committee to the schedule of the Appropriation Bill 2006-07 and related budget documents. The role of the committee is now to examine and report on the estimates and proposed expenditure contained in that bill.

As in previous years, members of the Public Accounts Committee are considered to be members of the Estimates Committee. The exception is that other members of the Assembly may take part 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. I would also like to report that at the first meeting of the Estimates Committee, the member for Goyder, Mr Ted Warren, will stand as Deputy Chairman of the committee in accordance with paragraph 8 of the Terms of Reference.

I also advise that representatives of the media are present and are able to record and rebroadcast the proceedings of this hearing, having obtained written permission from the Speaker in accordance with paragraph 59 of the Terms of Reference.

In accordance with the resolution of the Assembly, particulars of proposed expenditure contained in the Appropriation Bill 2006-07 will be considered on an output group by output group, followed by an output by output basis. In accordance with the resolution of the Estimates Committee, the order of questioning is as per the schedule of ministers' appearance which has been published to members. Over the next three days, the public hearings will work through this document as the agenda for the committee.

It should be noted that under the current Administrative Arrangements there are nine ministers. To accommodate the questioning of the nine ministers, it has been necessary to increase the estimates hearing process to include an additional period of four-and-a-half hours on Friday, 23 July 2006. There is now a total of 45 hours which have been scheduled for ministers and departmental officers to appear before this committee over the coming week. It should also be noted that to allow questions to be addressed to ministers who have principal administrative responsibility for particular portfolio areas, it has been necessary to set out the schedule so that it varies somewhat from the schedule for the Appropriation Bill 2006-07, and list 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, and 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 the output group has been completed, it will not be revisited.

I propose to allow 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 those are contained in the *Estimates Committee Information Manual 2006*, copies of which are available at the back of the room.

I take this opportunity of reinforcing the importance of the process I will be adopting when a question is taken on notice. When a minister or the Speaker indicates that they are unable to answer a particular 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. This process will also assist Hansard and the committee secretariat staff when they come to processing the formal questions 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.

It is proposed that there will only be a half hour for meal breaks over the period of the public hearing. We will be breaking between 1300 to 1330 for lunch and 1800 to 1830 for dinner during these public hearings.

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

For the purposes of the efficient recording of the *Hansard*, I request that ministers introduce those officials who are accompanying them at these hearings and that, where a minister may refer a question to an officer, the officers clearly identify themselves at that time for the *Hansard* record.

I also take this opportunity to thank staff from the Legislative Assembly and the committee secretariat staff who have 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.

SPEAKER'S PORTFOLIO

Mr CHAIRMAN: The committee will now proceed with consideration of the estimates of proposed expenditure for the Department of the Legislative Assembly in accordance with the schedule. I welcome the Chief Minister; I note that you are appearing on behalf of Madam Speaker. Chief Minister, I invite you to introduce the officials accompanying you. In relation to the proposed expenditure contained within the Appropriation Bill 2006-07, do you have an opening statement from the Speaker that you will be able to deliver as it relates to the Department of the Legislative Assembly?

Ms MARTIN: Yes, thank you, Mr Chairman. As you said, Speaker Jane Aagaard has asked me to read the following statement on her behalf, and regrets that she is unable to attend today's hearing, as we know that she is undergoing treatment for breast cancer. My role in standing in for the Speaker is purely an administrative one to accept or decline questions on behalf of the Speaker, but not to answer them. Departmental staff will respond after a question has been accepted by me. Questions that are considered only the Speaker can answer will be taken on notice. I would like to read this statement which has been prepared by the Speaker; and it is written in the first person, so bear with me.

Firstly, I, the Speaker, am pleased to report that this fiscal year, the department will operate within its financial allocation, and has achieved its primary objective of supporting the Assembly, its committees and its members. I further advise that the fourth edition of the department's portfolio budget statement was tabled in the Assembly last Thursday; the PBS supplements, the information in Budget No 3, providing greater details down to sub-output levels.

As you would be aware, about 53% of the department's budget of \$20m is managed as non-discretionary expenditure under the provisions of the Remuneration Tribunal Determination, leaving the balance to manage the department, the staff and the Parliament House building. As such, the real budget is relatively small.

The major variations between the original 2005-06 estimate and the revised 2005-06 estimate include \$180 000 to restore the efficiency dividend to allow the agency to cover RTD entitlements; \$178 000 to cover new and changed entitlements associated with RTD 1 of 2005; \$150 000 to cover the costs of trialling in-house catering services; and \$128 000 increase in non-cash repairs and maintenance.

Since taking office as the Speaker, I have focused the department on two particular areas. Firstly, I sought to increase the transference of the administration of member entitlements under the RTD and, where appropriate, improve the availability of information to individual members of where and how their individual allocations are managed. By way of example, the tabling of details of members' travel is now mandated by the tribunal. This document, which is tabled in the first sittings of the Assembly

each year, is fully edited and tested against members' entitlements. To facilitate the processing of travel information, the members' entitlements travel system, or METS, has been significantly upgraded so that reports are now available at any time to members. METS will continue to be upgraded as changes occur to the RDT from time to time. This will also ensure greater transparency to the public in regard to the purpose of travel that members undertake on parliamentary business.

Similarly, improved systems are now well established for the management of electorate offices and, in particular, fit-outs and refurbishments, where the member is consulted during the process to ensure transparency of costs.

My second point relates to the increased effort and success in promoting the Assembly and its operation. You may be aware that the Electoral Act requires the Legislative Assembly, together with the Northern Territory Electoral Commission, to provide an educational role in relation to parliamentary democracy. In an effort to fulfil this obligation, I sought to make this a feature of the department's operation in an attempt to improve public knowledge in this area. I believe it is extremely important for people to visit their parliament and feel welcome and, more importantly, to see and understand their system of government and parliament in action.

During 2005-06, there was a significant increase in visitors to Parliament House, with the introduction of a weekday public tour during the Dry Season. The public and self-guided tour numbers increased from 2800 in 2004-05 to approximately 4500 in 2005-06. Invitations were extended to various local community groups to attend Question Time, followed by afternoon tea hosted by myself as Speaker. These groups included senior Territorians, Defence personnel, small business groups, local ethnic groups, interstate visitors and NT public sector employees. Approximately 780 people attended these sessions from the August 2005 sittings to the end of May 2006 sittings, which were very well received, and I plan to continue.

We have also placed a strong emphasis on students, realising the importance of young people understanding their democratic system of government. In this respect, we have further developed our education and outreach program. A notable achievement was the conduct of outreach programs in remote and regional communities. The Parliamentary Liaison and Information Unit conducted presentation and role plays in Nhulunbuy schools, Shepherdson CEC and Yirrkala CEC. I personally had great delight in participating in that program. In addition, we visited schools at Pine Creek, Mataranka, Newcastle Waters, Neutral Junction and Ntaria for the first time as part of our annual road show. It is our intention to increase the number of outreach programs and school visits in 2006-07.

After discussions with the Queensland Parliamentary Speaker earlier this year, we are developing a joint venture with the Queensland parliament to continue this program, with a Youth Parliament likely to be held in Mt Isa during 2006-07. Planning is also under way for the 2006 Youth Parliament, which commences on 1 July. We expect around 60 students from across the Territory to participate. For the first time, the Youth Parliament has been organised and will be conducted mostly by a committee comprising young representatives from the YMCA, Legislative Assembly and individuals committed to promoting parliament to the youth of the Northern Territory.

Essentially, my policy is to engage people of all ages with the parliament. This, I believe, will complement the current program of the Statehood Steering Committee to which the department continues to provide administrative support. I can report that the programs mentioned have been achieved within the allocated budget due to the dedicated work and management of parliamentary officers.

The Legislative Assembly has responsibility for the maintenance of Parliament House and its precinct. The building is now almost 16 years old since commencement of construction and is showing signs of wear and tear not assisted by the marine environment. The department has prioritised R&M work within its allocation to ensure the best possible maintenance of the building.

Internally, the information communication technology cabling in Parliament House has reached the end of its useful and supportable life and needs to be replaced. The department will be seeking funding for this project as a high priority. Separate to Parliament House ICT issues, many members have continued to experience difficulties with ICT in electorate offices. Continuing discussions with the contractor and Telstra should result in improved outcomes for members. However, this has been a very long and tedious process, and it is hoped that the new ICT contract will result in better outcomes.

Further to the precinct maintenance at the initiative of the Legislative Assembly, a precinct enhancement reference group has been established to consider the issues of landscaping, heritage and historical components of the parliamentary and State Square precincts. This is a joint feature with other precinct neighbours including Government House, the Supreme Court and the Darwin City Council, and is in addition to the current Legislative Assembly project to improve and enhance the landscape and gardens in the precinct.

Mr Chairman, I take this opportunity to thank the staff of the Legislative Assembly, particularly the Clerk, Mr Ian McNeill; Deputy Clerk, Captain David Horton; Director of Parliamentary Services, Mrs Vicki Long; Chief Finance Officer, Rex Schoolmeester; and Director of Parliamentary Liaison Unit, Mrs Jan Sporn, for their dedicated hard work and loyalty to members and the parliament.

On behalf of the Speaker, thank you.

Mr Chairman, I will introduce those at the table with me. To my right is Mr Ian McNeill, the Clerk; to my left is the Deputy Clerk, Captain David Horton; further left, the Director of Parliamentary Services, Vicki Long; and further right is Chief Finance Officer, Rex Schoolmeester.

Mr CHAIRMAN: Thank you, Chief Minister, for delivering that statement on behalf of Madam Speaker.

Are there any questions in regards to that statement?

Ms CARNEY: Mr Chairman, I take this opportunity also, in addition to wishing the Speaker well, thank her for her statement and to the Chief Minister for reading it out.

There are a couple of things in the statement that were noteworthy. Firstly, the Speaker's efforts to increase the number of people coming through the parliament is commendable. All members and staff congratulate the Speaker in her efforts in that regard.

I do, however, have a question with one part of the statement, if I heard it correctly. There was a comment that the Assembly had operated within its budget. Why is that view held when, in the 2005-06 budget, the allocation was \$19.442m and the estimate for 2005-06, which is due to finish in a couple of weeks, is \$20.079m?

Ms MARTIN: I will pass that to the Clerk. However, in terms of the statement I just read, if you look at Budget Paper No 3 it lists those variations and an explanation for what those variations were. For the details, I will pass it to Mr McNeill.

Mr McNEILL: In respect of the comparison between Budget Paper No 3 in both last year and this year, of the 2005-06 original allocation of \$19.442m and the final estimate \$20.079m, which indicates an increase of \$637 000, that is providing the difference between the original allocation and the final allocation within which we undertook the administration of the Assembly. Of the variations which occurred during the financial year, the larger component parts were \$181 000 which restored the effects of the efficiency dividend which was imposed in last year's budget on Members' and Client Services, which is an arrangement that has been agreed to between Treasury and this department for the purposes of maintaining the level of members' RTD entitlements so they are not directly affected by efficiency dividends which are imposed as a budgetary measure.

Further to that, there was an additional \$178 000 which covered the additional entitlements for members which flowed from Remuneration Tribunal Determination No 1 of 2005. Those two elements together also included the increase in basic salary which is a statutory provision, and pursuant to the former *Remuneration Tribunal Act*, which flows directly from any increase to the basic salary of members of the House of Representatives; \$150 000 increased allocation which was provided to underwrite the in-house catering project which was mentioned in the Speaker's opening statement; and \$128 000 appears in Budget Paper No 3 as a component part, which was actually a non-cash repairs and maintenance item which, for the purposes of accrual accounting, is in those figures to reflect the true costs of operation.

There is a more formal definition which we published last year and tended to confuse both members of the Estimate Committee and some of us witnesses. I will read it again: that is an increase in non-cash repairs and maintenance as a result of expensing a number of assets transferred from DPI. These were considered to be more in the nature of repairs and maintenance than assets and, hence, were not capitalised as an asset in the accounts. Should you require any further and better particulars on that

matter, our Chief Finance Officer, Mr Schoolmeester, may have a layman's explanation of that. However, they were the main components parts that extended our allocation from last year's budget to this years.

Ms CARNEY: Interesting though it is, you have satisfactorily answered my question, thank you.

I note that the average cost of sitting hours for the Assembly is expected to increase from the original target in 2005-06 of \$1.611m to \$1.647m. Why is that?

Ms MARTIN: I will take that question and refer it to ...

Mr CHAIRMAN: Just seeking clarification, Leader of the Opposition. Was that contained in the statement, or is it for when we get into the outputs? Would it be better just under an output?

Ms MARTIN: I did not refer to that in the statement.

Ms CARNEY: No, I am happy to. Yes, that is fine.

Mr CHAIRMAN: Yes, if we could. We will go the outputs.

I remind committee members that this interrogation of this particular output is due to finish at 10.30 am.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Mr CHAIRMAN: The committee will now proceed to consider the estimates of proposed expenditure contained in Appropriation Bill 2006-07 as they relate to the Department of the Legislative Assembly. Once again, the Assembly has provided additional information to that provided in Budget Paper No 3, in the form of a Portfolio Budget Statement for 2006-07. This was tabled in the sittings on 15 June. It may be 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 now call for questions on Output Group 1, Parliamentary Services, Output 1.1, Assembly Services. Are there any questions?

Ms CARNEY: Mr Chairman, in the Portfolio Budget Statement tabled by the Assembly, it estimates the cost of sitting hours to increase from \$1.611m in 2005-06 to \$1.647m in 2006-07. Why is that?

Ms MARTIN: I will take that question and refer it to the Chief Finance Officer, Mr Rex Schoolmeester.

Mr SCHOOLMEESTER: Rex Schoolmeester, Chief Finance Officer. The increase in allocation is, basically, the difference between the national wage increase of 3% less the 2% efficiency dividend, and the CPI increase of 2.5% less the 2% efficiency dividend as well. Both of those give a positive increase.

Ms CARNEY: Thank you. How many sitting hours were there in 2005-06, and how does that compare to the previous two years?

Ms MARTIN: We will take that question and we will find the appropriate person to answer it. Do you have the details on that? We are going to do the current year, yes. Mr Schoolmeester.

Mr SCHOOLMEESTER: The estimated sitting hours for this year is 370 for 2005-06. It was from an original target of 322. Next year, it is 320; the difference being one less estimates sitting. I am just getting the figures for the previous year, 2004-05, but I think it was around 260. I just need to confirm the 2004-05 ones.

Ms CARNEY: Thank you. I note on page 10 of the Portfolio Budget Statement that the first of, perhaps, many typos are contained in Budget Paper No 3; that is, Budget Paper No 3 said that there would be 270 sitting hours but, it should, in fact, be 370. For the purposes of Hansard, could you confirm that that is the case?

Ms MARTIN: Again I will take that question and refer it to Rex Schoolmeester.

Mr SCHOOLMEESTER: Yes, it was definitely not a typo; it was definitely our error.

Ms CARNEY: Definitely our?

Mr SCHOOLMEESTER: Our error. There was some confusion as to the number that was published. It should have actually been the 370 and 320. The actual estimates hearing for this estimates hearing was left off the original forecast.

Ms CARNEY: I noticed that in previous budgets, except the one last year, details of the average cost per sitting day were published, as were the average costs of committees. They are not to be found in this budget paper. Can you provide details of those?

Ms MARTIN: Again, I accept that question and refer that question to Rex Schoolmeester.

Mr SCHOOLMEESTER: The average cost of those have not been published because we believe they were a bit misleading. The cost of sitting hours is actually included in the total cost of sitting hours. You could calculate the other number by dividing the cost of sitting hours by the total sitting hours. You could also divide the total cost of committees, which has been put forward by the number of committees. However, once again, it is a notional number. This year, we have had three extra committees – or we recognise two committees. One is the Youth and Sport Committee, the other one is the Subordinate Legislation, which was a committee before. It was done within the estimate for committees, but it was not recognised as a full committee.

What we have done is we have been able to – the expenditure on committees is there. The number of committees serviced is also there. What we have not done is gone back and provided it to work out an average cost of committees, because the same work has been done within the same allocation.

Ms CARNEY: You said in your answer that you cannot provide a cost per sitting day because it would be misleading. What is misleading about telling Territorians how much it costs per sitting hour for their politicians to sit?

Ms MARTIN: Again, I refer it to the Clerk, Ian McNeill.

Mr McNEILL: We can certainly provide the figures by the end of these hearings. The reason it was not published in the same context as previous years was the consequence of some discussions we had following the publication of our annual report, and what we considered to be a misconstrued perception of the actual purpose of putting those figures in. They are meant to be key performance measures when, in effect, the outcome is subject to the vagaries of the calendar and how many sitting days. However, for the purposes of maintaining a continuing database of that particular statistic, we will certainly be able to provide them by the finish of these proceedings.

Ms CARNEY: Is this document, the Portfolio Budget Statement, a public document?

Mr McNEILL: Indeed, it was tabled last Thursday.

Ms CARNEY: So the average cost per sitting hour is not contained in this either is it?

Ms MARTIN: Yes. I refer that to Ian McNeill.

Mr McNEILL: Not the average cost, no.

Ms CARNEY: Not the average cost per hour?

Mr McNEILL: The total cost of sittings and the number of sitting hours – both those elements are there.

Ms CARNEY: So Territorians will need to carry their calculators around with them in order to do a quick assessment of how much an average sitting hour costs?

Mr CHAIRMAN: Is that question directed to the Chief Minister?

Ms CARNEY: Well, through the Chief Minister, of course.

Ms MARTIN: I believe Territorians would be delighted. More of them are coming to watch our parliamentary proceedings and they are probably looking at the quality of the performance rather than the cost of each hour of the parliament.

Ms CARNEY: That is a comment as opposed to an answer. However, it may be of some interest to Territorians to know what the hourly rate is for their politicians to stand in parliament and talk.

Can you tell me about the parliamentary committees: how many times did each committee sit and what were the costs of those meetings?

Ms MARTIN: Yes, we have an answer to that question.

Mr McNEILL: Mr Chairman, those particular statistics are contained at page 16 of the Portfolio Budget Statement, which also includes details of the number of references and meetings in each of the years 2005-06 and estimates for 2006-07.

Ms MARTIN: Would the Opposition Leader like me to table these two estimates? We can read them through.

Ms CARNEY: Yes, I think tabling would be great.

Mr CHAIRMAN: It is part of a tabled document already, is it not?

Ms MARTIN: Yes. It is a tabled document, that is right.

Ms CARNEY: It does not need to be. I thought there was something extra. It is page 16.

I note that the budget for 2005-06 for committees was \$728 000. The estimate for 2006-07 on page 15 of the document is \$755 000. Given the work that the committees are doing and their travel, is there a likelihood that that will even increase more?

Ms MARTIN: Ian McNeill will take the question.

Mr McNEILL: The outcome of committee programs and budgets in recent years has been given a certain amount of flexibility in that, shortly after the revised budget in late 2001, an arrangement was struck between the then Speaker and the Acting Treasurer at the time that, while the Assembly would allocate funding to particular committees based on a program that had been agreed to by the committee, and the previous program and expenditure from the year before, it would be available for the Speaker to play a role of managing the allocation between committees, in negotiation with the various committee chairs and, in the event that approved program was anticipated to exceed allocation in the course of the financial year, to be the spokesperson for the Assembly and its committees, directly to government seeking whatever supplementation was required after having done all the due process of determining whether there was the capacity within the Assembly's existing allocation elsewhere to fund whatever the approved committee program was. I guess it is a matter that is under constant review. It is possibly not able, at this stage, to anticipate how that estimate might finish at the end of the current financial year.

Ms CARNEY: The substance abuse committee, obviously, is the one that seems to be costing parliament the most because they travel more than any other committee. In 2005-06, that committee had 17 meetings, some of which were travel. The estimate of 2006-07 is 15 meetings, some of which will be travel. Can you identify how many of the 17 meetings in 2005-06 involved travel, and how many for those in 2006-07 involve travel?

Ms MARTIN: I will refer that to the Clerk.

Mr McNEILL: Mr Chairman, we do not have those figures directly available at the table. However, we should be able to provide them again before the end of hearings directly. If someone is listening they might be on the job as we speak.

Mr CHAIRMAN: I am sure there will be movements within the agency.

Ms CARNEY: We just saw some; I am fairly sure you will be getting those details. So, I will not ask it on notice unless we get to the end of other output areas. Would that be the way to go? In a sense, can I

reserve my rights in respect of this output area for that question even though we have been moving into output areas?

Mr CHAIRMAN: No, I would not be inclined to start getting flexible on the revision ...

Ms CARNEY: So, do we sit and wait? Or do I go into other output areas?

Mr CHAIRMAN: No, we will take it on notice. Chief Minister, would you be prepared to take that question on notice?

Ms MARTIN: I would need to know whether this output has been completed.

Ms CARNEY: Not quite, but nearly.

Ms MARTIN: Well, we can see how quickly the Assembly can respond rather than taking it on notice, if there are other questions.

Mr CHAIRMAN: Before we shut off this output, restate the question if the information has not been delivered by then, Leader of the Opposition. Chief Minister?

Ms MARTIN: We have further information.

Mr McNEILL: There is some preliminary advice, but it would be advisable to have it confirmed. The committee secretariat is immediately adjacent. When we compiled the briefing notes, of the 17 meetings held to date during 2005 and 2006, six were in remote communities. However, I suspect there would have been meetings in Alice Springs which, possibly, do not get included in that figure. We still require the ...

Ms MARTIN: And a recent one in Nhulunbuy, so, yes. We will get further details on that. Very happy to take it on notice if we do not have those details before the end of this output.

Ms CARNEY: How many hours did the substance abuse committee meet in 2005-06?

Ms MARTIN: Again, we will have to take that on notice and see if we can get the ...

Mr CHAIRMAN: Leader of the Opposition, are you happy to go along with that?

Ms CARNEY: Sorry, when you say, 'go along with that' ...

Mr CHAIRMAN: Any information that you do not have at the end of this output, are you prepared to ask the question to be taken on notice at that stage? Are you going to ask the question on notice at this particular point? That is why I was asking you that particular question.

Ms CARNEY: No. My next ...

Mr McNEILL: Mr Chairman, if I may, I have some further information in response to the earlier questions in respect of sitting hours and average cost of sitting hours. In response to the question of the Leader of the Opposition there were 260 sitting hours in 2004-05 and the average cost of sitting hours 2005-06 was \$4349 and estimated for 2006-07 is \$5147.

Ms CARNEY: Thank you. The reasons for that increase were those outlined by Mr Schoolmeester earlier - correct?

Mr McNEILL: That is right.

Ms CARNEY: Okay. Getting back to the committees, I think the question I asked on those was how many hours the substance abuse committee met.

Mr CHAIRMAN: There is nothing formal.

Ms CARNEY: Nothing formal?

Mr CHAIRMAN: No formal question on notice. It has been undertaken to get that information back to you. But if you wish ...

Ms CARNEY: So it is not on notice yet?

Mr CHAIRMAN: No, it is not on notice yet.

Ms CARNEY: But if it arrives before about three questions' time?

Mr CHAIRMAN: It is starting to get a little bit messy, Leader of the Opposition, so perhaps you know ...

Ms CARNEY: It is a bit messy, Mr Chairman, but you are doing well.

Mr CHAIRMAN: Perhaps you may want to put it on notice.

Ms CARNEY: See where we go. I am interested in how many hours the substance abuse committee has met. What is the cost of operating that committee? What is the hourly rate of operating that committee?

Ms MARTIN: The Clerk advises me that will have to go on notice, that those figures are not immediately available.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard would you please restate your question, Leader of the Opposition?

Ms CARNEY: In relation to the substance abuse committee, what is the cost of operating that committee, or what has been the cost in 2005-06? What is the hourly rate cost of that committee?

Mr CHAIRMAN: Chief Minister, are you prepared to take that question on notice?

Ms MARTIN: Yes, Mr Chairman.

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

Ms CARNEY: For the sake of completeness I will ask: what is the cost of operating the other parliamentary committees? What is the hourly rate of operating those committees?

Ms MARTIN: I am advised we will take that question as well on notice.

Question on Notice

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

Ms CARNEY: In relation to all other parliamentary committees, what is the cost of operating each committee? What is each committee's hourly rate?

Mr CHAIRMAN: Do you accept that as a question on notice, Chief Minister?

Ms MARTIN: Yes, Mr Chairman.

Mr CHAIRMAN: For the purposes of Hansard I allocate that question on notice as No 1.2.

Ms CARNEY: Moving away from committees, we had the Alice Springs sittings last year in March or May. What was the cost of the Alice Springs sittings last year and how did they compare with the previous sittings in Alice Springs? Is it possible to table a list of costing comparisons?

Ms MARTIN: We are just having a small discussion here. Mr Chairman, I am advised we will take the whole question on notice.

Question on Notice

Mr CHAIRMAN: Leader of the Opposition, would you please restate that question?

Ms CARNEY: Yes. What was the cost of the Alice Springs sittings last year, and how does that compare with the previous sittings in Alice Springs? Is it possible to table a list of costs and comparisons with the previous sittings?

Mr CHAIRMAN: Are you prepared to take that question on notice, Chief Minister?

Ms MARTIN: I am, Mr Chairman.

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

Ms CARNEY: Mr Chairman, can I pause just for a moment before closing off this output, seeing that the Clerk has been provided with information that might help with in an earlier question.

Mr CHAIRMAN: I do recollect that earlier question. Clerk, I believe ...

Mr McNEILL: Mr Chairman, we have some figures in respect to meetings outside Darwin which tells ...

Ms MARTIN: For the substance abuse committee.

Mr McNEILL: This is for the substance abuse committee - which total 10. The total hours sat at those particular meetings was 26.5. That is, obviously, only a partial answer to the extended question of the Leader of the Opposition in respect of all committees and hours sat in total, and cost per hour, which we will require in accordance with the question on notice.

Ms CARNEY: Mr Chairman, I will need to finish my questions in relation to this output area. The challenge for me is to remember the questions I asked some time ago. I believe they were: how many hours did the substance abuse committee meets in its entirety? What was the hourly rate of the substance abuse committee meetings? There was a third part or an initial question. That is probably the question on notice, Mr Chairman, because we want to see the hourly rate and how many hours they have sat.

Mr CHAIRMAN: Are you prepared to accept that question on notice, Chief Minister?

Ms MARTIN: Yes, Mr Chairman.

Question on Notice

Mr CHAIRMAN: Sorry to do this to you, Leader of the Opposition, but, for the purposes of Hansard, would you please restate that question. I am sorry, but we have to get this right.

Ms CARNEY: We do. How many meetings did the substance abuse committee have in 2005-06? How many hours did they meet? What was the hourly rate cost of those meetings?

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

Mr CHAIRMAN: Are there any further questions?

Ms CARNEY: Not from me on this output area.

Mr CHAIRMAN: Other members of the committee? Member for Braitling, who is substituting as an Independent member for the member for Nelson.

Mrs BRAHAM: That is correct, Mr Chairman. Chief Minister, what effect has the new program for visitors had on the new budget? In other words, how much does it cost to conduct?

Ms MARTIN: The new program for visitors. My broad statement, on behalf of the Speaker, was that all the new programs were done within budgetary allocation. However, I will refer that to Rex Schoolmeester for any further details. However, my opening statement indicated that it was done within existing budget.

Mrs BRAHAM: Yes, but did it cost moneys that had not been allocated to that before? I am just asking how much it cost.

Ms MARTIN: I am happy to refer that to the Chief Finance Officer.

Mr SCHOOLMEESTER: The cost of providing the morning and afternoon teas was a direct cost, and that was \$5800. The expanded service is being picked up within the Parliamentary Education and Information Unit allocation - and it has been done within the same allocation; there has been one increase in staff into that area. That is on page 4 of the PBS. That \$5800 relates to the afternoon tea specifically itself and that was done out of the Speaker's Office. The cost of the Parliamentary Liaison Unit is about the same, when you take out the \$150 000 increase for the catering service. It is being done within the same location.

Mrs BRAHAM: Chief Minister, was the Statehood Steering Committee funded through the committee system, or is it a separate funding from your department?

Ms MARTIN: To the Clerk. I will accept the question, yes.

Mr McNEILL: Mr Chairman, the allocation for the Statehood Steering Committee is separated out from the global amount for the other four parliamentary committees, as it is not, strictly speaking, a parliamentary committee, although it is a creature of the Assembly and it advises the Standing Committee on Legal and Constitutional Affairs. However, it has a separate allocation which is considered in the context of budget Cabinet for ...

Mrs BRAHAM: Could you tell me the allocation for the last year 2005-06 and how much has been allocated this year?

Ms MARTIN: I accept the question and we will find out whom to refer it to, just bear with me.

Mr McNEILL: Mr Chairman, the allocation for 2005-06 for the Statehood Steering Committee was \$441 000. We were advised the revised budget was \$438 000, and the estimated expenditure is \$445 000 for 2006-07.

Mrs BRAHAM: Could you repeat that last figure?

Mr McNEILL: \$445 000 is the estimate for 2006-07.

Mrs BRAHAM: Chief Minister, do you still have in mind that you will have a referendum in 2008 on statehood?

Ms MARTIN: I am here as the Speaker. The other answer is Chief Minister.

Mrs BRAHAM: I am sorry.

Ms MARTIN: That is all right, I am the Speaker in this context.

Mrs BRAHAM: Madam Speaker, would you consider that the Chief Minister may be having a ...

Ms MARTIN: Can I answer this as the Chief Minister? That is a bit weird. I believe that should come in tonight's hearings.

Mr CHAIRMAN: There will be ample chance to question the Chief Minister under her portfolio.

Ms MARTIN: I do not want to set precedents like that.

Mrs BRAHAM: Mr Chairman, I ask the *de facto* Speaker about staffing for the Speaker's office. It is noted that the Speaker now has two staff, which I believe has not happened before. Could you tell me what levels the two staff members are, and are they both employed by the Legislative Assembly? What effect

does the additional staff member have on the staffing for the Legislative Assembly? Was it taken out of another department or is it a new position?

Ms MARTIN: Yes, we will accept their question. Captain Horton.

Captain HORTON: David Horton, Deputy Clerk. There are two staff providing support in the Speaker's Office: the executive officer, which is at the AO6 level, and a personal assistant, which is at the AO4 level. Staffing arrangements reflect that in place previously; where there was an additional staff person working out of the office of the Chairman of Committees.

Mrs BRAHAM: So it has been reallocated? Has that previous position been filled?

Captain HORTON: Yes. The previous position being?

Mrs BRAHAM: The one which you said was taken out of committees, is that what you said?

Captain HORTON: Working out of what was the Chairman of Committees, the Deputy Speaker's Office.

Mrs BRAHAM: Could you clarify that a bit? The Clerk looks like he knows what I mean.

Mr McNEILL: Reference to previous arrangements refers to the existing establishment before the 2001 election, where there were two staff members providing support to the Speaker and, in part, to the then Chairman of Committees. That second position was located geographically in the Chairman of Committees' office. That position was held on our establishment and not filled during the period of the Ninth Assembly and, with the change of Speaker, the decision was taken to kill it and to classify it in accordance with the JES process. That is the current situation: the configuration of the support staff for the Speaker's Office and, in part, to the Deputy Speaker now.

Mrs BRAHAM: That is all, Mr Chairman.

Dr LIM: Mr Chairman, can you elaborate on that answer? Can you describe the full functions of that support person for the Deputy Speaker?

Mr McNEILL: Off the cuff. It would probably be best to take that on notice and get the full job description. I suspect we can get that.

Dr LIM: Parliament has not grown in the last 12 years that I have been here. We did not have a personal assistant to the Deputy Speaker until recent times. I would assume that the role of the Deputy Speaker has grown or that the workload within the Speaker/Deputy Speaker's offices have grown. It will be interesting to hear what work is required to have a PA.

Ms MARTIN: I refer that question to the Clerk.

Mr McNEILL: Mr Chairman, the position in question is shared between the Speaker's Office and the Deputy Speaker. For the volume of work and the sort of day-to-day operations, it would be best described if we were able to table a copy of the job description and, perhaps, the JAQ documentation that would have been provided at the time of classification of the position. As for the reason for the requirement, I suspect, in accordance with Madam Speaker's request, we should take it on notice for her to respond directly if that was your preference.

Dr LIM: I accept that response, Mr Chairman. I will redirect that question to the Chief Minister. Obviously, the Chief Minister will have to approve such an increase of staffing levels for the Speaker's Office and the Deputy Speaker's Office. I wonder whether the Chief Minister is prepared to elaborate on the rationale for increasing the staff which, essentially, is increasing the resources of government?

Ms MARTIN: Can I just make the point again that I am not here as the Chief Minister. I am standing as Speaker. It is not appropriate to ask me questions as Chief Minister. I am here as Speaker. Any question that needs to be answered by the Speaker, the Speaker has indicated she will do that. Maybe the Clerk might have something to add there.

Mr McNEILL: Mr Chairman, in one respect this is not an additional staff member; it is filling a position that was already on our establishment prior to 2001. When the Speaker took office, in conjunction with

myself and other officers and the Deputy Speaker, the requirement for staffing was negotiated and assessed. As a consequence of that process, and the due process of classification and process, we have that current establishment. If there was any issue about justification of the requirement on the Speaker's behalf, she would certainly appreciate that we took it on notice.

Dr LIM: I accept that response, Mr Clerk. My concern is whether the job that is normally part of the Legislative Assembly establishment is doing the job of the administration of the Assembly, or politicising the political job looking after government in terms of Speaker and Deputy Speaker. That was my concern ...

Mr CHAIRMAN: Is that a question, member for Greateorex?

Dr LIM: My question is that I look forward to Madam Speaker's response, and I can ask further questions on top of that seeing that the Chief Minister will not respond to my question.

Ms MARTIN: Mr Chairman, I hope you clarify that.

Mr CHAIRMAN: Have you raised a question, member for Greateorex?

Dr LIM: I ...

Mr CHAIRMAN: Well, what is the question? Yes, you have made a statement; you have not asked a question. Do you have a question to ask?

Dr LIM: The question is: is this a political job, or is it an administrative job?

Ms MARTIN: I make the point again, because we have had a rather caustic comment from the member for Greateorex – sorry, Richard Lim - that I am here on behalf of the Speaker. I am not here in my capacity as Chief Minister. If you wish to ask me questions, as Chief Minister, I will be here in front of the hearings tonight from 6.30 pm. It is important that you recognise on what basis I am here; that is, representing the Speaker.

Dr LIM: I thought I would give you some time to prepare for tonight.

Mr CHAIRMAN: Member for Greateorex, do you have another question?

Dr LIM: No, I do not have any more questions, thank you Mr Chairman.

Mr CHAIRMAN: Are there any more questions to go to output 1.1?

Mrs BRAHAM: Just one. What was the previous level of the assistant to the Speaker when there was only one person attached; that is, in the Ninth Assembly?

Ms MARTIN: There is some speculation here. I will take the question. It needs to be confirmed so we will take it on notice.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, member for Braitling, would you please restate that?

Mrs BRAHAM: Could you please confirm what level the position was in the Ninth Assembly of the assistant to the Speaker.

Mr CHAIRMAN: Chief Minister, are you prepared to have that question on notice?

Ms MARTIN: Yes, Mr Chairman.

Mr CHAIRMAN: For the purposes of Hansard I allocate that question No 1.5.

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 Clients Services. Are there any questions?

Ms CARNEY: I have a few questions. The first one is a staffing question, and it follows neatly from the previous output area. Staffing for the Assembly last year was 86.5, being increased on the present figures to 91.5, which was just a few. Can you outline why those increases were necessary, where those staff were placed, and what their levels are?

Ms MARTIN: Yes, I accept that question on the Speaker's behalf, and I refer to ...

Mr McNEILL: This probably should be a whole-of-agency question. If somebody is wishing to deal with it now, I think we could get Vicki Long to do the staff statistics.

Ms MARTIN: All right. I refer this to Vicki Long who is Director of Parliamentary Services.

Ms LONG: Vicki Long, Director of Parliamentary Services. The difference in the staffing numbers between 2005-06 and 2006-07 is a difference of three staff within the agency. We need to also keep in mind that the figures that are provided in Budget Paper No 3 also include 25 members and 25 electorate officers. Within the agency, the addition was the executive officer to the Speaker, and a research officer in the committee area. There was a restructuring of the committee area in line with the additional committee and enhanced work of the committees in the Tenth Assembly; therefore, the need for that additional research officer.

There was also the addition of a Director of Security. Given the climate in which we operate today, we felt that it was important to have somebody with the appropriate calibre to take responsibility for the security area. That position was partially funded by the removal of another position in the Building Services area.

Another addition was a Security Supervisor. This position was funded by the removal of the security position which was part of the outsourced security contract. You would be aware that we have security guards operating in the building. Previously, there had been a supervisor as part of the Group 4 operation. That was removed and we have now created our own Security Supervisor position, which will be part of the Legislative Assembly.

Ms CARNEY: Thank you. Chief Minister, you listed four positions, but there must be a fifth.

Ms LONG: There is one deletion.

Ms CARNEY: One?

Ms LONG: One deletion of a position. So, there is a total of three.

Ms CARNEY: Okay. Does that mean then - it said in Budget Paper No 3, page 43, that the staffing for 2006-07 is 91.5; last year it was 86.5. When you talked about the deletion, do you mean that it is the case that there were only four new positions created and the fifth does not exist?

Ms MARTIN: Yes, I refer this question to Vicki Long. Rex is happy to answer.

Mr SCHOOLMEESTER: In the 86.5 last year, there were the two Statehood Steering Committee positions not recognised. There were two positions in the Statehood Steering Committee which brought it from 86.5 to 88.5. That was in the answer we tabled last year at the estimates hearing.

Ms CARNEY: So, the increase from 86.5 to 91.5 is capable of being identified?

Mr CHAIRMAN: Is that the question?

Ms CARNEY: Yes, and I am sorry. I got nodding heads, but for the purpose of Hansard, you should ...

Ms MARTIN: Yes, they are capable of being identified; the two extra Statehood Steering Committee members in 2005-06. The number now is 91.5.

Ms CARNEY: Thank you. For the sake of completeness, I ask that in respect of those additional positions, could you state what level they are? I do not think you mentioned that, so could you?

Ms MARTIN: I refer that to Vicki Long.

Ms LONG: The Executive Officer position is an AO6 level, the Research Officer in the committee area is an AO6, the Director of Security is an AO8 and the Security Supervisor is an AO4.

Ms CARNEY: This is a separate question unrelated to staffing. In previous budgets, except last year, details were provided of the average cost per member for support to members and their electorate offices. My question is: why was that information not provided in this year's budget?

Ms MARTIN: Yes, I accept that question.

Mr McNEILL: Mr Chairman, I am not sure of the reasons for not appearing in Budget Paper No 3. However, we do have those details in the Portfolio Budget Statement, at pages 25, 26 – no, at 23 and 24. Mr Schoolmeester may have some reason to present for the different method of presentation in the budget papers.

Mr SCHOOLMEESTER: In 2005-06, all the costs were removed from the budget papers, but we provided them through the Portfolio Budget Statement. We included them in that Budget Portfolio Statement, so that you would still have access to them.

Ms CARNEY: For Territorians who are interested in the budget - and I know that thousands of Territorians are - they would come to Parliament House and collect their budget books on budget day, then they would need to come back, subsequent to that, to get the Portfolio Budget Statement to work out how much it costs them, on average, per member of parliament. Correct?

Ms MARTIN: It is a question? The Clerk.

Mr McNEILL: In response to the Leader of the Opposition, I guess that could be the interpretation of current arrangements. However, I can state that, in the spirit of Madam Speaker's statement of her ambition to increase the transparency and the public nature of such information, I am confident to undertake whatever efforts we need to make to include those statistics in Budget Paper No 3, as well as the Portfolio Budget Statement which certainly have them. It should also be a legitimate cause for inclusion in line with the now regular publication of these details to individual members, to have them available and accessible through the website of the Legislative Assembly.

Ms CARNEY: How much does it cost for an Alice Springs-based member to travel to Darwin for a parliamentary sitting per year?

Ms MARTIN: We are taking the question, Mr Chairman. I refer this to Ms Long.

Ms LONG: I am referring to a particular travel here. For five days' travelling to sittings, it would be \$775 TA, the airfare approximately \$1265.

Ms CARNEY: How much does it cost an Alice Springs member to travel to the parliamentary sittings per year? I thank you for that, but I was after a year figure on average.

Ms MARTIN: We have some qualifications for that statement.

Captain HORTON: That might actually vary with individual members, depending whether they start early or go home for the weekend, looking at each session of sittings.

Ms CARNEY: I can repeat the question. What is the average cost for an Alice Springs member to travel to Darwin for the parliamentary sittings per year?

Mr CHAIRMAN: Leader of the Opposition, does that only include the members who are Alice Springs-based, or does it also include the members for Macdonnell and Stuart?

Ms MARTIN: Alice Springs-based, I suppose, yes.

Mr CHAIRMAN: Yes, it would mean that the average is 5 compared to 3.

Ms CARNEY: My question is: what is the average cost for an Alice Springs member of parliament to travel to Darwin for the parliamentary sittings per year?

Ms MARTIN: I am being advised that it is probably best to take this on notice, but I will hand to the Clerk.

Mr McNEILL: We certainly have the calendar year details for each individual member for 2005, which is totalled ...

Ms CARNEY: Sorry, Mr Clerk, could you please speak up?

Mr McNEILL: Mr Chairman, we can certainly provide that answer, based on simple arithmetic calculations from the material that was tabled in the first sittings in respect of the Alice Springs-based members for 2005, last year. For the purposes of precision and accuracy, we are required to include travelling allowance figures as well as airfares. We would take that on notice, but with an undertaking to possibly add that material in short order. It is a simple calculation, I would have thought.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, Leader of the Opposition, could you please restate your question.

Ms CARNEY: What is the average cost for an Alice Springs member of parliament to travel to Darwin for the parliamentary sittings per year?

Mr McNEILL: A footnote, Mr Chairman. Our data directly relates only to that travel for which the Legislative Assembly is responsible pursuant to the RTD and will not include, for instance, the travel undertaken by Dr Toyne as a minister and some of the Leader of the Opposition's travel which is administered by the Department of the Chief Minister. For the purposes of statistical accuracy, it might just be best to average out the other three Alice Springs-based members who have some common statistical representative status.

Mr CHAIRMAN: On the basis of better presentation of information, Leader of the Opposition, will you please restate your question for Hansard.

Ms CARNEY: What is the average cost for an Alice Springs member of parliament to travel to Darwin every year for the parliamentary sittings?

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

Ms MARTIN: I am.

Mr CHAIRMAN: For the purpose of Hansard I allocate that question No 1.6.

Mr CHAIRMAN: Are there any further questions?

Ms CARNEY: Through the Chair, Mr Clerk, would the average cost be about \$40 000 or \$50 000? Does that sound about right?

Ms MARTIN: We are taking that question on notice, so we will wait until we get the specifics of that.

Mr McNEILL: Taking into account the fact that we will have accurate figures, I suspect it will be in that order.

Ms CARNEY: The average cost for an Alice Springs-based member to travel to parliamentary sittings is something in the order of \$40 000 to \$50 000. I appreciate that you are here, Chief Minister, but well understand you are here in the capacity of the Speaker, and anticipate that this will be a question on notice that the Speaker will need to answer. I understand that, as at 1 July this year, whereas my travel as the member for Araluen has been paid for by the Department of the Legislative Assembly to date, on 1 July those costs, in the order of \$40 000 to \$50 000, will need to come from the Leader of the Opposition's

budget. Would the Speaker agree that it is important for the Leader of the Opposition to do her job and there should be no cost disadvantage by virtue of her residing in Alice Springs?

Ms MARTIN: Since that question is one that the Speaker, I am sure, would like to answer, we will take it on notice so that the Speaker can give that answer.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, Leader of the Opposition, would you please restate your question?

Ms CARNEY: Given that the Clerk has agreed that a ballpark figure for the average cost for an Alice Springs-based member to travel to parliament per year for parliamentary sittings is in the order of \$40 000 to \$50 000 – sorry for the preamble, but I will keep going - whereas my cost as member for Araluen to attend parliament has been borne by the Department of Legislative Assembly to date, I understand that, as of 1 July this year, that will no longer be the case and that my travel to the parliamentary sittings will need to come from the Leader of the Opposition's budget. Does the Speaker agree that it is important for the Leader of the Opposition - namely me - to do my job and that there should be no cost disadvantage by virtue of me residing in Alice Springs?

Mr CHAIRMAN: Chief Minister, do you take the question on notice?

Ms MARTIN: I will take the question on notice.

Mr CHAIRMAN: For the purpose of Hansard, I allocate that question No 1.7.

Mr CHAIRMAN: Are there any further questions?

Ms CARNEY: Not on that output, Mr Chairman.

Mr CHAIRMAN: Committee members, are there any questions under that output?

That being the case, that concludes consideration of Output 1.2.

Output 1.3 - Building Management Services

Mr CHAIRMAN: The committee will now consider Output 1.3, Building Management Services. Are there any questions?

Ms CARNEY: Mr Chairman, I note there was a reference in the statement read out by the Chief Minister's sitting in for the Speaker about repairs - I am sorry I did not get the details. I recall that last year some questions were asked about the roof of this parliament. My question this year: can you provide an update on the state of the roof and whether the repairs need to be done? If so, how much will they cost and what the are time frames?

Ms MARTIN: I accept the question and refer to the Deputy Clerk.

Captain HORTON: The corrosion was highlighted last year, as the Leader of the Opposition mentioned. During the current year, \$48 272 was spent under Repairs and Maintenance to meet the critical treatment of the corrosion in the roof. Some of that treatment will be ongoing and, as was highlighted in the report, over time this will probably amount to in the order of \$250 000 over the coming years. However, in answer to your question, \$48 000 has been spent in rectifying the most immediate urgent problems of corrosion.

Ms CARNEY: Are all of the security cameras in Parliament House working; if not, why not?

Ms MARTIN: Yes, we will accept that question. Again, to the Deputy Clerk.

Captain HORTON: Mr Chairman, from time to time we do have cameras that fail. There has been an ongoing program to rectify cameras that fail and also cameras that need to be replaced. There have been some problems with the mountings and the brackets - they have to be manufactured to ensure that we have

adequate coverage, because they are swivel cameras. There are, from time to time, cameras that are out of operation for a period of time.

Ms CARNEY: Through you, Chief Minister, do you know if all the security cameras are working today?

Ms MARTIN: Again, I refer it to David.

Captain HORTON: Off the top of my head, I do not know the answer. I believe there may be one, maybe two, cameras at the moment that are not. Having said that, we monitor this closely to ensure that we have surveillance and, if there are camera failures, then we will increase the foot patrols by the security staff in those areas.

Ms CARNEY: That, presumably, would be a job that the newly appointed Director of Security will turn his or her attention to?

Ms MARTIN: Yes, again I refer it to David.

Captain HORTON: As explained before, we have a new position. It was a position; that person left. We declared a new position; in fact, she started yesterday. I can assure the Leader of the Opposition that that person is up and running as we speak to review a number of these security issues that are day-to-day occurrences.

Ms CARNEY: Thank you. Do all parliamentary staff pass holders have photo ID cards?

Ms MARTIN: I accept that question, and to Vicki Long.

Ms LONG: We introduced photo IDs last year, as all members would be aware. At that point, once we got to the end of the first stage of that project, everyone in the building had photo ID that we were able to get to. That project has lapsed in the last couple of weeks because we have been without a Director of Security. However, that is certainly high on the new director's list of priorities; to get photo ID to all those staff or members who do not have them at the moment. Sorry, not members, because members do not have photo ID, but members of other departments.

Ms CARNEY: Will the Director of Security 'police' the wearing of passes? We all know, as we are roaming the salubrious corridors here at Parliament House, we see people – strangers - passing by without their security IDs. I never ask them because I do not have the courage. Will the Director of Security police this?

Ms MARTIN: David Horton.

Captain HORTON: Mr Chairman, the issue of identification - photographic ID and to compensate the blue card access - is a matter that has been raised for a period of time through the House Committee. It was agreed that all persons who are regular attendees at Parliament House would, in fact, be required to have photographic identification. That has been a long task, as previously stated, because of the lack of a Security Director and Supervisor. I can assure the Leader of the Opposition that will be the primary role - to make sure that policy is actually enforced.

Ms CARNEY: Thank you. Part of the reason I ask these questions is that minister Henderson has warned us on more than one occasion about the dangers of terrorists and terrorist acts. I thought it was appropriate in the context of asking about Parliament House that we ask some questions about the security. Do you accept that it has been less than adequate over the last few months?

Ms MARTIN: Captain Horton.

Captain HORTON: I am happy to take the question, Chief Minister. Mr Chairman, we are constantly reviewing our security policy. We work very closely with other security agencies and NT Police. We have introduced a number of phased approaches to security in recent years. To date, they have been, I would say, reflective of the situation in the Darwin area. It is under constant review. Security, as rightly pointed out, is a key issue for the department these days and, hence, the reason we have greater focus following a proper review by an external authority, and introduced quite a number of measures over recent times to enhance and improve the security. That will continue.

Ms CARNEY: Beautifully put, Captain Horton, if I may say so. My next question is: how many functions, including government and the Speaker, were held in Parliament House in the last 12 months, and how does that compare with the previous year?

Ms MARTIN: I accept that question. I am just wondering - Mr Chairman, we have all that broken down through various ministers and Leader of the Opposition for those particular uses of Parliament House, and I am happy to table them.

Ms CARNEY: Thank you. When government ministers host functions, is an account rendered by the Assembly to the minister or, for that matter, to the Leader of the Opposition? How does the process work to host a function?

Ms MARTIN: The Clerk.

Mr McNEILL: As part of the Department of Legislative Assembly baseline budget arrangements, the longstanding arrangements since we have been in the Parliament House building for government-hosted hospitality functions and sponsored functions were reviewed twice in the 1990s to take into account the support for those functions underwritten from our budget, except for the areas of requirement for such things as additional security and cleaning arrangements. While it is some time since we have had a complete based-on-budget review, it is understood that that arrangement still maintains, and that there is no direct charge for government sponsored and hosted functions.

Ms CARNEY: So, there is no direct charge, so, there is no account rendering?

Mr McNEILL: Except for those particular issues, for instance, on the occasion of the event such as the reception for the V8 Supercars and Darwin Cup, where there is a requirement for us to provide additional catering above and beyond the normal daily routine, and/or security or, from time to time, paramedic support, the support for those functions are provided from within our budget.

Ms CARNEY: Thank you. What was the power bill for the Assembly for the last 12 months?

Ms MARTIN: Yes, we will take that question, and refer it to the Clerk.

Mr McNEILL: There may be some errors in the text for tabling, but I will indicate that, to date, for the first 11 months of 2005-06, inclusive of GST, I believe it was \$569 751 which, projected out to the end of June, will be more like \$610 000 approximately, which compares favourably with the last full financial year 2004-05 of \$658 838. There may be some merit in tabling the last five years comparative data.

Ms MARTIN: Yes, happy to table this, Mr Chairman.

Ms CARNEY: The power bill has gone down from last year, 2004-05 to this year. My own domestic power bills are going up and up and up, the Assembly is going down. That is very commendable.

Mr CHAIRMAN: Chief Minister, do you wish to respond to that?

Ms MARTIN: Yes, the Clerk is here.

Ms CARNEY: We are turning off our lights.

Mr McNEILL: Mr Chairman, there has been an energy savings policy put in place over a period of years which appears, on the face of those figures, to be bearing some dividends. Members of the Estimates Committee may recall, when I was questioned some two years ago on the wisdom of the purchase and installation of a low load chiller at some substantial expense, that it has been in operation in full measure this last five months. On the face of it, those figures may be indicative that the financial basis upon which we embarked on that purchase may have been appropriate.

Ms CARNEY: Mr Clerk, what is a low load chiller? It sounds like a dog.

Ms MARTIN: The Clerk is happy to make an answer to that. I refer it to him.

Mr McNEILL: I am the last person to ask for the accurate and precise technical detail, but it fulfils the role of providing the appropriate airconditioning capacity to the building when it is not in full use. It comes into play, for instance, at night and during the weekends, and means that the full capacity which used to be

generated is not used. It manages to do the airconditioning job without expending as much energy as the previous full chiller arrangements.

Ms CARNEY: Thank you. To an unrelated matter, but still one relevant under this output – were any pieces of equipment or other items lost or stolen from the Assembly in 2005-06? If so, can you detail what they were, and what action is being taken in respect of them?

Ms MARTIN: Mr Chairman, it is in the next output, actually. I am advised that the answer is no, but it is actually one that relates to the next output.

Ms CARNEY: Sorry, just for clarification. I put it in Building Management Services because there might be items of furniture and so on that could be included in this category.

Mr CHAIRMAN: We are indicating that you ask that question again in the non-output specific budget related questions.

Ms CARNEY: The answer is no. That is just fine, thank you. That concludes my questions for this output area, and I do not have any further for the non-output specific area.

Mr CHAIRMAN: Are there any further questions?

Mrs BRAHAM: Mr Chairman, I am pleased to hear the roofing has been done. That was one of the long-term items I was talking about. Are there any items included in this budget, this year, for long-term maintenance as outlined? If so, at what cost?

Ms MARTIN: I will refer it to David Horton.

Captain HORTON: Anything specifically – is that R&M?

Mrs BRAHAM: Long-term maintenance – you have referred to the roof. Are there any other maintenance items that you have included in this budget?

Captain HORTON: Mr Chairman, we have established an R&M and minor new works program for the forthcoming year. As previously stated, we will continue to progress those areas of concern such as corrosion. Also, members will be aware of the amount of work that is going on in some of the other fabrication of building; for example, the railings and those areas which, over the years, have deteriorated and have now had to be water blasted to get rid of the flaky paint. Under the R&M program, we will continue to address those critical areas within our budget allocation.

Mrs BRAHAM: Do you have a specific amount allocated for those areas?

Captain HORTON: I am not sure if I have the absolute details at hand.

Mrs BRAHAM: Mr Chairman, can we have a copy of the R&M items for this year?

Ms MARTIN: Could I just clarify that; for 2005-06 or 2006-07?

Mrs BRAHAM: For the coming financial year.

Captain HORTON: I only have the minor new works. I do not have the R&M details.

Mrs BRAHAM: Could we put that on notice, Mr Chairman?

Captain HORTON: They are broken down by categories. The R&M allocation is broken down to specific maintenance and essential maintenance and urgent repairs. I do not have any detail in respect to the roof, for example. That was in the budget this coming year.

Mrs BRAHAM: I am only interested because I realise that, as the building grows older, we need to maintain the building in a pristine state.

Question on Notice

Mr CHAIRMAN: Chief Minister, the member for Braitling has indicated that she wishes to put that question on notice. For the purposes of Hansard, please restate the question.

Mrs BRAHAM: Could I have a copy of the list of R&M items for 2006-07?

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

Ms MARTIN: I am happy to take that on notice. There is a clarification that David Horton would like to make on that.

Captain HORTON: Just to clarify, Mr Chairman. Are they specific maintenance items? Cyclical maintenance is a routine maintenance program which takes a portion of the R&M budget and is set aside for urgent minors for unforeseen problems. Therefore, in respect of programming, it would only be the specific maintenance items that we could actually forecast under what the member for Braitling is asking.

Mr CHAIRMAN: Taking into account the Deputy Clerk's clarification, could you restate your question?

Mrs BRAHAM: Could I have list of specific items for R&M for 2006-07?

Ms MARTIN: I accept that question.

Mr CHAIRMAN: For the purposes of Hansard, I allocate that question No 1.8.

Mr CHAIRMAN: Are there any further questions in relation to that output?

Mrs BRAHAM: The parliamentary Speaker's Corner has now gone from lease to a parliamentary catering service. Could you give me indication of the variation in cost to the Assembly from a lease arrangement to a catering service?

Ms MARTIN: I am happy to take that question and refer it to the Clerk.

Mr McNEILL: In December last year, at short notice, we were advised that the former contractor would not be continuing her lease. We had already programmed a significant refurbishment of Speaker's Corner café area before the summer recess period. The decision was taken at short notice that we should try to maintain the specific services that were provided by the café to the visitors to the building and, in particular, to people who work here. We have had a six-month period that we mapped out to undertake that obligation, with a view to reviewing the operation of the enterprise. We have done that in conjunction with the House Committee and stakeholder groups. It went to expressions of interest for operators in accordance with a consultancy which was undertaken at our request under the auspices of the Risk Management Unit of the Chief Minister's Department, who have indicated that that was the appropriate way to go and that we should, in the course of that, try to attract established major operators, if available, who may be interested in the operation of not just the café but, perhaps also, the kitchen facility in this building.

Also, as the Rumpoles Café in the Supreme Court is in a similar situation of not having a current operator, to inquire as to the appropriateness of working with the Department of Justice on a joint approach to that arrangement. That is currently on foot. I ask David Horton, who has been involved in the day-to-day operation of the café and its management and its options, to flesh out the chronology and the financials in respect of that.

Captain HORTON: As the Clerk mentioned, this decision was made late last year. As stated, we felt we needed some continuity of provision of service. We were given the Christmas period. Attempting to re-lease the facility was not necessarily a very good option. Under those circumstances, we actually engaged a person on a six-month contract, who some may know worked for the previous operator. His role, over December or what was left of December and January, was to oversight the refurbishment and quite extensive cleaning of all of the equipment in Speaker's Corner, and also to resolve some of the issues in the main kitchen, as well as prepare to open up in readiness for the February sittings, the first sittings in 2006.

That was achieved. There was a necessity, obviously, to buy produce and get the thing established so we could operate as required. That necessitated the hire of additional wait staff, so they were actually charged through and put through an agency. Soon after the operation, we developed a business plan to try and get it on a business footing and went into operation.

The estimated return on investment, particularly during February, March and into April, was not as anticipated for a number of reasons. During the shut-down period, we lost a bit of the goodwill - people came, it was not open and so they went away and they did not come back. Also, of course, the Wet Season and Cyclone Monica actually put a dampener, so to speak, on a couple of weeks of operation during that period. I am pleased to say though, that now we have turned the corner and the losses have now turned into some positives - obviously due to the increase in clientele.

As an aside, the catering organisation, which includes the Speaker's Corner, has catered for 3500 people since its operation. That consists of some 128 functions - functions being anything from breakfast for members right through to committee meetings, teas, lunches, dinners, and quite a range of that. Part of that is also some of the work that was picked up from the Protocol Unit, which have, from time to time, used the Parliament House caterer to support government-hosted functions.

As stated by the Clerk, we have continued to operate. We have gone out with an expression of interest to test the market, as strongly recommended by the consultant. We are now waiting for responses from the market. At this stage, there is an agreement to continue on a month-by-month basis. We do not intend to shut it down, particularly at this critical stage when it is actually starting to generate the revenue we anticipated. Therefore, we will continue and advise, through the House Committee, further advances on potential outsourcing of the catering service.

Mrs BRAHAM: Mr Chairman, could I just ask if it is policy of the House Committee that all functions in Parliament House be catered for by Speaker's Corner, or do some functions get catered for by outside?

Ms MARTIN: Mr Chairman, I refer it to the Deputy Clerk.

Captain HORTON: Since the operation of the building, there has been a policy that the Protocol Unit actually organise their own catering arrangements. They use a number of catering agencies around town. From time to time, the previous operator of Speaker's Corner, and now the Parliament House catering, does actually get some of that catering - sometimes in the order of 20% to 25%. It varies. There are no specific guidelines, to my knowledge, where in-house catering arrangement has a right of catering for all functions in Parliament House.

Mrs BRAHAM: Sounds like it might be a good idea to consider that. Thank you, Mr Chairman, that is all.

Mr CHAIRMAN: Are there any further questions in regard to output 1.3?

Dr LIM: Yes, Mr Chairman. I ask the Acting Speaker regarding the issue of networking of the building. For years now, we have talked about deterioration in the token ring system. What is in place to rectify that? What funding has been put in place to ensure that the building is adequately wired for communications for Internet connectivity?

Ms MARTIN: I refer that to the Deputy Clerk.

Captain HORTON: Mr Chairman, for the past one or two - probably two or three - years now, we have been advised by the information communications technology people in DCIS that the current technology in the building has actually reached its use-by date. It is old token ring technology and is no longer, in today's age, supportable or maintainable. There is an acute lack of spares - although we probably own all the spares in Darwin I think. Therefore, it is a necessity to upgrade the cabling in the building which carries all the IT and communications network to what is known as a Category 7 level cabling. This is a higher grade cabling which will meet today's requirements and future requirements for such things as voice-over IP, and also increase data loads that the building is currently experiencing.

As part of the review of that requirement, Connected Solutions Group were tasked through DCIS to do a survey of the building and to make recommendations of what cabling should be installed. We are now in receipt of a draft report on that. That is currently being evaluated and awaiting further response from DCIS as to whether we should accept that report and proceed down that path.

To meet the requirements of that there is a cost involved, obviously. The cost of the cabling in the report is estimated at about \$0.5m. However, because of the fabric of the building, as there are no false ceilings and no cable floors, the actual placement of the cable is going to impinge to some degree on the fabric of the building, particularly where it is basically hard wired throughout the building. We are currently waiting on DPI, who are going to do an assessment, hopefully over the next week or two, on what implications and cost there will be to install the cabling. On the basis of that, a Cabinet submission is being drafted and that will go forward for consideration in the normal manner.

Mr CHAIRMAN: Are there any further questions in regard to this output?

Dr LIM: No, I will reserve the rest of it until later on.

Mr CHAIRMAN: That being the case, that concludes consideration of this output group. I draw members' attention to the time. Are there any non-output specific budget related questions?

Non-Output Specific Budget Questions

Ms CARNEY: Mr Chairman, how much was spent on consultancies in the last 12 months? What were they? What were the costs, and how does it compare with the preceding 12 months?

Ms MARTIN: We will take that question. Mr Clerk.

Mr McNEILL: Mr Chairman, I do not have the last two years information directly. I can advise, in respect of the financial year 2005-06 to date, the expenditure on consultancies by the department on consultant fees and legal advice have been paid to Mr Graham Nicholson as an advisor to the Legal and Constitutional Affairs Committee totalling \$2335. We also anticipate outgoings to the new legal advisor to the Subordinate Legislation Committee, who has yet to send an invoice. That outgoing should be in the order of \$2000 to date.

There have been other consultancies performed to our benefit; however, they have been under the auspices of the Risk Management Unit of the Chief Minister's Department at no cost to us, for which we are grateful. That involved the catering review and the audit of members' travel for the calendar year 2005.

In 2004-05, the one consultant's fee recorded is to IT consultant output reporting from Northern Territory Treasury, which did not cost us anything.

A member: We paid that.

Mr McNEILL: We did pay for it? Oh, it says 'nil' cost. That amount - \$6832.73.

Ms CARNEY: There were three consultancies in 2005-06. Correct?

Mr McNEILL: That is right. Three that have been paid to date.

Ms CARNEY: Oh, four. And, one was a bill?

Mr McNEILL: One is a bill.

Ms CARNEY: Okay. How many consultancies were there in 2004-05?

Mr McNEILL: There was one.

Ms CARNEY: Thank you. Were any certificates of exemption provided in relation to the four consultancies about which you have just spoken?

Ms MARTIN: I refer that to the Clerk.

Mr McNEILL: Mr Chairman, I am not aware of any certificates of exemption. I believe the scale of the nature of those consultancies probably preclude that. Also, the arrangement that has been one of longstanding with the Legal and Constitutional Affairs Committee and Graham Nicholson probably extends back to the mid-1980s as one that has been endorsed by that committee from time to time.

Ms CARNEY: Because you are not certain about that answer, would you, if it is appropriate, undertake to provide me with the information if you subsequently discovered that you had provided the wrong answer?

Mr CHAIRMAN: Chief Minister?

Ms MARTIN: I will refer to the Clerk on this, Mr Chairman.

Mr McNEILL: Yes, Mr Chairman.

Mr CHAIRMAN: You are certainly not looking at a question on notice, are you?

Ms CARNEY: No, thank you.

Mr CHAIRMAN: Please continue.

Ms CARNEY: Not including the ones about which you spoke in your earlier answer, was any legal advice obtained by the Assembly in the last 12 months? If so, can you provide details of the advice you obtained, why was it obtained, and whether any advices were received in relation to a member or members, and also provide any other relevant details?

Ms MARTIN: To the Clerk.

Mr McNEILL: It might be advisable to take that on notice to the extent that, in the normal course of the year's administrative and procedural activities, I had cause to write to the Department of Justice from time to time seeking legal advice in respect of a whole range of procedural and administrative matters. I can, however, advise the committee that, during the period 2005-06, I am not aware of any particular advice that I have actually related to an individual member. I am able to undertake to provide a comprehensive and detailed list of those occasions and subject matter upon which I have sought ...

Ms CARNEY: You are talking about the times which you sought advice from the Department of Justice, are you?

Mr McNEILL: Yes, indeed. At this stage, I am certainly not aware of any legal advice that has caused us ...

Mr CHAIRMAN: Chief Minister, are you prepared to take that question on notice?

Ms MARTIN: Yes. Just to identify that no legal cost, but the advice is a separate issue. If the Opposition Leader wants that, happy to take it on notice.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, would you please restate the question, Leader of the Opposition.

Ms CARNEY: Yes, and I will modify it slightly to fit in with what the Chief Minister and the Clerk suggested. Can you detail what legal advice was obtained in the last 12 months by the Assembly, excluding that in relation to the parliamentary committees? In particular, detail the advice sought and obtained from the Department of Justice?

Mr CHAIRMAN: Are you prepared to take that question, on notice, Chief Minister?

Ms MARTIN: I am.

Mr CHAIRMAN: For the purposes of Hansard I allocate that question No 1.9.

Mr CHAIRMAN: Are there any further questions?

Ms CARNEY: No, Mr Chairman.

Mrs BRAHAM: Just one quick one which may be out of order. Do any electorate offices have colour photocopiers?

Ms MARTIN: I will refer that question to Vicki Long.

Ms LONG: There is currently a trial being undertaken of a colour photocopier in the Wanguri office ...

Mrs BRAHAM: A trial in the Wanguri office of a colour photocopier? What is the trial based on? What are we trialling – whether it works, or not, or what?

Ms MARTIN: I refer the question to Vicki.

Ms LONG: The trial is based on the effectiveness of that particular machine, and the costs. At the moment the department is paying for black toner; the electorate office is bearing the costs of colour toner. It is proposed that in the next couple of weeks a review of that trial will be undertaken. If that trial has been satisfactory from the point of view of the member and the electorate office, and the costs can be contained within the budget being reviewed, then the colour photocopier will be rolled out to all electorate offices.

Mrs BRAHAM: I would be happy to trial that in Alice Springs.

Ms CARNEY: Who made the decision to trial it in Mr Henderson's electorate office?

Ms LONG: That was a decision made in conjunction with the Speaker.

Ms CARNEY: Would it not have been more appropriate to have a trial in an electorate office where the elected member is not a minister who already, presumably, has colour photocopiers and so on. Would not a more realistic assessment been able to be undertaken in an electorate office of someone who is not a minister?

Ms MARTIN: I am sure the Speaker would like to answer that question and I will take it on notice for the Speaker to answer that particular question. It is more of a personal nature and she would like to ...

Members interjecting.

Ms MARTIN: Can I just finish? It is a very different thing when the Opposition Leader is implying that if you are a minister you should not use your parliamentary office to do that kind of electorate work. That is not the case. Everyone is treated very equally in terms of their electorate. I am sure the Speaker would like to articulate her answer.

Members interjecting.

Question on Notice

Mr CHAIRMAN: Could you kindly restate your question for the purposes of Hansard if you wish your question to be taken on notice?

Ms CARNEY: Would it not have been more appropriate for a trial to have been undertaken in a member's electorate office where a member is not a minister of the Crown?

Mr CHAIRMAN: Are you prepared to take that question, Chief Minister?

Ms MARTIN: Yes.

Mr CHAIRMAN: For the purpose of Hansard, I allocate that question No 1.10.

Mr CHAIRMAN: Are there any further questions?

Dr LIM: Mr Chairman, are you asking for another question?

Mr CHAIRMAN: No, actually, member for Greatorex. I have looked up at the clock and, no, I am not asking for any further questions

Dr LIM: You are gagging.

Mr CHAIRMAN: No, I am not gagging.

Dr LIM: We started after 8.30 am.

Mr CHAIRMAN: Member for Greatorex, the time has run out. I said 10.30 am, it would expire. It has. What can I say about time?

On behalf of the committee, I thank the Chief Minister for attending on behalf of Madam Speaker. I also thank officers from the Department of Legislative Assembly before us today.

Ms MARTIN: I also add my thanks to the Clerk, Ian McNeill; Deputy Clerk, Captain David Horton; Director of Parliamentary Services, Vicki Long; and Chief Finance Officer, Rex Schoolmeester. I wish our Speaker all the best in her recovery.

MINISTER STIRLING'S PORTFOLIOS

Mr CHAIRMAN: I welcome the Treasurer and I invite him to introduce the officials accompanying him and to make an opening statement.

Mr STIRLING: Thank you, Mr Chairman. I would like to make an opening statement in relation to my responsibilities as Treasurer and also as Minister for Racing, Gaming and Licensing. This covers questions relating to Treasury including Racing, Gaming and Licensing which is part of Treasury, the Central Holding Authority, and the Northern Territory Treasury Corporation.

I have with me the Under Treasurer for the Northern Territory, Jennifer Prince, and other senior Treasury staff. Witnesses include Mr Peter Caldwell, the Deputy Under Treasurer; Mr Tony Stubbin, the Assistant Under Treasurer; Ms Jodie Kirkman, Senior Director, Financial Management Strategy; and Mr Craig Vukman, Executive Director, Revenue. I will introduce other Treasury witnesses and ask them to come forward as individual output areas are dealt with, including Mr John Montague, Senior Director, Funds Management, and Elizabeth Morris, Executive Director, Racing, Gaming and Licensing.

This is the fifth estimates process run in this format introduced by the Martin government. The process is an important part of the increase in transparency and accountability this government prides itself on; having built into the budget process and the procedures of government as a whole. The introduction of freedom of information legislation, format changes in budget presentations aimed at making information clearer, and the *Fiscal Integrity and Transparency Act* have resulted in the new levels of budget honesty, such as the pre-election outlook forecast. All add up to a body of legislative reform that places the Territory at the leading edge of transparency and accountability in budgetary processes.

I recall a meeting held two years ago with Moody's, where the Vice President told me we had one of the clearest and most accountable set of budget papers he had seen. Never again will a government go to an election in the Northern Territory saying we have a \$12m surplus which, surprisingly, turns out to be a \$130m deficit just six weeks into the financial year.

This is also the fifth accrual budget presented by the government, with agency information disaggregated by outlook classification. Presentation of financial information of budget papers is very largely consistent with the approach taken in previous budgets to facilitate comparison. Budget Paper No 2 tends to be the budget paper that Treasurers use in analysing and comparing budgets with other jurisdictions. Therefore, it is more technical in financial content than the other books. It includes the consolidated financial statements. It has an overview of the fiscal strategy underlying the budget, as required by the *Fiscal Integrity and Transparency Act*. It also contains an analysis of the government's current financial position and outlook, and includes chapters on the Northern Territory economy, the budget initiatives, Northern Territory own sourced revenue, revenue from the Australian government, and commercial issues impacting on government finances.

Budget Paper No 3 presents the budget disaggregated by agency for all agencies subject to the *Financial Management Act*. Presentation of information in Budget Paper No 4 relates to the government's capital works and infrastructure expenditure.

As Treasurer, I will address a number of issues from a whole-of-government perspective. These include financial and accounting policy issues applying to the 2006-07 budget, requirements of the *Fiscal Integrity and transparency Act*, including financial statements for the general government and non-financial public sectors and the fiscal strategy, financial and economic whole-of-government financial issues, including relevant parameters; debt and liabilities; revenue including taxes, royalties and GST revenue; revenue measures in the 2006-07 budget; community service obligations; and dividends.

I will also address any issues in relation to the output Cash and Program Position of the infrastructure budget, individual projects that are handled by the Infrastructure minister and portfolio ministers.

As shareholding minister for Power and Water, I will address issues that arise in the budget papers and Appropriation Bill in relation to Power and Water, specifically, this will be CSO payments committed to electricity and water tariffs, and dividends and tax equivalent payments made by Power and Water. Operational and other policy questions should be directed to Power and Water representatives, who will appear before the Government Owned Corporation Scrutiny Committee.

Mr Chairman, I am happy to answer any questions from the committee relating to my responsibility to the Appropriation Bill and budget papers.

OUTPUT GROUP 00.01 – WHOLE OF GOVERNMENT QUESTIONS – BUDGET AND FISCAL STRATEGIES

Mr CHAIRMAN: The committee will now consider item 1 on the schedule of Whole of Government Questions, Budget and Fiscal Strategies. Are there any questions?

Mr MILLS: My questions initially will be focused, as they were in the last two, on the broader issues of fiscal management for the future of the Northern Territory. Treasurer, you would accept that the strength of the current Northern Territory economy is largely as a result of a commodities boom and the strength of the Chinese economy, principally. Would that be the case?

Mr STIRLING: A very general question, Mr Chairman. In part, I guess that has fuelled the non-residential and engineering sector of the economy over the last few years that we have seen. We have ConocoPhillips and, of course, the G3 expansion at Nhulunbuy. There has also been a 20% and 30% ongoing increases in improvements around residential, and we are still seeing those sorts of figures come through. Do they contribute? Absolutely. Is it a flow-on effect to the broader economy? Absolutely. they do all come together.

Mr CHAIRMAN: Treasurer, just as a courtesy to Hansard, in accordance with the committee, the members are the member for Grotorex, the member for Macdonnell, the member for Daly, myself as Chairman, shadow Treasurer, the member for Blain.

Mr MILLS: The description you gave, Treasurer, can also be made of Western Australia, another resource-rich state, and Queensland to some degree, but not so New South Wales, Victoria and Tasmania. If that be the case, as opposition and many commentators assert, that it is, in fact, external factors that are driving the Territory economy at this point, the issue is that we must focus on the capacity of this current administration to manage in this time of growth. You would accept, would you not minister, being around for some time, that this is cyclical?

Mr STIRLING: Mr Chairman, absolutely cyclical. The Territory, historically, has run counter-cyclical, at least to the southern states. We saw very early that, I guess, New South Wales most notably, when they hit the wall in terms of property growth and property development. It was not very long before investors were en route to the Territory, snapping up tracts of land and blocks of apartments, and beginning to fuel that growth, certainly in the residential, that we have seen over the last few years. Western Australia, to a certain extent, runs the same way. For the 16 years I have been here, generally, when the Territory is going well, the southern states are not. What are the reasons for that? I do not know, it just seems to run in that cycle.

Mr MILLS: At this moment, any of the resource-rich states, particularly Western Australia and the Northern Territory, point directly at the strength of the resources boom. It is also acknowledged, dissimilar to Western Australia, that the Northern Territory has a very narrow base, therefore, we are particularly suspect to any fluctuations. That is the case, would you say, minister?

Mr STIRLING: Yes, as a small economy and narrowly based as it is, that is why we have the very first real beginnings of a solid industrial base with the ConocoPhillips plant such an important step forward. I believe we will see further industry development flowing off the gas sector.

Mr MILLS: Does it concern you, Treasurer, that in the last Access Economics' report that referred to the Territory economy as 'now more dependent on government spending' than it was in 1991?

Mr STIRLING: I might ask Mr Stubbin to comment on that. That is not a view I would share. In fact, I would have thought, over time and the maturity of the Northern Territory economy with these major projects – Nabalco and Alcan have been there a long time but there is an incredible growth spurt that they are in again. As I said, we will continue to see further industrial development coming out of the gas industry over time. All of that serves to mature and grow the economy and make it less dependent on government. Mr Stubbin, if you so wish.

Mr STUBBIN: I am not familiar with ...

Mr CHAIRMAN: Could you identify yourself, please?

Mr STUBBIN: Tony Stubbin, Assistant Under Treasurer. I am not familiar with the quotes that you provided. However, the exact reverse has generally been the case; that the role of government in the Territory economy has been slowly diminishing as the private sector has grown more relatively faster. I am happy to ...

Mr MILLS: We could go down that line perhaps a little later. It was just interesting that the last Access Economics' report provided risk for this government as nil, and they have plucked out aspects of it to point attention to their own capacity. However, there are aspects of that report which also undermine confidence in our fiscal position. If we could go down ...

Mr CHAIRMAN: Shadow Treasurer, I am prepared to allow the question. However, could we not make statements and keep to questions?

Mr MILLS: I will cleverly work out how to make a statement and finish it with a question.

Mr CHAIRMAN: If there is a preamble with a question in there, then I am happy.

Mr MILLS: Yes. Treasurer, has population growth matched your expectations?

Mr STIRLING: My expectations arise from the forecast estimates that Treasury place in the budget papers each year. We have seen, over the last couple of years, those forecasts put forward by Treasury adjusted through the mid-year upwards and then generally exceeded. I do not have an expectation. I rely on the forecast put forward by Treasury. Some people might say they have been conservative and, if they are, that is a good thing because so much depends and flows through all the budget estimates based on population numbers, because of the critical link that has with the Commonwealth Grants Commission. In answer to your question, population growth over the last few years has exceeded my expectation. We are running at, I think, 1.8%.

Mr MILLS: The population has increased to the tune - I cannot recall your figures - something like 300 more people have arrived in the last cycle than have departed. Are they the figures that you used, 360 or something like that?

Mr STIRLING: There are three areas of growth and all are in growth phase. That is the nett number of people coming to live in the Territory from elsewhere in Australia versus the nett number of people leaving the Territory to go and live elsewhere. That is in positives. Then there is the natural increase. There is also the overseas immigration as opposed to those going out. All of those figures have been in the positive for, I think, eight successive quarters.

Mr MILLS: Not all of them. In those successive quarters there has been a natural birth rate which are not economically active for many years. However, in recent times, minister, and I refer you to this. I need some figures as to when has it become positive and to what magnitude has it become positive? How many more economically active people have arrived in the Territory in the last two years?

Mr STIRLING?: Nett interstate migration turned positive in the March quarter 2005, and that was the first time since December 1999, with a nett inflow of 192. The June quarter 2005 saw a further nett inflow of 233 followed by 56 in the September quarter 2005.

Mr MILLS: Okay, so it was not, in fact, eight successive quarters. There has been a natural birth rate, which is a different economic proposition altogether. However, we have seen some increase in the last two reporting cycles?

Mr CHAIRMAN: Is that a question?

Mr MILLS: I have not clearly worked out how to put a question, they are just correcting because we have just heard that it was eight successive - not the case.

Mr STIRLING: Eight successive quarters of population growth. We are ...

Mr MILLS: In all sections.

Mr STIRLING: We were approaching now five on the nett interstate migration. I have a graph which illustrates the numbers against natural, increased overseas migration level, nett interstate migration and public growth. I am happy to table that.

Mr MILLS: I am happy to take that, thank you. Treasurer, has economic growth matched your expectations?

Mr STIRLING: Economic growth is one of those areas that depends what measure you use, and there are several. You can use gross state product, state final demand, or you can use a more general, much broader definition of consumption. To get the most holistic administered picture of economic activity and growth, it is necessary to look across all three because they do measure and do count in bits and pieces of economic activity that other definitions do not. I am not sure, I might go to the Under Treasurer's minutes of the Treasury forecast estimates over the last couple of years, compared to what it has been achieved. You have to put into the mix there Access Economics and groups like that that also have estimates. Sometimes, these get confused in reporting.

Mr MILLS: Before you go to one of your bench there to assist with this, this grant here has been used a number of times and these are the figures that were reported in your own budget papers of the actual estimates - the projections that government spoke of at the time of the budget. Yet, these were the actual levels of growth, so the estimates did not match actuals. Granted, this goes up to 2004-05; this is an older graph. Can you please explain then that differential in that - at one point standing in the Chamber and speaking on economic growth before the business gatherings, and then failure to perhaps go back and report what they actually turned out to be. How do you manage to define that discrepancy between estimate and actual?

Mr STIRLING: I am not familiar with that one, but I will ask the Under Treasurer.

Ms PRINCE: Jennifer Prince, Under Treasurer. Mr Mills, from memory that chart is a chart that you might have had in these proceedings last year. The advice that we provided to the committee at that point was that the gross state product estimates for the Northern Territory are very difficult to estimate. As you know, the ABS themselves does quite a few variations over the period. The reason being is that the Territory's economy is very small relative to the Australian economy, and much of the estimates for the Territory rely on figures that relate to the rest of Australia and to the Territory. We are trying to match economic performance in what is about 1% of the Australian economy compared with the total.

If that chart of yours was taken out for the next couple of years - through to including 2005-06 and there is an estimate for 2006-07 - the variations for 2005-06 are not quite as extreme. Most of that is because we have very robust onshore economic growth. Usually, the variations occur if we have large projects happening in our offshore waters, or if we have variations in some of the export figures.

For 2005-06, the estimate that we had for that year in May 2005 was for 6.2%. We revised that down to 5.8% in the mid-year report. We have revised that up to 6.7% in our most recent budget, and we will revise it again in the mid-year report later this year after the state accounts figures come out in November.

Mr CHAIRMAN: I acknowledge the presence of the member for Katherine as a participant of the Estimates Committee. Please continue, shadow.

Mr MILLS: Thank you, Mr Chairman. I do accept that. My point is not so much that you had great expectations and never matched expectations. This just happens to be an old graph that illustrates this point. I was aware that ...

Mr CHAIRMAN: Is this a question?

Mr MILLS: It will have a question mark at the end; I will endeavour to do that. The question is something like this: the estimate and the actual vary significantly. The explanation is that there are factors outside the control of the Territory government that bear upon the economy. That has just been illustrated by the response. Treasurer, do you have much control over the state of the Northern Territory economy?

Mr STIRLING: Absolutely, in terms of support for small business activity and growing small business. We have done that most notably by creating a jurisdiction in Australia that has absolutely by far and away the lowest recurrent taxes at a state government level on small business up to 100 people. We have a state comparison, which I will table, which clearly shows how far ahead we are of the rest of the states. I get letters - I do not get many letters from business in a congratulatory-type mode, but I have in respect of some of the taxation removal over the past couple years, particularly over duties and around the reductions in stamp duty.

In relation to the measures - and I guess most things about the Northern Territory economy tend to have a degree of volatility about them not present in the larger states. I can remember a debate going back many years, when Laminaria/Corallina was at full peak production and distorting economic activity, and figures in the Northern Territory were quite high. Yet, the onshore economy was very flat and there was no growth in the property market, and jobs were at a virtual standstill. The budget papers will show a different story, not deceitfully, because they measure economic activity that was not effective onshore.

At the moment, we have very strong onshore economic activity. It is, of course, reflected in the budget papers, but it is also visible to people in the street in construction occurring and things like that. That has not always been the case. Because we are a small economy and we do have those relativity factors, big major projects occurring at Laminaria was a classic. Ironically, when Laminaria/Corallina started to come down and distorted the economic growth figures in the Northern Territory, in fact, the reverse was occurring - onshore activity was actually picking up. There can be such a big part of the economy to distort what is actually happening on the streets and visible to the eye .

Mr MILLS: Minister, you have just reinforced my point that it is factors external to the Territory government that are driving the Northern Territory economy. You referred to – there will be a question ...

Mr CHAIRMAN: I am sure there will.

Mr MILLS: You referred to reductions of some taxes on small business operators. They are a result, are they not, of the federal government requiring the Northern Territory government to reduce these taxes because of GST receipts?

Mr STIRLING: No, that is not true. There were a number of taxes agreed, as a result of the last two Treasurers' Conferences, that would be removed, by way of a schedule over the next four or five years. However, there was nothing whatsoever in that intergovernmental agreement around payroll tax. No other state has moved on payroll tax at all, or very minor adjustments, compared to what we have done in the Northern Territory by reducing the rate from a big 6.5% on coming to government in 2001 to 6.2% now, and increasing the threshold over a number of budgets from \$600 000 in wages. After that, you paid payroll tax in 2001. That figure is now \$1.25m. We have knocked out a whole range of businesses, most notably local – some interstate as the thresholds crept higher, and some national companies. However, generally, the effect has been to take Northern Territory home-grown businesses out of the payroll tax threshold.

We have also done a fair bit around first home owners' grant concessions and principal place of residence concessions on stamp duties, because we have always had the lowest rate of home ownership in Australia. Those concessions have had an impact in the home owner market and residential construction.

Mr MILLS: So you are saying these reductions are in no way a result of pressure from the federal Treasurer?

Mr STIRLING: Since 2002-03, across those taxes, there have been 14 reductions from the Northern Territory government. Only two of those were in a tax reform agreement with the Commonwealth. So it is not pressure from the Commonwealth in all of this.

Mr MILLS: Not at all.

Mr STIRLING: The Commonwealth never said: 'You have to reduce your payroll tax'. It was a policy of this government, prior to the 2001 election, that we would look as far as possible to get parity with our near neighbours in payroll tax, and that is what we have been doing. We have said that there will be further reductions in payroll tax into the future. No decision was made as to whether they would be threshold changes or rate changes. My view would probably be rate changes, which still stands fairly high in comparison to the rest of the states.

However, in saying that, you have to take into account the fact that, with interstate comparison between the Northern Territory with the other states, there is a whole range of taxes applied in other states that do not apply here – property tax, ambulance levies, fire service levies; those sorts of things. I put on the record a comparison in current taxes for a business with 100 staff, running from 1 to 8: Northern Territory, \$253 760; at the top, New South Wales with \$344 803. There is enormous variation. The next closest to us is the ACT with \$297 000. Business to 100 staff is considerably better served in taxation through recurrent state level taxes by the Northern Territory government. I table that, Mr Chairman.

Mr MILLS: You have tabled it many times before; I will have another look. Treasurer, as has been confirmed that it is largely external factors that influence the Territory economy, and there is little that the Territory government has at its fingertips to strengthen the domestic economy, you refer to, of course, payroll tax. When do you plan your next move on reducing payroll tax?

Mr STIRLING: Before I go to that, Mr Chairman, it is not true to say that that is the only lever available to government. In fact, we made a conscious decision, beginning with the November 2001 mini-budget, that we would crank up capital works programs and cash into capital works programs as far as was humanly possible, given our budgetary situation. We continued to do that and roll out record capital works program from the November mini-budget of 2001 right through.

That was a conscious decision because the construction industry and the Northern Territory economy was so flat. That did take some time to take effect. In fact, I guess it was a warning for myself as Treasurer to see that it was probably upwards of two years before that really got the place starting to crack again. Then, of course, major projects have come in over the top. However, we already had a pretty active construction industry by the time those big projects began to come along.

It is not true to say that we are at the mercy of external factors. To some degree those big projects have a skewing effect on economic activity in the Northern Territory. We were already, as a government, doing very much to stimulate our capital works. We have a view, equally, that we ought to be getting out of the way of the private sector when things are really busy out there, so that we are not continuing to drive up costs both for them and ourselves when resources get scarce, particularly around skill shortages that the whole of Australia is facing. There was another part to your question.

Mr MILLS: I am a little lost now.

Mr STIRLING: I did not mean to not answer it. I just wanted to make sure that you understood that there are various levers: taxes is one, capital works is another.

Mr MILLS: I never said that payroll tax is the only lever, but we have to be able to find the way of strengthening the domestic economy. We are largely driven by external factors such as the flow-on effect of major projects. They are the ones that are actually driving the Territory economy. When was your next move on payroll tax to strengthen the domestic economy - you have the capacity now?

Mr STIRLING: We made a commitment in this budget that this was not the end of payroll tax reform. We had, I think, up until this budget, been putting away \$3m to \$3.5m that it would cost us in one year for those sorts of reforms. We are not in that position now, nor have we given a date or time. However, consideration will be given. The whole array of taxes comes under review every budget preparation time. We will be looking at – I just have a note here. In fact, it was a 2005 election commitment, I am advised. We did put it in the budget speech this year that we will be going back to payroll tax. What form, how much? Those decisions are not made.

Mr MILLS: You prefer the rate operation, I understand, Treasurer?

Mr STIRLING: That is my view, but I take advice from Treasury who have always given us a range of options with preferred recommendations. Then, in the end, Cabinet decides. There is a election commitment to reduce the 5.9% during this term of office.

Mr MILLS: If it gives you any comfort and assistance in your decision-making, you will receive the support of opposition for a rate reduction. We might quibble over the level.

Mr STIRLING: Now I understand; it is a commitment – we are very definitely going that way.

Mr MILLS: I need to go to a point that you made, Treasurer. You made reference to capital infrastructure spend of this government. The amount of cash that is actually going into - perhaps we look at Budget Paper No 4, page 9. In fact, we tracked the actual cash from government that goes into infrastructure. It is not the same story as the rhetoric spoken of government because there has been a folding in of repairs and maintenance to create the impression that there has been record spend. Actual spend on real infrastructure is diminishing. I have taken the time, Treasurer, to illustrate the track of the cash input into infrastructure since 2002-03 down to 2006-07, and it is tracking downwards; that is, the actual money going into infrastructure from the Territory government. Can you explain this story and how does it match your government's rhetoric that you have record spends in infrastructure?

Mr STIRLING: We do, and I will come to those concerns in the 2006-07 figure on page 9. In fact, we have been cashing our capital works programs to the extent of between 50% and 60%, always ensuring that - we have the figures there – in 2000-01 it was a figure of 44%; 2001-02 we have pushed it to 51%; 2002-03 62%; 2003-04 58%; 2004-05 61%; 2005-06 63%; and 2006-07 62%. That is the percentage of cash against program. Under the last CLP government, it was 44%, under this government, as I said, anywhere between 51% and 63%. Currently, we are running at 62%.

That 44% in 2000-01 meant that there was not enough cash put against the 2000-01 budget to pay for the revoted items of the previous year's announcements, let alone go anywhere near the new programs. Therefore, for anything announced by the CLP by way of new programs in 2000-01, it was clear that it was going to be two years at least - under the former government if they had stayed in office - before any of those new program items could be gotten anywhere near. That was a salutary lesson for this government: (1) do not try to over-commit the capital works, no matter the fact that you are trying to stimulate the economy at the same time, because big projects go over years, all sorts of things happen to capital works programs to slow things down and make them more expensive. We learnt, I guess, that very important lesson to always be able to cash your program, certainly to a level that far exceeds the revoted items from the previous year coming in. That figure you referred to does not include the \$100m for community infrastructure for the waterfront. That is, I guess \$100m short that is not dished up ...

Mr MILLS: Put the waterfront aside ...

Mr CHAIRMAN: I do not think he is finished, shadow.

Mr STIRLING: ... and picked up on page 2 of that same document.

Mr CHAIRMAN: Would you prefer to do ...

Mr STIRLING: In basic experience, the government's commitment of around \$100m for community infrastructure and the Darwin convention and exhibition centre at the Darwin waterfront development.

Mr MILLS: Treasurer, these figures here, which are the estimates from 2002 to 2006-07, is not an upwards spike. Does each one of those reflect the waterfront development, or is this only one that sits behind this one, which is a reduced amount?

Mr STIRLING: Since 2001, Mr Chairman, the budget has always referred to infrastructure and it has always included capital works, minor new works, repairs and maintenance. That has never changed. We have put in \$2.7bn in cash since coming to office. We can all have charts and graphs, Mr Chairman, but I particularly like this one. I like this one because it is about a very flat year for residential, non-residential; engineering is the orange one, bits of green in between, the blue is the total. You can see it coming down here between 1999 and, somewhere - it is hard to tell ...

Mr MILLS: Remember the GST comes in.

Mr STIRLING: It looks to me about August 2001, to tell the truth. If I look really close, it looks about August 2001. What has happened?

Members interjecting.

Mr CHAIRMAN: Members!

Mr STIRLING: What has happened since? This has gone off the page. I will table this because you need to have a good look at this. For many years, not much change. In fact, coming down badly, 1999-2000 ...

Mr MILLS: The GST you opposed, Treasurer.

Mr STIRLING: Read 2001, up she goes!

Mr MILLS: You have done very well, what a remarkable effort!

Mr STIRLING: This is all predicated into the future, but pretty high - good graph. I would like to table this, Mr Chairman.

Mr MILLS: This is a shocker. If that be the case, then this is a shocker!

Mr STIRLING: This is Territory construction ...

Members interjecting.

Mr MILLS: This is a shocker!

Mr CHAIRMAN: Treasurer, you have been asked whether the graph that the shadow Treasurer is holding up is a shocker. What is your response?

Mr STIRLING: Mr Chairman, I hope I get a copy of that back. I do like that graph.

Mr CHAIRMAN: Your question, shadow.

Mr MILLS: Mr Chairman, I would like this to table this one then, if he likes that graph, because this needs an explanation. Can you please explain why you are able to say for that record spend, which includes repairs and maintenance which was previously excluded, and now you have a downward movement in the amount of cash going into infrastructure?

Mr STIRLING: Go and tell the construction industry that. When we came to ...

Mr MILLS: Flow-on benefits.

Mr STIRLING: Before we came to government in 2001 ...

Mr MILLS: You are putting less in.

Mr STIRLING: ... local contractors in the Gove region were despairing because they were getting contractors coming from Darwin to quote for every single job that was going, because they were no jobs. There were no construction jobs available across the Northern Territory because the government capital works program had virtually come to a halt.

They have never been more busy over the last few years, and nor has the rest of the Territory in terms of what government has been rolling out the door. Therefore, I do not accept that \$2.7bn worth of cash in infrastructure since we came to office in 2001 had not had an effect. It has – just look at the graph.

Mr MILLS: Just look at that graph, then look at this graph - completely different stories. That graph, Treasurer, was brought from your own budget papers. There has been a reduction in the cash that goes into infrastructure. Will you accept that that is the case, from your own budget papers? You are spending less?

Mr STIRLING: You have to put back in the \$100m for community infrastructure for the waterfront convention centre, and that brings it right back up if it is included. It is explained on page 2 of Budget Paper No 4:

Both infrastructure program and payments will be slightly lower in 2006-07 than 2005-06. However, this excludes the government's commitment of around \$100m for the community infrastructure and the Darwin convention and exhibition centre at the Darwin waterfront development. This, and the significant private construction projects under way or about to commence, means that the construction industry will continue to be very busy. During 2006-07, capital expenditure levels, as a result of government initiatives, remain high.

And possibly even higher than they should be, given the work that is out there. We are seeing quite hefty escalations, particularly in remote and rural work, because contractors are so busy and have such busy schedules. They see a government job come up and think: 'That would not be a bad little job, but we are awfully busy. Let us put in a pretty high quote on it and see how we go'. Sadly, that is what they all do, so government is getting high quotes.

Mr MILLS: In the interests of time, Treasurer, I need to deal with just one aspect of your response. The waterfront's \$100m sits underneath 2006-07. I asked previously whether that has an influence on the previous year and the year before that?

Mr STIRLING: I am not sure of that. Under Treasurer?

Mr MILLS: It has been mentioned in every estimates.

Ms PRINCE: Mr Mills, the \$100m is the Territory's contribution to the community infrastructure that will be constructed over a three-year period. It is just marginally delayed and, hence, there was an adjustment that was included in the 2006-07 budget papers, associated with the very heavy Wet that we had earlier in the year. However, community infrastructure is being paid for entirely by the Territory, whereas the convention centre will be funded by the consortium, and will be then paid for in operating payments over 25 years.

Mr MILLS: Therefore, I will say, Treasurer that, I am correct; that that \$100m for the waterfront is a cover for a multitude of sins. You are saying that is the explanation as to why there is less money being spent on infrastructure this year when, in fact, it is trotted out every time we have this story. Every time we have this discussion about the actual cash that is going into infrastructure, you roll out the waterfront. The waterfront is a mask ...

Mr STIRLING: Earlier, Mr Chairman, I referred to the percentage of cash against program. Let us have a look, in real numbers: in 2000-01, \$385m plus grants; 2001-02, \$357m plus grants; 2002-03, \$439m; 2003-04, \$438m; 2004-05, \$479m; 2005-06, \$505m; and 2006-07, \$482m. They are real dollars.

They are real dollars. That is \$2.7bn that has gone out into the construction world. When you look at those figures, they are around the \$480m to \$500m, compared to the last year of the CLP, \$338m. Is this an increase in cash? Yes. Has it made a difference? Yes.

Mr MILLS: With all respect, Treasurer, I separated repairs and maintenance to illustrate the point that the amount of cash that is going into real, new infrastructure is diminishing. You deliberately include repairs and maintenance for the sake of your story. You also deliberately bring in the waterfront to mask the fact that there is a reduction in the amount of money that is going out – real cash going into infrastructure. If you are going to read that for the third time, I would ask you please do not. I ask, Mr Chairman, if that chart could be tabled?

Mr CHAIRMAN: Are you prepared to table that document?

Mr STIRLING: What document?

Mr MILLS: The one that you have read from twice.

Mr STIRLING: Absolutely. Cash versus program history document - no problem.

Mr MILLS: Treasurer, one time you read that out, you made reference to percentage amounts of ...

Mr STIRLING: Yes, you are getting the document now.

Mr MILLS: Thank you. To follow on from how you have been responding, you indicated that, I presume, you are acknowledging that this is the lowest spend ever, with or without the waterfront. So, put the waterfront in there for the sake of your story. Does that, therefore, mean that those remote workers, those who have got contracts in remote regions, have less money?

Mr STIRLING: Lowest ever when?

Mr MILLS: You must have missed my chart. It comes from your budget paper. It has been tabled. It is a little one. This is on Budget Paper No 4, page 9, 2006-07. In 2006-07, it is \$268.3m. That is Budget Paper No 4, page 9.

Mr STIRLING: I would ask Jennifer to straighten this one out, Mr Chairman. The Under Treasurer can point out the error here, on behalf of the member for Blain's error in reading this.

Ms PRINCE: Mr Mills, the cash allocation in 2006-07 is not the lowest ever. It is \$167m. It is estimated that there will be about \$38m in community infrastructure payments for the waterfront. It is possible that your chart refers to the program and not the cash, but I just do not have it here.

Mr MILLS: Just so that we are not going to waste time with it, on page 9, I am looking at the column that says 'total capital works'.

Ms PRINCE: That is the program figure.

Mr MILLS: Yes.

Ms PRINCE: The next column along is the cash figure.

Mr MILLS: Right, under the \$166m.

Ms PRINCE: Yes.

Mr MILLS: Right. If that is the case, though, if that amount there is cash that is going in, and the waterfront sits behind that as an explanation as to why it is a reduced figure, does that mean, therefore, that there is less money flowing to remote contractors?

Mr STIRLING: Not at all, Mr Chairman. However, I do not have the array of projects currently under way or scheduled for 2006-07. That just would not be the case. In terms of health clinics, schools - that sort of work is scheduled into the forthcoming program and has to occur. It will continue. Is the member for Blain suggesting we are not going to do work in the bush? I do not know.

Mr MILLS: No, no. You only have a certain pie that you deliver in this budget. You have explained that a good portion of the infrastructure spend is waterfront. Therefore, with a reduced amount, someone is going to be missing out somewhere along the line; there is less to go around. Where will the shortfall be? Who will miss out? What works are not being done?

Mr STIRLING: There are no works not being done. The capital works program will continue as it was set, and that includes works on infrastructure. One of the things we were always conscious of before we came to government was, as capital works cash dried up and the CLP just did not cash the program, it was the bush that missed out. They did, as far as possible, ensure that the urban centres and, most noticeably Darwin, continued. However, in the end, there was not enough work to keep that going.

I just refer to that 2000-01 because it is an indictment of the previous government, where 44% of the program was cash. You know what that left? A 61% revote out of the year before - a 61% revote out. So your program for that forthcoming year was all about catching up on the work that had not been completed the year before. Why had that work not been completed the year before? Because government did not cash the program and so it rolled into the next year. They went out and announced a new program, but did not put any cash to it.

Mr MILLS: Do not go too far down this line, Treasurer.

Mr STIRLING: It was an absolute furphy - an absolute furphy.

Mr MILLS: Yes, okay. Treasurer, you are guilty of the same issue of announcing, not spending, and revoting. It moves across year after year: announcements, not spent, work not done. Look through your budget papers rather than make an assertion and, then, ask someone to cover for you. The fact is you have total capital works - the figure that stands there is largely bolstered by work that was not done the previous year. Go to the previous year; the same thing again. The fact is that your story of great expenditure in infrastructure is not the case. It is reduced.

Mr CHAIRMAN: Is that a question?

Mr MILLS: Yes. Is it reduced?

Mr STIRLING: The member for Blain can go and tell his story to the construction industry if they have someone to talk to him, Mr Chairman.

Mr MILLS: It is external factors. It is your cash I am talking about; your money.

Mr STIRLING: You just have to look at the facts: in 2000-01, 44% cash against program; 61% of the program revoting out of that year into the next. Have a look at what has happened since: 51%, 62%, 58%, 61%, 63% and 62% cash into its program, and the revote: 49%, 38%, 42%, 40%, 37%, 38%. Still too high for my liking. However, that is a much healthier revote out of the current financial year than the 61% that we inherited. As I said, it was a salutary lesson to us. This was a government that could not pay for last year's committed works, let alone go anywhere near the new program that they were announcing. If you do not believe there has been \$2.7bn cash since we came to government out there in the capital works around, generally, and if you do not believe it has made a difference, go and pick it up with Sitzler Bros and some of the builders around town. They will laugh at you.

Mr MILLS: We established at the beginning, Treasurer, that there are largely external factors that are driving the Northern Territory economy. What is at issue here is your capacity to manage the Territory economy. That is the point. The point is - and I will say it again, without going back to Treasurer Reed, a blast from the past - the fact is that this is the lowest spend on infrastructure since you have come to office.

Mr STIRLING: I read those cash figures before, but you have them in front of you and you can look at them. If you look at 2000-01 it is \$148m, 2001-02 \$165m, 2002-03 \$195m, 2003-04 \$164m, 2004-05 \$201m, 2005-06 \$202m, 2006-07 \$167m. It is higher than 2003-04. It is higher than 2001-02. Both of those budgets were under us. Therefore, it is not the lowest.

Mr MILLS: \$166m is not the lowest?

Mr STIRLING: Well, have a look. 2003-04 was \$164m.

Mr MILLS: Well, I only have this current budget paper here ...

Mr STIRLING: I gave you the cash versus the program history. I gave you the document. You read it, and you have answered your own question.

Mr MILLS: All right. I will need time to look at this because I do not quite trust the explanation.

Mr STIRLING: Well, Mr Chairman, I refer the member for Blain: have a look at 2001-02, it is \$165m; 2003-04 \$164m; 2006-07 \$167m. Where does that stand, though, in relation to all of the works that are going on out there? It is right that the government ought to be getting out of the way of the private sector when there is so much going on out there. Nonetheless, the government does have priorities of its own, and its own capital works, and there are many works that just have to be done.

Mr MILLS: So the government is getting out of the way. Is that correct? Is that what you ...

Mr STIRLING: Not really, when you look at the numbers. However, I guess we see - you talk about government not having capacity to affect the economy. That is not true, even around what government is doing with capital works. However, it is a very different world out there compared to August 2001 when there was not very much happening. We pump primed capital works budgets over the successive years. It was a delayed effect; it probably took a couple of years before that really started to have an impact. Now, things are very busy, contractors are very busy, resources are scarce and there are skills shortages. If you talk to business at the moment, getting skilled staff is the biggest problem they have. In an ideal world you would say: 'Government back out of the equation, reduce our input until things stabilise a bit, and act in that

counter-cyclical fashion'. Good theory, but it does not work in practice so well, in my experience because, as I said, government has its own priorities in construction, repairs and maintenance and minor new works that have to be built and done.

Mr MILLS: Revote out – is that column catch programs that have not been built or completed, and then it is passed on to the following year?

Mr STIRLING: Yes, it is where it is flowing out of the particular financial year that you are measuring into the next. There might be a two-year or three-year project that might have gone back to design. It can be 100 reasons why a project did not complete and is revoted.

Mr MILLS: That revote section is rather large. We have announcements and money set aside not spent, and it rolls forward.

Mr STIRLING: Yes, take the loop road as an example. It was always going to run over a number of years, and will just keep turning over. In itself, the project is revoted because, as I said, we are going to do what we are going to do and, until it is completed, it is in the budget. However, you are never going to achieve it in a year.

Mr MILLS: Based on the figures that you have provided me, Treasurer, I will accept that this is not the lowest. It is not the lowest by \$2m. That is based on the figures that you provided me. I need to go back and check the figures at a later date. However, it is only not the lowest by \$2m. I notice the spike was last year. What happened last year, I wonder? It was the election. After the election, it drops off to just shy of the lowest. Now ...

Mr CHAIRMAN: The question? As I said, I do not want a preamble. I am against statements, but if you preamble the question, I am happy to accept that.

Mr STIRLING: It has been a good year because it had a lesser revote in percentage terms than this year ...

Mr MILLS: You got a hurry on because of the election, that is why. Treasurer, if you refer to the waterfront in the manner in which you do, why do you not put it into your budget books?

Mr STIRLING: There are, again, procedures and rules by which this is dealt with. I ask the Under Treasurer to take that question.

Ms PRINCE: Mr Mills, it is probably best to think of the way the waterfront funding is recorded in the budget papers in three ways. There are elements on the capital works program - and they are in Budget Paper No 4 - that are akin to capital works programs - things that would fall into that category: Territory roads to the site, electricity mains augmentation, water mains, those sorts of headworks issues.

The other two parts of the waterfront funding arrangements have been negotiated under the public/private partnership model. The community infrastructure is one part that falls under that arrangement. It is being built by the private sector but the Territory is funding that construction, similar to other design and construct arrangements. Much of the design and construction risk is for the consortium, as is the case with these things. Therefore, those funds are recorded in the budget papers as they occur, and the flows for the community infrastructure are included in the Department of Planning and Infrastructure's budget papers in Budget Paper No 3. However, they are outside of the capital works program.

The convention centre is the third part of the project. It has been funded under operating lease – all finance lease arrangements – where the private sector will construct the convention centre and, after it is completed and opened, the Territory will then make operating payments over 25 years for the centre, and then the centre will transfer back to Territory ownership.

The accounting rules require the costs associated with the construction work for the convention centre to be included on our financial statements as the construction work is incurred. Therefore, on the general government financial statements, the costs associated with the convention centre are included as a finance lease amount. That amount will be recorded over the three years during the construction phase. Therefore, all of the numbers are included in the budget papers, in the various ways that are required according to the accounting standards.

Mr MILLS: I am not an expert on these things but, in the interest of openness, honesty and transparency, so we clearly understand it, would it be better to have waterfront reported – all elements related to waterfront brought together - in one single place? Every aspect of waterfront recorded upon separately?

Mr STIRLING: I ask the Under Treasurer to answer.

Ms PRINCE: Mr Mills, the way we record the expenditure is, as I said before, according to the nature of the project arrangements that have been entered into, and the accounting requirements. The cost to the Territory of the project has been summarised in various documents. Last year's budget papers did include an overview of the arrangements. This year's budget paper includes a similar overview, summarised a little; however, the various contributions by the Northern Territory are included in those amounts. The way that has been done is looking at nett present cost terms over the life of the project. It has been done in various ways and it can be done again but, apart from that summary information, it is recorded in these budget papers according to the responsibility of the agency for doing the work.

Mr MILLS: Treasurer, are you completely across every aspect of the financial arrangements of the waterfront and how it impacts upon this budget?

Mr STIRLING: The impact on this year's budget is probably about one-third. I will let the Under Treasurer deal with that one, Mr Chairman.

Mr MILLS: Perhaps my first part of my question, are you completely across ...

Mr CHAIRMAN: He is still answering.

Mr STIRLING: I have the figures in front of me now, Mr Chairman, and would ask the Under Treasurer to put that on the record.

Ms PRINCE: Mr Mills, could I just clarify; are you asking about 2006-07 or 2005-06?

Mr MILLS: It was actually a subjective question to the Treasurer; that being, does the Treasurer understand every aspect of the waterfront - the complexity of the arrangements that the average citizen cannot get a handle on? The point being, in the interests of openness, honesty and transparency, minister, would you concede that it would be useful to have all aspects of waterfront dealt with in a far more open way so that we can, as citizens, see that it is truly open, honest and transparent?

Mr STIRLING: I agree. I believe that, in transparency, there is no hiding away from the detail by this government. This is the opportunity to put on the record the effect, depending on whether you are talking 2005-06 or 2006-07. Is there a better way to do it? They have to be dealt with according to a whole range of accounting principles and rules and laws. Again, the Under Treasurer is familiar with those sorts of procedural matters by which it has to be dealt with in the budget papers. Is there a better way of reporting it? Possibly. How do we do it? Again, a question for the Under Treasurer.

Mr MILLS: Well, it is the same ...

Mr STIRLING: Is the question behind the question the fact that you oppose the waterfront, in a sense ...

Mr MILLS: Oh, spin that one out!

Mr STIRLING: You guys had the opportunity ...

Mr MILLS: That is the spirit! You are the ones ...

Mr STIRLING: You had the opportunity, Reedy turned his back on it. You said no, you did not want to do it. We have taken the opportunity to do it because it is a wonderful project for the Northern Territory. It is going to cost a bit, there is no doubt about that, but we cannot get these things started without putting in.

I go back to the question: is there a better way to do it? Possibly. Do I know? No, because you are asking about presentation, I guess, of the project and how it might be recorded. There is a whole array of reporting requirements of how the budget is presented. The Under Treasurer is more qualified to comment on that.

Mr MILLS: That is fine. I know that the Under Treasurer is. I am interested in government. Perhaps the question behind the question, Treasurer, is that I have your best interests at heart, because WA Inc, Enron, in fact, had every audit and every compliance checked. If you look at Victoria, and South Australia, all under Labor governments, they got themselves into difficulty when they got into this sort of business. That is why I ask: could you please consider a way of reporting this so that we are able to be satisfied that it is truly open, honest and transparent? What impact does it have, not just on your electoral fortunes, but on the future of the Northern Territory's economy?

Mr STIRLING: I am touched that the member for Blain is concerned about my electoral aspects, Mr Chairman. Again, if there is a better way to report on it, given the rules and regulations and requirements around it, I ask the Under Treasurer to respond. I am not conversant with all the requirements. I understand that the Auditor-General is doing a review in the 2006-07 financial year. It might be an opportune time to put those sorts of views to the Auditor-General, because he is a person who would understand if there is a better, easier, or more transparent way than the current form of the budget papers.

Mr MILLS: I thought you would have called him in. It took the opposition to call him in. You are already poised, Under Treasurer, to answer a question?

Ms PRINCE: Whatever you say, Mr Mills.

Mr MILLS: I was not sure. I will leave that now and move onto something completely different. Page 66, Budget Paper No 3 from my information and that of the opposition. We ask these questions on behalf of the Northern Territory citizens in an endeavour to keep this government true to its charter.

Territory revenue collected: the estimate was \$357m and you actually collected \$432m. You have been a very lucky government with the GST and a couple of other things that I will talk about later, and the resource boom - congratulations on that. How on earth did you manage to have this colossal increase in revenue?

Mr STIRLING: Mr Chairman, we were talking earlier on about onshore economic growth. Notwithstanding that we have peeled back both pressure of and rates of payroll tax, it continues to grow. It continues to grow in receipts to the government because of the strength of economic activity out there because there are more people in real jobs working, and payroll tax is a factor in that, coming back to government. Conveyancing has been strong with the growth in the property market over the last couple of years, and not looking likely to dissipate in the very near future with major construction of 33- and 27-storey unit blocks and apartments under way. I was at the launch of Pandanus just last week; Evolution of course is getting going. They all have an impact. That economic activity does flow through to the coffers.

There were a couple of rather large one-offs in stamp duties - so large, in fact, to impact quite markedly on the figures. You never know what is around the corner, but Treasury cannot and does not predict large or significant one-offs because they do not know what might change hands in the future. They push revenue up as well.

Generally, given that we have been tax reforming government to make things cheaper for business, and we continue to get growth in receipts, is simply a measure of the strength of the economic activity out there.

Mr MILLS: In the midst of that answer, Treasurer, you made reference to a very large conveyancing duty paid to government.

Mr STIRLING: I said 'a couple'. I referred to 'a number', I think.

Mr MILLS: Surely, you cannot get it that right, that there would be that level of increase in Territory government revenue?

Mr STIRLING: I am not at liberty to go into details of tax paid by business out there. I will advise that there were a number of very large - significantly large - transactions where the receipt came onto the books during the financial 2005-06. It is not likely to occur again but, in saying that, no one really knows. If a very large transaction takes place and attracts stamp duty, they are not things that Treasury can forecast for, but they occur from time to time.

Mr MILLS: It is the knowledge of opposition that it is, in fact, a single number. I will not, out of sensitivity to this matter - you have already established that this is a one-off and unexpected. Therefore, the revenue next time around will be less.

Mr STIRLING: The impact of very large transactions actions will not be there in the next financial year, but there may be others. We cannot predict.

Mr MILLS: There could well be others. We are talking about a payment of about \$50m. Is there any question surrounding that? Is it absolutely secure? Is it in the bank? Already been paid? Done and dusted?

Mr STIRLING: My advice is it is just inappropriate to talk about individual transactions in terms of taxation.

Mr MILLS: Rather than dwell on that, that it is a single one-off unexpected, and there may well be a question mark related to its deposit, say. From that, the point is whether next year there will be a significant reduction on revenue?

Mr STIRLING: It was unexpected this year; it was not factored in for 2005-06. Now it is there; it is not factored in next year. There is no ...

Mr MILLS: I understand that.

Mr STIRLING: There is no loss in terms of what the expectation would be.

Mr MILLS: With this particular windfall, have you invested it well?

Mr STIRLING: It is not a windfall; it just goes into Treasury revenue. It is not a windfall. It is the law of the Northern Territory.

Mr MILLS: It is a windfall! You have been to the races. You did not expect to get this.

Mr STIRLING: It is the law of the land, the law of the Northern Territory, that conveyancing duties are paid on a transaction of properties. Is it a windfall? No. It is under the law of the land. Are you saying there should not be stamp duties?

Mr MILLS: Not at all. I am just saying that when the wind is blowing in your direction, you have a capacity to absorb it into your operation, or to take that and strategically place it somewhere in the economy where it is going to have the greatest impact. Where has it gone?

Mr STIRLING: We do not identify the \$100 speeding fine from the motorist the other day, and follow that all of the way through. And thereby ...

Mr MILLS: The \$50m payment – unexpected.

Mr STIRLING: ... identify, whatever the figure and where it goes. It is revenue into the government. The government has expenditures. Revenue in, expenditure out; that is the way it works. It does not matter where it came from or who paid it. I will let you continue.

Mr CHAIRMAN: There may be some sensitivities around disclosure. I would ask you to be careful with this one.

Mr MILLS: Yes. I do not want to go there. My point is ...

Mr CHAIRMAN: Do you want to ask any more questions, shadow minister.

Mr MILLS: I am responding to your warning. I am just saying I do not want to go there. My point is that when you have windfalls, when you have unexpected payments - I want to know what strategic approach does this government take when they have unexpected income of this magnitude. I am not talking about the \$100 parking or speeding fine, but \$50m when this sort of thing happens.

Mr STIRLING: I do not think windfall is the correct terminology, Mr Chairman. I give you another example where the Commonwealth government is fond of clearing its books prior to 30 June of any one

year, and has \$30m on its way to the Northern Territory government for the Victoria Highway. Unexpected? Windfalls? Unexpected, but it is not a windfall. That money will have to be spent on the Victoria Highway over the next three years. What would it mean ...

Mrs Miller: That is a windfall, I think.

Mr STIRLING: ... in terms of outcomes? It will make the 2005-06 outcome look stronger because it is revenue in. It cannot possibly be spent this financial year because design work and lots of stuff has to happen before that \$30m begins to hit the ground on the Victoria Highway. It would have this effect, of making the 2005-06 statistical outcome look stronger than it would otherwise would be, and the potential to make 2006-07, 2007-08 – whenever that money starts hitting the ground – worse in expenditure terms. However, that is what happens – revenue in, expenditure out.

Mr MILLS: I would have come up with a couple. Payroll tax - you could have applied it there, and got a big bang for your buck there - superannuation, unfunded liabilities - another spot where you could probably put it ...

Mr STIRLING: Mr Chairman, in relation to payroll tax reductions, how can you use a significant one-off against recurrent reductions because, if you are not getting that \$50m - or whatever the figure is - for next year, how can you put it against recurrent expenditure in tax reductions, tax cuts which are there every year? You have to have certainty for getting that money in each year to pay for the ongoing effect of recurrent into the future. You cannot use one-offs in a recurrent fashion; that is the point I am making.

Mr MILLS: All right. Superannuation you could, though.

Mr CHAIRMAN: Is that the question?

Mr MILLS: Yes, you could use that, though - following your own argument - into unfunded liability into superannuation.

Mr STIRLING: Well, yes. That is a more feasible type of thing to do with it. However, just what do you do with it in the meantime? It is all right to talk about how you would fund the unfunded liabilities going forward - ie superannuation employee expenses. That figure – I do not know, I think it runs between \$90m and \$100m each year – has to be paid every year anyway, and it comes off and does get paid as it accrues. What would you do with it? Park it, invest it possibly? However, when you are paying \$90m to \$100m each year, what does \$50m do? It is like six months worth.

Mr MILLS: A lot of good citizens, when they get an unexpected return, put it in their superannuation, and they reduce the damage and the risk for the future. Minister, is your unfunded liability risk increasing or decreasing?

Mr STIRLING: The unfunded liabilities around superannuation employee expenses are increasing, and did increase through the last financial year as a result of the actuary having to look - as they do every, I think, three years - and revise what the estimates would be. Those superannuation liabilities are there into the future for a long time. I am not sure if you understand that, if I am making myself clear. If the figure is somewhere around – what? - \$8.8bn ...

Mr MILLS: \$8.9bn.

Mr STIRLING: ... for superannuation liabilities. We know that payments have to be made as they accrue on an emerging basis, and that is in the order of \$90m to \$100m per year. What do you suggest we do if there is a significant one-off, because it has to be paid every year? All that does is, if you used it against that – well, it has paid six months. So what?

Dr LIM: The debt does not grow as quickly.

Mr MILLS: Well, you know as well as I do that if you put something - I know what the issue is. If you are thinking about long-term, leaving a legacy for the future of the Northern Territory, it would make sense outside of the political cycle. However, if it is inside, you are thinking in terms of four-year electoral cycles, it does not make much sense to go and pay off a debt that is into the future.

Mr CHAIRMAN: Is that the question?

Mr STIRLING: Mr Chairman, I am getting closer now to what the member for Blain is suggesting; that we should have something like a futures fund, by which contributions go in that stand to offset those liabilities.

Mr MILLS: No. What I am referring to, I think, places any government and this government in particular; that you have an opportunity to either address the future outside of your own political interest or focus on re-election. In this case, if you have a windfall, it would be used internally to make this particular electoral cycle and prosecute your chances of being re-elected far more feasible. Is that the case?

Mr STIRLING: I do not accept the basis of your question. Show me, or demonstrate to me, or tell me exactly what you are talking about. You have not explained exactly where and what should happen to a particular revenue gain like that.

Mr MILLS: I will leave that ...

Mr STIRLING: I am happy to entertain consideration around those issues. How you might cover it into the future is an issue for government.

Mr MILLS: It is a big issue. I am really using this unexpected revenue to illustrate a point; that being, strategic use of unexpected revenue.

The question I had before, and I believe you have already answered it: have your receipts, particularly from federal Treasury, exceeded your expectations?

Mr STIRLING: That takes in GST, and all of the special purpose payments by way of grants to the various agencies - every single cent that we get from the federal government. I need to check with the Under Treasurer of the overall effect there because, while we have preconceived notions about what the GST pool might be, by way of federal government reporting and as that becomes clearer closer to the day, Treasury is able to adjust accordingly on, against their own estimates, but against what the federal government is saying. What is largely unknown is what the size of the health agreement, housing agreement, or education and those sorts of things – and very many other agreements outside the large ones that are announced and worked on during any one year. They can be unknown to Treasury and to government, until such time as they are signed. In fact, the Commonwealth on any day of the week may come forward with a new initiative, requiring matching expenditure by a state or territory, and it is up to the state or territory to sign on.

That is a good question – did it exceed expectations? - because some things you do not even know about, let alone have an expectation of. I might ask the Under Treasurer to round that off.

Ms PRINCE: Mr Mills, I assume that you are talking about 2005-06, because that is where your question started: the variations that happened in 2005-06?

Mr MILLS: The expectation is from the point of view of government - it could be at any point in time.

Ms PRINCE: Okay, so, I will do both here?

Mr MILLS: Yes.

Ms PRINCE: During 2005-06, the question was: did our expectations or, indeed, our estimates vary in respect of Australian government funding? As you know, there are two broad categories, GST revenue or untied funds. There was almost no material change in GST revenue during 2005-06. A few of the elements changed, but they were largely offsetting.

On the specific purpose payments side, there were quite significant instances during 2005-06, as either long-standing agreements were negotiated or new agreements came into play. During 2005-06, we had increases in specific purpose payments of a bit over \$60m. \$21m of that was for the Trauma Centre, which was announced in the Commonwealth budget previously, but the agreement was not finalised until just recently and, in fact, it was signed last week. There were a number of education-related SPPs that were finalised. They are finalised every triennium, and so it took about six months into the financial year for them to be negotiated. The education ones were about \$27m. We had about \$6m in a large number of very small SPPs.

What is not in our budget papers for 2005-06 is the \$30m for the Victoria Highway that the Treasurer mentioned recently. It was not announced until the Commonwealth budget was brought down a week after ours; similarly, the Connecting Neighbours program that minister Brough announced for some of the town camps.

What has happened in 2006-07 and how did that vary from our expectations? For that comparison, I think, we would go back to what our estimate had been in the 2005-06 budget for the 2006-07 year. There is a fairly material change to our expectations on GST revenues ...

Mr MILLS: Upwards or downwards?

Ms PRINCE: Up. There are two reasons for that. The relativities that the Commonwealth Grants Commission released in February, and were then confirmed at the Treasurers' Conference in March for 2006-07, were an increase on what we had estimated in the previous year. The reason for the increase was that the cost of providing standard services, as defined by the commission across Australia, had gone up, and our relative position had, therefore, improved. It is also affected by other states in the commission's review period still having large growth in their own source revenues.

There was also an increase associated with our population growth that had occurred in the last 12 months that we will cast forward. There were some smaller variations on the SPP side associated with the flow-through of the agreements that have been signed in 2005-06.

Mr MILLS: Thank you, Under Treasurer. I would need the *Hansard* to be able to bring all of that together. Principally, I would expect that the answer is yes, there has been an increase in the income beyond your expectations. Would that be the case?

Mr CHAIRMAN: Is that the question for the Treasurer?

Mr STIRLING: Well, I guess, Mr Chairman, that it will always be the case. We did not know that \$30m for the Victoria Highway was going to be announced a week after we had delivered our own budget. That is absolutely – what do you call it? – tied funding. There is no flexibility around the use of that money. That is for the Victoria Highway, and that is what it will be spent on. What does it do? It will, in a sense, artificially better the outcome for 2005-06 because it has to be brought to book when it is received by this government, but will worsen the outcome in the future years as it is spent. It is not in our forward estimates because we did not even know about it. And ...

Mr MILLS: I understand that, but in a general ...

Mr STIRLING: ... the next budget will pick that up.

Mr MILLS: Generally speaking, year by year you receive much more than you expect. True or false?

Mr STIRLING: Well, if you go back to the start of the GST, and while there were quite robust predictions around what it might grow, the level of growth probably surprised most, if not all. Nonetheless, those predictions for the first couple of years bounced around with quite strong growth. The growth levels are coming back down now. Nonetheless, Commonwealth Treasury, and our own Treasury, and Access and everyone else, had a view around what it ought to be. As you get closer to the date, well, of course, the Commonwealth gets more firm around its predictions. I do not know that you can say yes. There is always unexpected receipts. The Victoria Highway is one.

Mr MILLS: Yes, and GST and government own source revenue, as we referred to just a moment ago. Some of these things are not easily predicted. It appears ...

Mr STIRLING: Nor on the expenditure side, Mr Chairman, in relation to capital growth.

Mr MILLS: Exactly, that is where I am going. It appears that, in a briefing in 2005, the opposition was advised that the cost of running government has increased annually by \$60m; that is 2005. Do you think that will stay the same?

Mr STIRLING: No, it is probably \$70m. That factor is simply an application of CPI against the overall recurrent expenditure. You ought to be able to work that out as a former teacher. If you have the global scheme for the NT, apply it by 2.6%, 2.8%, and you will get a figure of around \$65m to \$70m. No science about that. I think the member for Blain commented adversely on a particular occasion, Mr Chairman. I

said: 'If we did nothing over the next 12 months, if we never brought on one more public servant, never created a one-year program or brought to book a one-year initiative, it would cost us \$70m'. That is, it has cost government \$70m to stand still. The member for Blain thought that was extraordinarily incompetent and inefficient that that ought to be the case. That is no different to every household income, except it is a bit larger than most. In terms of the ...

Mr MILLS: The point is, though, Treasurer, thank you, school teachers can work these things out - former or current. The fact is, yes, you received an unexpected payment of GST towards the end of last year. You did not expect ...

Mr CHAIRMAN: Is that a question?

Mr MILLS: No, I am mid-way, I want to make sure the question is understood. There was an unexpected payment? There were calls from all quarters saying: 'Well, here is how you could spend it, Treasurer'. You obviously set your budget and calibrated all your ongoing expenses. All quarters were calling out. Health was calling out for it. Education was calling out for it. Out comes the Treasurer and says: 'Well, you have to understand that the cost of running government has gone up to \$70m' ...

Mr STIRLING: It does every year.

Mr MILLS: That is what you said at the time. But this was unexpected. Therefore, how could it apply to something that you did not expect to receive? Already, that new receipt, this unexpected windfall, has been gobbled up?

Mr STIRLING: I am not sure I totally understand the question, Mr Chairman, but I think at the latter part of 2003-04 budget cycle - perhaps six or eight weeks before the end of the financial year, if that is the figure that was being referred to; I think it was around \$36m - that went, from memory, to strategic spend on beef roads, in the main, and infrastructure. Because it was a one-off, it had to be treated in that fashion. The best way to deal with a one-off receipt, is it ought to be dealt with in a one-off expenditure fashion. Certainly, beef roads were a big beneficiary. Someone else might recall where the balance went, but it was certainly infrastructure.

One of the comments made by the Institute of Public Affairs quite recently in commenting on the use of the GST by states and territories - and I think Mike Nahan rounded on everyone, but less on the Northern Territory. We were regarded as the best of a bad lot when it came to use of GST, because we had made considerable ground in infrastructure.

Mr MILLS: Perhaps he felt sorry for the Northern Territory, Treasurer ...

Mr STIRLING: He is no friend of Labor governments. He is no friend of Labor.

Mr MILLS: I would not take too much comfort from that because the very same principles that were directing his comments also applied to the Northern Territory. We have a particular challenge here and, at that particular time, there were some issues that were focusing the attention of the entire country.

Mr CHAIRMAN: What is the question?

Mr MILLS: My question is to you actually. What time is lunch?

Mr CHAIRMAN: Good question. Five minutes past one, and I am impressed by the stamina and durability of everyone, so we will plough on.

Mr MILLS: Five to one, and we adjourn for half-an-hour?

Mr CHAIRMAN: Five past one and we will be off for 25 minutes, actually.

Mr MILLS: Right. 25 minutes. Yes, I am there. And then ...

Mr STIRLING: Can we go on?

Mr CHAIRMAN: Please continue.

Mr MILLS: That is all right. Do I understand - just out of courtesy to those good folk who have come along to support you minister, will Treasury be here up until lunch and then we have Education after lunch?

Mr STIRLING: That is your call.

Mr CHAIRMAN: I can answer this, shadow. As we roll through the particular outputs, and when we get to Community Service Obligations. We have about four or five outputs yet - 4.2 tax ...

Dr Lim: Alcohol.

Mr CHAIRMAN: Yes. Economic regulation, output 5.1. We have a fair time. We have another output ...

Mr MILLS: That is right, but once this has been dealt with, then it should flow along quickly, as far as I am concerned. There may be others that ...

Mr Wood: Speak for yourself.

Mr MILLS: Welcome back, Gerry. However, what concerns me, Treasurer, if you could allay these concerns. Mike Nahan was one who referred to this. If you did not have these windfall payments ...

Mr STIRLING: Which windfall payments?

Mr MILLS: GST and government own sourced revenue, which we spoke of just a while ago. If you did not have these, you would be stuck, and debt would only increase further. The same debt figures sit there, the unfunded liabilities are going up, the cost of government is escalating and, in spite of unexpected payments, these figures are going in the wrong direction.

Mr STIRLING: Every time the opposition refers to the GST as a windfall, they do the Northern Territory and Territorians an absolute disservice. Those GST receipts come to us, as they do to every Australian in every jurisdiction in Australia. They are our right - they are our right under the Grants Commission distribution. So let us not call this a windfall; this is the right of every Territorian.

Mr MILLS: It is your responsibility to use it properly.

Mr STIRLING: I also want to go back. You have to think how long we have been living with the GST ...

Mr MILLS: Since you came to office.

Mr STIRLING: For five years. Let us say that the GST never came into being. Let us assume that Treasurers went to an annual Treasurer's Conference, as they used to forever before the GST came into effect. We never had the GST and Commonwealth receipts were rolling along such that, with the economic growth in Australia, we were producing \$17bn and \$18bn surpluses. How do you think the state Treasurers would have been at those Treasurer's Conferences with the Commonwealth giving away or granting to the states what they were in the past? Of course, there would have been change. Of course, there would have been more money flowing to the states because the Commonwealth would not have been able to sit on such massive surpluses as they have been garnishing over the last few years, without distribution to the states. It is the states that deliver the services in this Commonwealth, not the Commonwealth government itself. It is the states that require and make that expenditure on behalf of all Australians.

Therefore, do not sit here and tell me that, without the GST, we would all be dead, dusted off and buried, because the Commonwealth, even with the GST now, is raking it in like it has never been raked in before - \$15bn, \$16bn, \$17bn surpluses. They say to the states: 'You have always wanted automatic growth returns in grants from the Commonwealth, well you have it'. Look at the difference between the growth and the GST and the growth of Commonwealth receipts. You are getting to the stage where it might be arguable that we might have been better off without the GST in the states and Territories, because we would have been able to mount much stronger arguments for a greater distribution of the Commonwealth goods.

You cannot do that. States and territories cannot do that because we have this GST deal where all of the GST collected is distributed back to the states and territories. What if there was no GST and the states and the territories were able to climb all over that \$18bn surplus that the Commonwealth is garnishing unto itself year in, year out? I would say we would be better off. I reckon we would be better off if we could get

our hands around that \$18bn surplus that is sitting in Costello's cabinet. It is all a bit of a nonsense, this windfall and where would you have been without it. An equally profound argument could be put that we would have been better off.

Mr MILLS: Well, it is only hypothetical. The fact is ...

Mr STIRLING: So was your question.

Mr MILLS: It is hypothetical. The fact is it has already been put on the record by the Under Treasurer that you have received more than expected from GST, you have received more own source revenue in this particular budget than you expected. The point here is focusing on the capacity of the Northern Territory government to conduct its business properly and to manage its own budget going into the future. If you are talking about the federal government, they have managed to remove debt, so your debt, Treasurer, is increasing. Notwithstanding though, I notice that there has been a reduction and we will go to that, which might give you an opportunity to talk about something which could give you a bit of a smile perhaps. That is Budget Paper No 2, on page 117, General Governance Sector balance sheet. Nett debt in this budget, I note that there is \$1.251bn. We go back to the estimate in the previous year, 2005-06, it was \$1.314bn. There has been a reduction in nett debt. How has that been achieved?

Mr STIRLING: Basically, the performance of government over the time that we came to office, which stands in stark contrast to that management that went before. I could claim that it has been great prudent management, great fiscal management by this government. In part it has been – in part. However, I am willing to acknowledge that there have been greater receipts and there will continue to be greater receipts into government as economic activity continues to strengthen.

Just by way of example, in 2001-02, at the time of the mini-budget, we forecast somewhere potentially around \$139m deficit at the end of financial year 2001-02. We achieved a \$92m deficit, so an improvement to the bottom line of \$47m. That was \$47m that was not spent and did not flow through to borrowings and, of course, in the end to nett debt.

Financial year 2002-03, at budget time we forecast a reduced deficit of \$95m. We revised that at the half year to \$31m. We actually achieved a surplus of \$9m. Therefore, the difference between what we forecast at the start of the budget year of \$95m deficit, and a plus-\$9m surplus, was a massive \$104m.

The next financial year, 2003-04, we forecast a deficit of \$24m, and that was the year that that extra \$36m came in ...

Mr MILLS: Through the Chair, with respect, Treasurer, it is in specific reference to the decrease in nett debt.

Mr STIRLING: I am explaining how nett debt has diminished. We had a surplus budget of \$36m in 2003-04, an overall improvement of \$60m since we started that financial year 2003-04.

In 2004-05, we forecast a balanced budget. We revised that to a \$36m surplus, finished with an actual \$51m surplus, so it was a plus-\$51m better outcome than we forecast. I mention those cases. If you look at the change, it was a plus-\$47m outcome, a plus-\$104m outcome, a plus-\$60m outcome, and a plus-\$51m outcome than was otherwise forecast, as opposed to the minus-\$139m, minus-\$95m, minus-\$24m. If the budgets had come in as predicted, all of that money would have had to have been borrowed, or would have flowed to nett debt and worsened the nett debt position. However, when you have surpluses, it is not flowing through to the nett debt, giving you a little break in order to pay off nett debt.

The government has some control around that nett debt figure. What it has less control over is that nett debt plus recurring liabilities, which we touched on earlier. That has grown, largely as a result, not of numbers of increased public servants as has been alluded to a couple of times, because this largely goes to superannuation in the unfunded liabilities, and a little bit of long service leave in there across the board, but largely superannuation. NTGPASS has closed, so it would not matter if you had 10 000 more public servants coming on, that is not going to affect that so much, because this is largely superannuation either existing or retired public sector servants under NTGPASS, which your government closed off.

This is a direct result of actuarial revisions, which will occur every three years. The revisions are invariably upwards in government exposure and liabilities. I expect, Under Treasurer, that that will invariably be the case. It would be a rare day when an actuary came through and looked through at the books and said: 'Oh, you are going to halve your liabilities'.

Mr MILLS: So your nett debt has decreased because of your good fiscal management. And so ...

Mr STIRLING: We do not claim all the glory. Stronger economic circumstances ...

Mr MILLS: No, no. That is very humble of you. The weight of your comments were in that direction. We will go down to equity, because there is, I think, another way in which your nett debt position has been improved. If you look at what you expected to be your equity position, it has actually increased significantly - I think to the tune of \$350m. Therefore, the value of government assets has increased by \$350m. Minister, will this have the effect of masking nett debt?

Mr STIRLING: I did not get it all. If there is asset growth within government, of course, that will offset. Nett debt is the figure. Total all government cash reserves and take away what government has. If it all had to be paid back tomorrow what will the shortfall - that is what your nett debt figure is. If government has asset growth or cash growth there, that offsets gross debt, which reduces nett debt figures.

Mr MILLS: Okay. It is more the fact that there has been reassessment of your assets that has altered the nett debt position?

Mr STIRLING: No, there has been actual lesser borrowings as a result of surplus budgets.

Mr MILLS: But your asset value has increased by \$350m?

Mr STIRLING: That is the same effect as borrowing less. Each of it reduces the nett debt figure.

Mr MILLS: That does not make sense. I thought your nett financial worth equals your financial assets minus your total liabilities. The value of your assets has increased by \$350m.

Mr STIRLING: I will ask the Under Treasurer. I think there is a difference between what you are talking about of physical assets and the nett debt. I will ask the Under Treasurer to clarify this.

Ms PRINCE: Mr Mills, the reason why the nett debt position has improved during 2005-06 is the estimated budget outcome is better than it was anticipated at the beginning of the budget year, and the returns on some of our financial assets has been better than was predicted at the beginning of the year as well. You will see on that page that you referred to, page 117, there is a footnote that includes the definition of nett debt. It is the sum of the deposits held, advances and borrowings - financial liabilities - minus the sum of assets, deposits and advances, paid investments and placements - less your financial assets. So it is a financial figure. The equity number that you were referring to includes both financial and non-financial. It is not that. I think you were suggesting that assets have been revalued.

Mr MILLS: Okay, I stand corrected, but there has been a significant change in equity to the tune of, by my calculations, around \$350m ...

Dr LIM: \$382m.

Mr MILLS: \$382m. So, it is cash and assets combined?

Ms PRINCE: It is the equity that the general government sector holds in other sectors such as Housing or in the Power and Water authority, agencies that are in the non-financial public sector, not in the general government sector.

Mr CHAIRMAN: We will take a moment, shadow Treasurer. We will take a five minute break.

The committee suspended.

Mr CHAIRMAN: Shadow Treasurer, you have the floor.

Mr MILLS: Thank you. Treasurer, has your improved nett debt position on your estimates been as a result of changes in asset evaluation?

Mr STIRLING: Again I will check with the Under Treasurer for confirmation, Mr Chairman, I understand it is as a result of three successive surplus budgets, which meant that borrowings over that financial year or

the next would have been less than otherwise required, given the significant improvement on the bottom line between the predicted deficit over those years and what was actually achieved through three surplus budgets in a row. It means fewer borrowings and not adding to nett debt. In fact, in looking at nett debt at the time of 2001-02 in the non-financial public sector, it is probably worth looking at that page. In 1999-00 it was \$1.358m; 2000-01 \$1.481m, and a remarkable jump in 2001-02 of \$1.753m. That was before the payout of railway commitments which went straight to bottom line and to debt. It was an enormous deficit in those couple of years as well - a couple of hundred million. Then 2002-03, we saw a drop from \$1.753m to \$1.723m. It was certainly going in the right direction. In 2003-04, brought it down to \$1.656m, held that at 2004-05 ...

Mr MILLS: Is this from the budget papers?

Mr STIRLING: This is non-financial public sector debt. I am sure those figures would appear on page 4. That was better outcomes than predicted in why we were able to reduce debt. I am at a bit of a loss. I am happy for the Under Treasurer to add to that if she could.

Mr MILLS: Before that occurs, Mr Chairman, perhaps – and my apologies to my members here, it is probably a result of my imprecise question. It is required, unfortunately. Is your improved nett debt position in this budget in any part a result of an increase in the value of assets? In any part, is it as a result of the increased valuation of assets.

Mr STIRLING: No.

Mr MILLS: None at all?

Mr STIRLING: I am advised no.

Mr MILLS: I will leave that one for now.

Mr CHAIRMAN: Are there any further questions?

Mr MILLS: Superannuation liability, Treasurer. I understand that your peak has changed now from 2012 to 2020. We have a recalculation of the size of this debt and the increased impost on future governments. How are we going to manage?

Mr STIRLING: The way governments in the Territory have always managed; that is, that you manage the liability as it emerges on an emerging basis. As I have said, I think it stands somewhere between \$90m and \$100m each year on an emerging basis, and it is paid as it emerges. Public servants are entitled to their superannuation and, if the actuary adjusts or revises upwards the overall debt against that, then it stands there to be met on an accruing basis.

We touched on this issue earlier, Mr Chairman. The member for Blain was asking legitimate questions about how you might use significant one-offs if it was untied revenue against it. I was interested to pursue that if he had a firm view about how that might be done. We did not get any further on that ...

Mr MILLS: You could ask me questions.

Mr STIRLING: It is a question that Treasury has before it on any given day. If there is a better way of doing it, or any way to fund it ...

Mr MILLS: Does your current view, Treasurer, match your view when you were an opposition shadow Treasurer, with regards to unfunded liability?

Mr STIRLING: It is there because it was never funded in the first place. That is the strength, of course, of the new system - whether it is at 9% - is that every employee's own contribution, their employer contribution of 9%. There is no question of it not being funded. That, of course, goes the same for public servants joining the Northern Territory public sector now. I do not know when superannuation in NTGPASS first kicked off, but it was certainly dealt with differently compared to members of parliament's superannuation scheme. Why the government of the day chose to not fund public servants' superannuation, but made sure that members of parliament superannuation was funded, I cannot answer that.

How do you go about changing that now? This government does not have the figure of \$1.7m or \$1.8m. Nor does it need to have it because it goes out the door on an emerging basis between now and – I think it is 2060, the final payment is expected to be made under NTGPASS. If there was a way to do it differently, I would be interested.

Importantly, one measure and probably the most accurate measure, Mr Chairman, in relation to this, as a comparison across other jurisdictions, is nett debt plus employee liabilities to revenue as a percentage. You are able to see at a glance on that figure, compared across the states and territories. When we came to government it was 132% and it grew to 134% through 2002. We have been reducing that steadily - 131%, 118%, 119%, 113% - until 30 June 2007 - 115% and going back to 113%, 111%. That is trending as nett debt plus employee liabilities to revenue. That percentage is trending down, and that is the right way for it to be going – from a massive 133%. Revenue, and what governments spend, will continue to grow into the future as the economy grows and GST continues to grow - we know that. Your revenue does not go backwards from year to year. However, even with the growth in employee liabilities, the important thing is that nett debt employee liabilities to revenue percentage is dropping.

Mr MILLS: Can I just raise a point of order?

Mr STIRLING: Well, I am trying to explain it.

Mr MILLS: I know you are trying – it is just, in the interests of time, my question was quite specific and it was related to this. As this ...

Mr CHAIRMAN: What is your point of order?

Mr MILLS: Well, as I am required to phrase any of my comments in terms of a question, I would presume, therefore, that I would be receiving answers to those questions.

Mr CHAIRMAN: Well, if ...

Mr STIRLING: If I can ...

Mr MILLS: Yes, go. I know what the answer is to this.

Mr CHAIRMAN: You come along with a big preamble. You cover many points, and the Treasurer is, therefore, entitled to respond and cover all of those points that you raised. If you fire a one-point question to the Treasurer, and then he strays too far from the track, then I will happily ...

Mr MILLS: Well, that is exactly what happened in this case.

Mr CHAIRMAN: Well, I am not too sure what the question was.

Mr MILLS: Well, we have to go back and check *Hansard*. I will tell you what the question is again.

Mr CHAIRMAN: I will ask the ...

Mr MILLS: Do you hold the same views today as you held when you were opposition shadow Treasurer, with regard to unfunded liabilities? That is the question.

Mr STIRLING: Well, tell me what my view was then.

Mr MILLS: No. You know your view. Do you not know your own mind?

Mr STIRLING: Have you a quote that you are referring to?

Mr MILLS: I am asking you, member for Nhulunbuy, do you have the same view today as you had when you were a Treasurer in opposition?

Mr STIRLING: I was never shadow Treasurer.

Mr MILLS: As an opposition member, do you hold the same view with regards to unfunded liabilities?

Mr CHAIRMAN: I am not sure exactly if that has to do with the budget.

Mr STIRLING: I am not sure whether this view was expressed. I believe I have always said, even in opposition, that it was an interesting treatment that the government of the day did not seem to think it important that it ought fund its own employees' superannuation, but made damn sure it funded members of parliament. What was the difference of treatment? I never understood the difference why. It would have been far preferable for NTGPASS to have been funded at the outset and, maybe, by way of a fund or a reserve, government grew that and invested it wisely, so that served to offset their liabilities in the future. That was never done.

Mr MILLS: I will sift all that and weigh it later. Treasurer, have you ever committed to spending on wages?

Mr STIRLING: Certainly not. There has been a growth in public sector members. We know; we have seen the figures; we accept that there has been growth. Much of that was necessary in terms of new policy initiatives and strengthening service delivery around the big three agencies of Health, Education and Police. We have done that. I would expect, and I have said publicly before - and I do not intend to get into definitive detail about numbers. It is, appropriately, a question for the minister who has responsibility for OCPE. However, I have said before and I am saying again: I would expect numbers over this couple of years to resume more historic levels of public sector in the Northern Territory.

Mr MILLS: I notice in Treasury there has been a reduction in numbers. Is that the case?

Mr STIRLING: I will check with the Under Treasurer, but I would be surprised if there had not been. Treasury always do it tough.

Mr CHAIRMAN: Under Treasurer, do you have a response?

Mr MILLS: The question is: staffing numbers have dropped from 269 to 255. Is that the case?

Ms PRINCE: Yes, Mr Mills, that is right. We have fairly high turnover in Treasury, similar to other agencies. It is a busy and high-pressure area. We have certainly had some staff reductions. We also had some other transfers that occurred at the beginning of 2005-06 of responsibilities to other agencies. We transferred the procurement function to DCIS. Yes, our numbers are lower than they have been at other times.

Mr MILLS: In this reduction, Treasurer, are these administrative positions or executive positions?

Mr STIRLING: Under Treasurer.

Ms PRINCE: We had reductions across the board, particularly in all of our hard to recruit areas - economists, accountants. Our FOIT (Financial Officer in Training) intake was a bit lower this year than it had been in previous years, simply because we could not get the number of applicants we were looking for. We are affected very much by staff shortages, skill shortages, and if there is high demand for particular professional groups in other locations, either interstate or in the private sector.

Mr MILLS: You are saying that those reductions are across the board; executive and administrative?

Ms PRINCE: Yes.

Mr MILLS: They are a result of external pressures?

Ms PRINCE: Yes.

Mr MILLS: I could make a point on that, Mr Chairman but, in fear of invoking your wrath, I will not - in terms of the strategy that is required to deal with what you have referred to, Treasurer, in regards to wages. I just need clarification: can you explain what effect revaluation of assets - if revaluation of assets has increased significantly - that has on your debt position?

Mr STIRLING: Mr Chairman, I am thinking about it and I am thinking of asking the Under Treasurer.

Mr CHAIRMAN: I can see how your mind works, Treasurer.

Ms PRINCE: Mr Mills, asset revaluation affects our nett worth figure rather than our nett debt figure.

Mr MILLS: That has no bearing on the debt number?

Mr STIRLING: Under Treasurer.

Ms PRINCE: Mr Mills, can I just absolutely clarify if you are asking whether we have had a revaluation of any our assets, lands that we hold - this building for example - would that affect our nett debt position? It would not. But it would affect our nett worth position.

Mr MILLS: Is that in the same way as if my house is being re-valued, but that will not change my debt issue, but it gives me the greater capacity to deal with that debt problem?

Mr STIRLING: There is a slight difference. You can sell your house. It is worth something on the open market. The Northern Territory government cannot sell its roads, bridges, schools – well, it might - Parliament House, and Supreme Court. That is the difference.

Mr MILLS: I appreciate that difference. However, in terms of going to trade on that equity, you have a greater capacity to trade on equity if your value has increased?

Mr STIRLING: Well, we do not.

Mr MILLS: I do not have to sell an asset to go and seek greater coverage from a bank.

Mr STIRLING: Under Treasurer.

Ms PRINCE: Mr Mills, that might be the case for our commercial entities. That may be relevant in conducting their operations. However, for the general government sector, that is not a consideration on our capacity to borrow. There are other means for doing that. As you know, Moody's does a financial assessment of our financial capacity each year and has been doing that since the late 1990s. That is really the prime vehicle for assessing our financial capacity.

Mr MILLS: Moody's will assess valuation of assets?

Ms PRINCE: Moody's generally assess debt to revenue ratios, because they regard governments as somewhat different to commercial entities; they have the power to tax to raise revenue, they hold many assets that are not immediately realisable, as the Treasurer said, in roads, public schools and public hospitals and so on. Moody's have settled on the capacity to service debt, which is the debt to revenue ratio. They are the measures we use: debt to revenue and debt and liabilities to revenue.

Mr MILLS: For example, the Darwin Port Corporation's value has increased by \$100m - that does not reflect. Is it captured on this page, page 212?

Ms PRINCE: 212?

Mr MILLS: Page 112, sorry.

Ms PRINCE: The Darwin Port Corporation is not included in the general government sector; it is a public non-financial corporation. However, the equity that the Territory holds in the Port Corporation - the port being a commercial entity of the Territory - is in that equity line in the list of the summary asset table on page 117.

Mr MILLS: That is in the equity line, is it?

Ms PRINCE: Yes, the equity that we hold in the Port Corporation. If you then go over to the non-financial public sector balance sheet, which is page 123, that is the main sector that we use for both debt and liabilities to ensure that comparison with other states, where the debt figure is higher rather than lower. We are not gilding the lily in any sense, but we are doing it for comparison purposes.

Mr MILLS: So how does the ...

Ms PRINCE: This balance sheet includes the whole Port Corporation rather than just the equity that we hold in it.

Mr MILLS: Going back to page 117, there has been \$100m increase in the value of that asset. That does have a bearing on your nett worth?

Mr STIRLING: Under Treasurer.

Ms PRINCE: It has an effect on our nett worth, but not on our nett debt.

Mr MILLS: I understand that. How does that occur? How can assets just magically increase in value?

Mr STIRLING: Under Treasurer.

Ms PRINCE: For the Port Corporation, in particular, there was a change in the accounting rules associated with the introduction of international financial recording standards. Previously, the port's assets were based on something called the recoverable assets test, which is the amount of revenue that those assets were able to generate in any one year. Because of the investment in the port, which is about \$200m, when the port was first established it had comparatively small revenue flows of cargo across the port. They increased dramatically over time, but the accounting rules said the way you have to value those assets is not what it costs to build them but, rather, the revenue that you can generate from them.

The previous Auditor-General was very concerned with that treatment. It just did not make sense. What we have seen with the move to international financial reporting standards is a visible, realistic asset value associated with those assets.

Mr MILLS: How was that reassessment effected? Who initiated it, or how was it initiated that that reassessment be made?

Mr STIRLING: Under Treasurer.

Ms PRINCE: It was known that this would have to be done with the move to international financial reporting standards. The budget papers reflected that, during the 2005-06 year, we would move to those revised arrangements. They apply from the 2006-07 year. The timing adjustments were discussed and agreed with the Auditor-General and the Port Corporation and that was how we decided on both the date change and the revised valuation.

Mr MILLS: Do I understand that you are saying Treasury initiated it?

Ms PRINCE: If we did not make that change, we would not have been acting consistent with reporting standards. The agreement to move was with the full cooperation of the Auditor-General and ourselves.

Mr MILLS: It does not involve government at all?

Ms PRINCE: We advised the Treasurer that is what we were doing, but the way we operate is in accordance with the standards.

Mr MILLS: Therefore, when we get down to this general government assets revaluation - we know that real estate values have increased - the only asset types that government could sell to return a benefit to Territory Treasury would be Nightcliff High School.

Mr STIRLING: That is a bizarre question. I said in parliament the other day I would expect Nightcliff High School to be, initially, the very first school of excellence in middle schooling. I say that based on the experience of the last couple of years at Nightcliff High School where they have, ahead of any other school in the Northern Territory – not to say that other schools have not embarked on a middle school process, but none of the vigour and the effort that Nightcliff have put in. That places them very well indeed to be the first school that you can point to as a middle school of excellence. I hope, in time, we will look to all our schools as schools of excellence. However, Nightcliff jumps out of the pack as being the first one that we will point to.

Mr MILLS: I will cease my questioning on that broad category of Whole of Government Questions, Budget and Fiscal Strategies, Mr Chairman.

Mr CHAIRMAN: I remind honourable members that when they come into the committee, they should alert the Chair they are changing places with each other. This time I will recognise you, member for Nelson ...

Mr WOOD: I put my name in.

Mr CHAIRMAN: Well, do not forget, I may not recognise you.

Mr MILLS: Yes, that is right.

Mr STIRLING: You have to come through the interchange bench, Gerry.

Mr MILLS: I would recognise you, Gerry.

Mr CHAIRMAN: Institute the blood rule. Member for Nelson, do you have a question?

Mr WOOD: Most of them have been asked; whether they have been answered is for others to decide. However, I will ask one on superannuation. Is some of our debt that we are incurring now being built up by our superannuation liability?

Mr STIRLING: No, in the sense that the nett debt inherited at the time we came to government is still largely working. It has gone down a little; it will grow a little into the future. The employee liabilities are that, as opposed to debt. In one sense, if government had the resources, it could go and pay off the nett debt tomorrow and be square in that sense. There would probably be penalties associated with that because you will be paying out loans before they were otherwise due. However, we could go to all the creditors that we borrowed money from and pay it all off tomorrow. However, you cannot do that. You cannot do that to superannuation unless you have subcontracted out to another entity and said: 'Here is a lot of money; you worry about it', for superannuation into the future. People who are NTGPASS members will continue to retire every week, every month, every year into the future. Say I am retiring and am due my superannuation; they get added on to the liability. It is not a debt that can be settled tomorrow; it could only be met on that emerging basis as people retire and take up their entitlements. It is very different. It is a debt, but it is not a debt that, even if you wanted to, you could pay off tomorrow.

Mr WOOD: According to page 117, superannuation liability in 2009-10 will be about \$1.9bn. If your nett debt is more or less staying the same over that period, to achieve that will you have to cut back on other services the government provides, or are you expecting an equivalent increase in funding from the Commonwealth government?

Mr STIRLING: That is a good question, and it goes back to that revenue percentage I was talking about before. I do not want to sound technical, but the only way to explain it is that ratio of all of the nett debt plus employee liabilities as a percentage of revenue flowing to government. In 2002-03, that is due to the 134% of what we owe in debt and in future employee liabilities. It was 134% of revenue coming into government. The more you get that ratio down, the better off you are. We are reducing it; it is coming down to 115% this year, 113% the year after. Other states run at about - what in comparison?

Ms PRINCE: They range from about 40%, up to Tasmania which, for this sector, has a very similar level to us.

Mr STIRLING: There is only one other state, Tasmania, that is up there as high as us; all the other states will be less than half. Because we get more revenue in and the economy continues to grow over time, that means that debt and liability becomes less of a problem in handling it overall. It gets bigger but, in fact, as the economy and the budget grows each year, government gets more money. Then it actually becomes less of a problem. However, what government can and ought act on when it can is that level of nett debt because, if you can get that down, then you are reducing it overall.

Mr WOOD: Thank you, Treasurer. I have one other question. On page 77 in last year's budget, it states that superannuation liability was \$1.49bn - that was the estimate. In the budget for 2005-06 it was \$1.5bn. This year, the 2005-06 estimate is \$1.7bn. That is a pretty big increase of well over \$200m in superannuation liability. Why has it gone up such a substantial amount in one hit?

Mr STIRLING: Mr Chairman, it is not the first time that that has occurred in the history of the scheme. I can refer you to 1999-2000, where it stood at \$1.314m and, in 2000-01, it jumped to \$1.621m. There was a \$307m jump in one year. I believe you are referring to a similar margin there. That all goes around the actuarial coming in, as they do every three years. They look at a whole range of factors: how long people live, when they opt to retire, and whether they take lump sums or pensions – all those different factors come into play. They will advise the estimates in what they believe the liability is to government, and we might have someone who can thrash that out.

Ms PRICE: Yes.

Mr STIRLING: In three years time, we might expect a similar kick on. In that three years, economic growth, we hope, will continue and the budget will continue to grow in size. Therefore, you keep it ...

Mr WOOD: There must be a reason for that. You said that someone has looked at it; probably because people get older or died or whatever. What was the reason that it was decided to increase the estimate by \$220m? There must be a reason for that.

Mr STIRLING: There is a requirement that the liability is reviewed every three years by an actuary. I will go to Under Treasurer for the detail on this.

Ms PRINCE: Mr Wood, the schemes are reviewed by an independent external actuary every three years. What he is trying to do is look at the total liability associated with our superannuation schemes, and this occurs over about 60 years. He is dealing with the Commonwealth Superannuation Scheme and NTGPASS, which are the two large ones, and a few other small ones which do not materially affect the total estimate. Because the CSS is a pension-based scheme, it is affected by how much longer people are living, even over that short period of time. Because that scheme is linked to final average salaries, wage increases have been higher than his previous estimate.

He goes through and documents all of those various influences and revises the total liability and the annual effect of that, and the annual cash payments associated with those schemes. He did that in August of last year. The revised numbers were included in the Treasurer's Annual Financial Report and explained in some detail. The mid-year report carried the revised numbers and the budget papers do as well.

Mr WOOD: Thank you. You are going to keep going or are you going to break?

Mr CHAIRMAN: You can get one more in.

Mr STIRLING: I encourage Mr Wood to get a briefing of how it actually works. It is an interesting area. I can say that it does not go to the number of public sector employees on the books now, as to what they might do in the future, because these are the old Commonwealth Superannuation Scheme and NTGPASS. Both schemes are closed, so these are employees who have retrieved these entitlements in the past, either receiving them now or will receive them into the future.

Mr CHAIRMAN: I am afraid the Treasurer just gobbled up your little time.

Mr WOOD: I can say that I have received a briefing and I am working on being the honorary treasurer one day.

Mr CHAIRMAN: You can tell him afterwards, member for Nelson. I can see everyone is a bit toey. The committee will resume at 1.30 pm.

The committee suspended.

Mr DEPUTY CHAIRMAN: I call the committee to order. We are still in Whole of Government Questions, Budget and Fiscal Strategies. Are there any questions?

Mr WOOD: Can I finish off my questioning? Thank you. Minister, I have a question here from the member for Braitling. Does the actual debt figure include the NT Power compensation and what figure and legal costs would that cover? In the cyclone program that occurred earlier this year, what were the costs?

Mr STIRLING: Thanks, Mr Deputy Chairman. Let us deal with NT Power and the legal settlement around that. The figure was around \$10m. It would have been paid out of 2005-06 without any nett effect at all on debt.

The cyclone is another question which I might put to the Under Treasurer because, at this time, I think we are still circling full costs, and they will, undoubtedly, come into this next budget, not 2005-06. Let us go to the Under Treasurer for clarification.

Mr DEPUTY CHAIRMAN: Before you do, I have to make a little announcement. Apparently, there are some problems with the recording system here. I ask everyone to speak clearly and slowly, as Hansard is having real difficulty picking up what people are saying. Please ask your questions nice and slowly. There will be a little delay in Hansard.

Mr STIRLING: Under Treasurer.

Ms PRINCE: Mr Wood, regarding the costs that have been incurred during 2005-06 associated with Cyclone Monica and the floods in the Katherine region, where expenditure has been incurred has been for things like immediate cleanup or personal hardship and distress payments. That expenditure is included in the relevant agency's accounts and in our estimated end-of-year outcome. As the Treasurer said, we expect that there will be further repair work that needs to be done, particularly on roads in the Katherine region. However, because of those roads still being quite wet in some places, we do not have final estimates from DPI as yet. However, that will happen in 2006-07.

Mr WOOD: Minister, have you any idea of the amount of money you can recoup from the Commonwealth after these disasters?

Mr STIRLING: Under the NDRA provisions, we would have an expectation of some compensation from the Commonwealth. Again, I will ask the Under Treasurer.

Ms PRINCE: Mr Wood, the way the formula works, we have to incur a threshold of what is called eligible expenditure. That threshold is increased each year before we get any reimbursement. Our threshold is about \$6m. For a certain amount of expenditure above that threshold, we get a dollar reimbursement for every dollar that we spend. Then, after a further step, it is \$3 reimbursement for every \$1. If we spend about \$10m in any one year, we will get about \$2m of that back. It is not a huge level of reimbursement. It is obviously welcomed, but it is only when you have a very large disaster as occurred in the Katherine region in 1998 that your reimbursement would approach something close to 50% overall.

Mr WOOD: Thank you. Another question on taxation in general. Treasurer, has anyone done calculations on whether, if we had not received the GST, how much funding we would be getting at the moment under the old scheme compared to what we are getting now under the GST? If that is a vast difference between existing GST returns and what we would have received under the old system, would that have allowed us to, in theory, get rid of NT taxes?

Mr STIRLING: Mr Chairman, I will deal with the first part of the question. It is really getting to the stage now of being impossible to know, in terms of if the GST had not come in, what we would be getting now. Unforeseen at the time of the GST was the strong economical growth Australia has enjoyed over the last couple of years - to the extent that the Commonwealth is able to rack up massive surplus budgets. We are talking \$12bn, \$14bn and probably \$16bn and \$17bn, revised upwards always from the mid-year report to the final outcome. If you were the federal Treasurer now, under the old system when the state and territory Treasurers used to descend on Canberra for the annual debate of what their split would be, you would not want to be the federal Treasurer sitting on a \$17bn or \$18bn surplus under that scenario, because you would be clawed to pieces; having that much in your back pocket and not wanting to distribute it to the states.

While the Commonwealth is able to point to the states and territories and say: 'You always argued that you wanted a growth tax in terms of your own revenue, you have it - you have the GST', what they do not tell Australians is that the distribution of all the national wealth of Australia is deferring in favour of the Commonwealth all of the time. The revenue receipts to the Commonwealth in excises, customs, income tax, and company tax has been a phenomenal growth - way in advance of the growth of the GST. They point to the states and say: 'You are doing very well under the GST', but they are, behind everyone's back really, doing massively well. If we did not have the GST, all of that wealth that the Commonwealth is backing up year after year would be available or being argued about, in terms of distribution to the states and territories. The states and territories do not argue that the GST has not given them growth in receipts. It is equally arguable that, if not for the GST, then all of that wealth would be there for distribution as well.

Mr WOOD: I suppose that might cover it. We do not know. I was simply trying to ask the question ...

Mr STIRLING: I will go to the second part of your question. What was the difference between what we would have received under the old system and what we get under the GST? I can give you those figures year by year. However, as I said, the question gets ever more academic, because of the economic growth that Australia has enjoyed. Who knows really? All we can say is, under the system prior to the introduction

of GST that is what we would have received. However, that is presupposing that in the past five years there would have been no change at all to Commonwealth/state financial relationships and the carve-up of the national wealth. That is simply unarguable, given the strength of growth over the last few years.

If you go to 2001-02, there was no change, no benefit to the Northern Territory. In 2002-03, we were a nominal \$10m better off than under the previous system; in 2003-04 - \$112m; 2004-05 - \$150m; 2005-06 - \$128m; and 2006-07 - \$125m.

Mr DEPUTY CHAIRMAN: Any other questions?

Dr LIM: Mr Deputy Chairman, I will come back to the general sector. Not understanding high finance, can the minister simplify his explanation as to what is the difference between nett worth and nett debt?

Mr STIRLING: Nett debt is what the government owes the financiers, the banks, on any given day in borrowings. Nett worth is what the government is worth, which includes all assets, cash at hand, everything the government owns that has a value.

Dr LIM: In an explanation to the member for Blain, you explained the debt for when you re-valued equity, your assets. You, therefore, increase your nett worth. Am I right in that?

Mr STIRLING: Yes.

Dr LIM: Can you tell me what assets were re-valued and the quantum of the re-evaluation?

Mr STIRLING: No, I cannot, but the Under Treasurer may be able to shed light on that.

Ms PRINCE: Dr Lim, the review asset values are in the Treasurer's Annual Financial Report each year. The significant re-evaluations that occurred at that time were in Territory Housing assets. It was explained in the report that was tabled to the Assembly late last year. The other significant change in asset valuations is when a capital works is completed; that then becomes a completed asset and that asset ...

Dr LIM: Such as?

Ms PRINCE: A school, a hospital, a health centre. When those ...

Dr LIM: None of that occurred. So, that is not in the equation of the current asset re-evaluation. What is missing?

Ms PRINCE: The change in asset values year-on-year will include both revaluations and new assets being acquired, or construction being completed, or any assets that may have been disposed of. For example, some of the vehicle fleet will be disposed of each year as it is turned over.

Dr LIM: Are there new assets that were added on to the valuation?

Mr STIRLING: In relation to the interjection, I suppose, by the member for Greatorex, when the Under Treasurer mentioned schools, and the interjection was that none of that occurred. I know the opposition does not like to look at the bush, but what does he regard the \$2.5m secondary facility that has opened at Shepherdson College at Galiwinku just three weeks ago by the Senator for the Northern Territory, Senator Scullion? Is that a school? Yes. Why does it not feature in his thinking? Because it is at Galiwinku, a remote indigenous community. What about the secondary facilities at Maningrida? What about the secondary facilities at Kalkarindji? What about the secondary facilities at Minyerri? What about the new school built at Emu Point? Is it because these are all in remote indigenous areas that they are not counted? In fact, they are new buildings, cost a lot to put on the ground, and they become assets of the Northern Territory. Of course there are schools in that equation.

Dr LIM: What else are there?

Mr DEPUTY CHAIRMAN: Member for Greatorex, can I ask you to ask questions through the Chair.

Dr LIM: I am asking through you, Mr Deputy Chairman, what else are there? Okay, you have mentioned schools, what else are there?

Mr STIRLING: Mr Deputy Chairman, I will ask the Under Treasurer.

Ms PRINCE: Dr Lim, probably the most comprehensive summary report which deals with the additions and disposals of assets is produced annually in the Treasurer's Annual Financial Report. There is a note to those statements which talks about land and fixed assets. The differences that occurred from 30 June in one year to 30 June in the next year, as I said, goes through additions, disposals, any changes in depreciation or revaluation. That would be done at 30 June again for the 2005-06 year.

Dr LIM: You said earlier that a change in equity does not affect nett debt at all in any way. Am I right in making that comment, first of all?

Mr STIRLING: Mr Deputy Chairman, I think he is right, but I will check with the Under Treasurer. Yes, you are right.

Dr LIM: If that were case, does increasing the nett value of your assets and, therefore, increasing your nett worth allow the government to borrow against that in any way? Well, not against it, but using that as a benchmark saying that the government can afford it. I heard about the Moody's assessment and all that, so that allows the government to borrow against that standing perhaps?

Mr Mills: Get themselves into more trouble.

Mr STIRLING: My view is that it does not. But I will ask the Under Treasurer to respond.

Ms PRINCE: Dr Lim, I said earlier that when we are reviewing our borrowing situation and advising the government, we do not look at that nett worth number as a measure of whether or not we can borrow. We look at our overall rating and the government's deficit or surplus targets, and the debt to revenue ratio which goes to whether there is a capacity there to service the debt. The dominating feature in the discussion is the outcome targets that the government has set.

Dr LIM: What is the purpose of revaluing assets? To what end is this function performed?

Mr STIRLING: Mr Deputy Chairman, in part it goes to accrual accounting. It is necessary to get a true value of the cost of government, the run-down of its asset base. The truest measure of that is in accrual terms, not necessarily cash. Accrual can tell you that, whilst your building might be worth X amount, as they get older the maintenance factor on those buildings presumably increases and, if you are going to maintain the asset in good condition, then you need, in a balanced way and in accrual terms, to have to say: 'Yes, more money is going in to keep that building in A1 condition'. The more government moves to that accrual basis, the firmer and more accurate view government can have of the costs of all of the businesses and activities that it conducts because it takes a holistic view, simply not just a cash view.

Dr LIM: Do you, then, make provision for replacing the equity, or replacing the asset or is there – I mean once you revalue an asset, you identify that this is what you own. There must be a process that says okay, this is a better idea of what we have and what it will cost us to maintain. Is there some provision then to say: 'This is what we need to provide to maintain this asset at this condition or to replace it'. Where do you put that money aside? Can you tell me that?

Mr STIRLING: It was an inexact science, in particular I suppose, in the early years of accrual accounting practices. It is one that will define over time. Where is the money? It is in terms of R&M in the main, inside DPI's budget each year, and minor new works, which is now at a \$300 000 threshold. Anything up to \$300 000 can be carried out as a minor new work. That is either asset enhancement or R&M or appreciation of the building in some way.

Dr LIM: If that is the case, would you not identify that money somewhere in the balance sheet?

Mr STIRLING: Well, is it captured inside what I was just saying, in your capital works programs each year. Is it offset and identified in the budget elsewhere? I think not, but I will just check with the Under Treasurer.

Ms PRINCE: Dr Lim, the maintenance levels in the budget and in the forward estimates do have regard for nett worth estimates, but they are supplemented by a fairly extensive asset management system that exists for buildings and for roads. One was recently developed for housing assets. The information from those systems informs the decision-making on repairs and maintenance in the year, and what the growth needs to be in the forward estimates to maintain spending at that level. While we have most of our budget parameters escalating at about 2.5%, the maintenance estimate in the forward estimates is escalating at about 5%, which is reflecting the increase in assets that we have. That is how we manage future assets. It

is not being salted away in the balance sheet, but it is being recorded in our future outlays in both the cash flow statement and the operating statement.

Dr LIM: Not to diffuse but to debunk the minister's comment that I am not interested in education for the bush. That was most unfair. Talking on that point, the minister mentioned that he built new schools, we have assets in health clinics, police stations and all that out bush as well as in municipal areas. I suppose there is a difference in properties out bush and properties in municipal areas, in that the schools, police stations, health clinics – are they built on excised land from Aboriginal inalienable land or are they are on inalienable land? If they are, how do you own an asset on land that you do not own?

Mr STIRLING: That is a fair question. It just takes me back - just by way of aside to some of the content of this – when Marshall Perron was Chief Minister of the Northern Territory and accrual accounting versus cash outcomes was a preliminary part of the debate. I remember the former Chief Minister standing in parliament railing against this notion of accrual, around nett worth and the concepts you are raising here. It is not as if a government can go out and sell Elizabeth River Bridge. It is not as if it can go and sell that strip of road between X and X. While it may have a nominal worth, you cannot realise it in the marketplace so, in fact, it has no real worth in a cash sense, and all of this accrual was a waste of time. Whilst I understood entirely what he was saying and even had some sympathy, I believe in measuring the overall cost of services and activity, accrual is the most accurate you can get.

Regarding assets - I guess we are talking about the *Aboriginal Land Rights (Northern Territory) Act* control of land - in some instances, there are lease payments for assets based on that land. In other institutes, what does that difference make? I will refer this to the Under Treasurer.

Ms PRINCE: Dr Lim, it certainly was an issue that we thought about carefully when we moved to accrual. We had a number of discussions with the Auditor-General at the time because, as you know, we had constructed schools and health centres and a range of other facilities on ALRA land, but they were constructed for a purpose. We had the choice of writing those things down to zero because we did not have ownership of the land, or recording a value that was related to their capital cost.

With the agreement of the Auditor-General, we were able to record those assets in our books based on the cost of construction and then depreciated; the basis of that being that was the most logical thing to do. This issue had actually been one of the raging debates of the accounting fraternity for many years. They have very exciting debates on these subjects. Queensland, Western Australia and South Australia have the same problems, not to the same extent as we do, of course. It was a commonsense outcome, and that is what we now have.

Dr LIM: Looking at this page, the government's general sector balance sheet, we should concentrate, essentially, on the nett debt alone. If the rest of them tend to, not so much ignore, but at least not concentrate so much on that. The figure of the nett debt is the most important?

Mr STIRLING: I would agree that nett debt is the one thing that the Northern Territory government can or has the ability to concentrate on by being prudent about fiscal management and expenditure, trying to continue with modest surplus budgets in succession. That give you to the ability to reduce nett debt over time. However, nett debt on its own ignores employee liabilities, which we have discussed here before. A better measure of how the Northern Territory is travelling is that percentage figure that I talked about before; that is, racking up nett debt plus employee liabilities as a percentage of revenue. The more you can push that percentage figure down – or nett debt might rise within that equation. However, as long as that percentage figure is dropping, then the Territory is slowly grinding itself out of the debt hole.

Dr LIM: The nett debt is printed on page 107. It is in the positive, in the sense that, for instance, 2005-06 estimate is \$1.2bn and the budget for 2006-07 is \$1.25bn. It means we are going into more debt. Am I right in reading this like that?

Mr STIRLING: In the next couple of years, these small increases in nett debt until about 2008-09 or 2009-10, I believe the nett figure starts to come down. Again, I just made that point. Nett debt rising, notwithstanding the percentage of nett debt plus employer liabilities, that percentage figure against revenue does continue to decrease. It is up a little this year - 113% to 115% over 2006-07. It then goes back to 113%, 111% and continuing down. Because that ratio takes into account everything and it is a readily comparable figure to anywhere else in Australia, it is the best measure of how the Territory is going.

Dr LIM: Under the definition of nett debt, it says here some of the deposits held, advances received and borrowings, less the sum of cash and deposits, advances paid, and investment loans and placements.

When I took those figures away and then just did a calculation on assets and liabilities outside of nett debt, it appeared that liabilities still exceed assets by some \$60.857m. Am I right in that, Treasurer?

Mr STIRLING: Mr Deputy Chairman, the member may well be, but counting assets against it is not all that helpful in the sense that they cannot be translated to cash and used, to the best of my knowledge. I will check with the Under Treasurer again.

Ms PRINCE: Sorry, Dr Lim, you said that assets exceed liabilities?

Dr LIM: No, liabilities exceeds - well, if I go back. The two columns, assets and liabilities, are on page 117. If I remove from the assets column cash and deposits, advances paid, and investments, loans and placements and, from the liabilities column, deposits held, advances received and borrowing, it leaves the remainder. The remainder in assets will be other non-equity assets and equity, which comes to about \$2.16bn. In the liabilities, if I took away all the deposits held, advances received from borrowings, superannuation liability, other employee entitlements and provisions and other non-equity liabilities and take away the assets, I have a \$60.8m difference. Am I wrong?

Ms PRINCE: Dr Lim, I think you are excluding non-financial assets which are taken into account in the calculation of nett debt. If you look at it another way, at nett worth and you remove nett debt, then I believe that is the same difference that you are getting to. That is about \$1.2bn worth.

Dr LIM: Then, in this case, nett worth now factors into it, to show that, in fact, our nett debt is low contained within that nett worth?

Mr STIRLING: I got the last part. I believe that is right, but I will ask the Under Treasurer.

Dr DEPUTY CHAIRMAN: Could you rephrase the question?

Mr STIRLING: I will still ask the Under Treasurer, Mr Deputy Chairman, I think she got the question.

Ms PRINCE: Dr Lim, perhaps I am paraphrasing you. Perhaps you are suggesting that sometimes we take certain elements into account in nett worth and not, in other times, in nett debt.

Dr LIM: Yes, that is right. I find that very confusing. Yes, that is right.

Ms PRINCE: That is what you are saying - picking and choosing. The definitions that we have here of nett worth and nett debt are the ones set out in the uniform presentation framework agreement and the ones used by the ABS. You are trying to get to an assessment of whether these numbers are reasonable or acceptable. The Treasurer has pointed out how they are changing over time and why that is happening.

From our point of view and the assessment of all other jurisdictions and appraisers such as Moody's and Standard & Poor's, the best way is to look at those nett debt figures as a proportion of the revenue that you have. Can you afford to meet your obligations if they fall due? Our ratio there has been accepted by Moody's as being reasonable.

Dr LIM: Sure. I would not like to charge Moody's. Obviously, sometimes you use nett worth as part of an argument; sometimes you do not. That, I find confusing and inconsistent. It also perhaps strengthens my argument that equity for assets revaluation does actually factor significantly in the whole equation. Therefore, when you suddenly have an equity valuation that increases it by \$382m-plus, it is going to change whatever bottom line you use significantly. Is that fudging your figures then?

Mr STIRLING: Mr Deputy Chairman, you know it is not and nor does - as the Under Treasurer explained before - that question of nett worth feature in government and Treasury decisions about going to the marketplace and what level it should borrow. What drives that is the fiscal study of affairs that the government is in at a particular time. If it is forecasting surplus budgets ahead, then your borrowings ought only be rollover of maturing loans, and the minus deficits might be able to be handled within from the cash assets and reserves held by government. If a couple of deficits are predicted going forward, then there might be a need for new borrowings in a particular financial year.

None of that takes into account that question of nett worth. When I was a questioner of a debt, Dr Lim - notwithstanding I am Treasurer but in my different role as opposition - the view of the Northern Territory Treasurer of the day always was: 'Do not worry about the level of debt; the real question is capacity to pay'. I was never taken with that as an argument: simply because you have the capacity to pay

you ought run up or build a debt. I always thought it was too high - certainly too high in per capita comparisons around Australia.

Whilst I am Treasurer, it is something that I will continue to concentrate on. I am driven by that percentage of nett debt plus employee liabilities as a percentage of revenue overall, because that is the fairest and most holistic measure you can read.

Dr LIM: Okay, just a couple of quick questions.

Mr STIRLING: Mr Deputy Chairman, the Under Treasurer wanted to add something.

Ms PRINCE: Dr Lim, perhaps there is one other feature of the way the uniform presentation framework works for governments that differs from companies that might be worthwhile mentioning. When a company has an asset valuation - say it has gone up by \$200m - a company would normally bring that in through their operating statement. It would affect their year-on-year bottom line.

The GFS removes revaluations from the operating statement. Therefore, the effect of revaluations is not in the general government operating statement. It is reflected in the balance sheet as it needs to, to conform with accounting standards. However, because those sort of revaluations can have an effect on your year-on-year outcome, it is not included in the operating statements. Perhaps if we were looking at a commercial set of accounts, then your question would be relevant, but the GFS standards are a little different. Maybe that helps.

Dr LIM: I am aware of the time, Mr Deputy Chairman, and that the shadow treasurer is chasing ...

Mr MILLS: Not at all.

Dr LIM: Would I be right in saying that the nett worth calculations, then, is subjective as well?

Mr STIRLING: It is not. I am advised, Mr Deputy Chairman, it is not subjective. It is according to the accounting rules. Perhaps the Under Treasurer could explain how it comes about.

Ms PRINCE: Dr Lim, it is not subjective in that it is measured according to the rules and assessed annually by the Auditor-General. However, in emphasis that we put on particular elements of the balance sheet, we put far more emphasis on nett debt than on nett worth.

Dr LIM: Minister, you know the interest in the national parks handover. Have you calculated the value of the parks that are going to be handed over by your government's move to do that shortly?

Mr STIRLING: Mr Deputy Chairman, I am not aware of that work having been done, but I understand that the work is to be done. It really is outside of the realm of Treasury and it ought to go to the relevant minister.

Dr LIM: Perhaps I could reword my question, minister. Would you consider those national parks as part of the assets of the Territory?

Mr STIRLING: I believe they are an asset to the Territory. Are they counted in nett worth of the Territory? No.

Dr LIM: I assume it is part of your assets that you would have equity on. What is that worth?

Mr STIRLING: There must be a value around them because they are part of that network, I am advised.

Dr LIM: Could you provide us with that asset value?

Mr STIRLING: We do not have it here but we will undertake to get it to you before the end of the session.

Mr DEPUTY CHAIRMAN: Minister, is that a question on notice?

Dr LIM: She is going to get it to us before the end of the session, so that is fine. What happens then when you divest, as you would according to your government's plans to hand over the parks to other interests. What would happen to the asset value according to your budget books?

Mr STIRLING: We are going to the heart of a philosophical debate here, Mr Deputy Chairman, which is not the province of this particular part of the Estimates Committee. I just say that the decision around the parks were made as a result of a legal decision in court, which meant that you could either deal with this in a negotiated, commonsense, adult way - sit down and talk about leasing arrangements which secure the future of the parks and access and enjoyment of the parks by Territorians, Australians and international visitors.

Or you could go the way of our predecessors, the CLP - and I take as an example, Cobourg Peninsula land rights claim where it took 20 years of legal action and \$20m of taxpayer expenditure fighting a decision which was so overwhelmingly right that everybody in Australia, except the CLP, could recognise. The advice on us coming to government was, you must fight on to the High Court. I said: 'Not I, and not this government'. This is a rightful and legitimate claim; \$20m is bad enough. We are not going to spend or waste one more cent of taxpayers' dollars on this ludicrous and bizarre fight against a rightful claim - and we did not. We desisted from there, notwithstanding some advice that we ought to have fought on at a cost of another \$10m, \$15m and another five-year fight all the way to the High Court.

They are the scenarios that the member for Greatorex is putting before this committee; that that is what this government ought to have done when it was confronted with the outcome of that particular legal case in the courts: go to war, fight on, yet another court case and another \$20m - it is only taxpayers' dollars; it does not matter'. Or get security, certainty of access, sensible arrangements around leasing and, as we have already in the parks, certainty into the future.

Dr LIM: Mr Deputy Chairman, it is a pity that the minister chose to go down the political road. My question was quite ...

Mr DEPUTY CHAIRMAN: Are you are asking a question, or you are just ...

Dr LIM: Yes, I am. My question was quite on the level. I asked about the national parks part of the Territory asset, to which he said yes. Then I asked the next question: what is the value of the parks? He said that there is a value and he will provide me with the information. That is fine. My next question was: what would happen to the asset valuation when the parks were handed over? That is a fairly simple question about arithmetic and straight accounting. I will ask the question again. What will happen to the asset valuation when the parks are handed over? That is a very straightforward question.

Mr DEPUTY CHAIRMAN: I actually think the Treasurer answered the question, but I will give him a second chance. Maybe he will rephrase it, Treasurer. Do you want to take that question?

Mr STIRLING: No.

Mr DEPUTY CHAIRMAN: Okay. Any more questions?

Dr LIM: I look forward to the valuation that the Treasurer has undertaken to provide. We will go from there. Thank you.

Mr DEPUTY CHAIRMAN: Any other questions?

Mr MILLS: Just general questions?

Mr DEPUTY CHAIRMAN: General questions.

Mr MILLS: I will deal with these in this section, rather than hold them to the end in general. Treasurer, I am here to assist. I want to get an understanding, as opposition does, of all the reviews that are currently on foot with government. I give you the opportunity to provide this Estimates Committee with a title of every review, inquiry, investigation that is currently in place within this department.

Mr STIRLING: It is something we will get back to you before the session is over.

Mr MILLS: Thank you.

Mr DEPUTY CHAIRMAN: Could you repeat the question for Hansard, member for Blain.

Mr STIRLING: Let us clarify the question. Is it just external consultants undertaking reviews? Just give us the other question.

Mr MILLS: I was actually going to be a bit more specific. That was the first phrase of my question. Perhaps if I put the whole thing in *Hansard*, speak it clearly, and then we can deal with it or not.

I want the title of each internal and external review, inquiry, and investigation currently in place within Treasury. I would like the title of each one of those reviews, inquiries or investigation that was completed in the last 12 months. How many reviews, since 2001 - go back that far - are currently with the minister? I would also like the further information of what resources are attached to those reviews: staff numbers, what levels, budgetary allocation, money attached to the task? When will the review report to the minister? When will the next decision be expected to be made?

Mr DEPUTY CHAIRMAN: Treasurer, that is a very comprehensive procedure, do you think it is ...

Mr STIRLING: It is comprehensive ...

Mr DEPUTY CHAIRMAN: Will you be able to get it in time?

Mr STIRLING: Mr Deputy Chairman, it is almost nonsensical in the sense of Treasury, which is, in one sense of the word, involved in reviews every day. They are involved in reviews of taxation assessments, appeals, taxation arrangements, and of Commonwealth/state financial relationships - as I said, just about every single thing Treasury does. This does go to a question of this definition of internal review, which is very much what Treasury do - they review things. Are we going to add up the cost of every single public servant within Treasury and say 'Here is your cost', because that is their job? That is what they do. I am not prepared to take that question at all in that format.

Let us take an example like education. If you frame it in such a way so that you capture the work done by Sheila O'Sullivan and SOCOM, for example, we can measure that. We can say yes, this is what it did. Professor Gregor Ramsey's review - yes, this is what it costs, this is what it did. However, you cannot apply that to Treasury.

Mr MILLS: I accept that.

Mr STIRLING: You have to be more succinct.

Mr DEPUTY CHAIRMAN: Would you like to rephrase the question?

Mr MILLS: Yes, I will refine it to, any review, internal or external, that will be reported publicly?

Mr STIRLING: We will get back within the session.

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

Mr STIRLING: We will have that information back, Mr Deputy Chairman, by the end of the session.

Mr MILLS: The next question relates to the resources used to promote the budget. How much is allocated to the promotion of the last Northern Territory budget - publications, promotions of any kind?

Mr STIRLING: The 2006-07 budget communication campaign - we have an estimate of the expenses so far. Budget papers, printed books, CDs, distribution \$153 000; media kits, presentation folders, invites, facts sheets, covering letters, collation and postage \$41 000; graphic design of the budget paper covers, the PowerPoint templates, the fact sheets, the media releases, the budget displays, the print advertisements \$8000; print advertisement and placement \$22 000; total \$224 000 for 2006-07 budget communication campaign.

Mr MILLS: Within your office, minister, how many speechwriters do you have? You have great speeches, I just want to know how many speechwriters you have in your department.

Mr STIRLING: I think so too, thank you. We are all speechwriters. Just about everyone in the office - with the exception of a couple - has a go at putting together different types of speeches.

Mr MILLS: How many then?

Mr WOOD: I am disappointed. I thought you wrote your own.

Mr STIRLING: How many of them get involved in it – myself included ...

Mr DEPUTY CHAIRMAN: Does it have to be accurate?

Mr MILLS: Well, you could take yourself out of it, I am not heaping praise on your own creations.

Mr STIRLING: Do you not think I contribute to the debate? Mate, some of the best lines in my speech are my own! I had better write my own.

Members interjecting.

Mr STIRLING: Probably one, two, three or four of us, contribute to speeches at different times. We do not have the luxury of working with people like Mr Freudenburg standing around and doing nothing but writing speeches. It is a function attached to staff in general.

Mr MILLS: Who is Mr Freudenburg?

Ms PRINCE: Graham Freudenburg, Whitlam's speechwriter.

Mr MILLS: Oh, right.

Mr STIRLING: One of the greatest speechwriters this country has ever seen - or Don Watson for that matter, another great speechwriter.

Mr MILLS: Is there any media advisor within your office that is specifically for the provision of media advice?

Mr STIRLING: Yes, one person.

Mr MILLS: One? Public relations?

Mr STIRLING: No. Probably attached with the media – public relations, media. Yes.

Mr MILLS: Okay. Does that capacity for public relations and media also exist within the department separate from the minister's office?

Mr STIRLING: Oh, hang on, I was going along the lines of DEET. What do we have within Treasury by way of media and marketing? That is public relations? Let me ask the Under Treasurer. Not a lot I would think.

Ms PRINCE: Mr Mills, we have a small communications cell. They manage our websites. They take technical questions from the media. They do our internal advertising. They manage both Treasury information and Racing, Gaming and Licensing.

Mr MILLS: What is the size of this communications unit?

Mr STIRLING: We are just getting that.

Ms PRINCE: Five staff.

Mr MILLS: Five staff. At what levels?

Ms PRINCE: They range from an A07 to an A03. Much of their work is related to internal Treasury, communication, web page management and so on.

Mr MILLS: In the communications that flow through or from the minister's office, what communication formally is established between, in this respect, the minister's office and the department?

Mr STIRLING: Sorry, Mr Deputy Chairman, just run that past me again.

Mr MILLS: How does the minister's office and the department communicate in regards to the broader objective of communicating with the public? Your media advisors speak to the department?

Mr STIRLING: If there was particulars around budgets and things like that, yes. There is close liaison between the media advisor in my office and the agencies. On a day-to-day basis, the communication is generally by way of flow of ministerials from Treasury up to my office and vice versa, and regular meetings with the Under Treasurer and her staff.

Mr MILLS: Budget papers: it was noticed, I think, in the last budget that budget papers were translated into other languages. There was some promotion material that came out, I think, in Greek.

Mr STIRLING: I understand whatever was done in the past was costed out of my office, not Treasury.

Mr MILLS: It appears it did not happen this time. Is that the case?

Mr STIRLING: We will check.

Mr MILLS: The folk behind you say that is the case.

Mr STIRLING: We are getting a nod.

Mr MILLS: Why did it not happen this time?

Mr STIRLING: It did happen.

Mr MILLS: It did?

Mr STIRLING: It did.

Mr MILLS: It did? In what languages?

Mr STIRLING: In Greek.

Mr MILLS: Greek again. And?

Mr STIRLING: Two of them. And English.

Mr MILLS: I have the English ones. Can I see a copy of the Greek ones?

Mr STIRLING: We will get that.

Mr MILLS: From your office?

Mr STIRLING: I did not read it

Mr MILLS: You did not read it. Is that the same as the year before - that they were from your own office?

Mr STIRLING: My source of advice is gone.

Mr MILLS: I will take that as a yes. That will do. I am done.

Mr WOOD: One last mundane question. You still do not have these in a spiral format. You know there is last year's budget, this year's budget, the economic other budget; why cannot we get it spiral bound so we can use them as a working document? The other thing is: why cannot we get a third column which gives you the 2005-06 budget, the previous budget value, so we can compare them without having to go back to last year's books? A simple thing - a third column.

Mr STIRLING: Mr Deputy Chairman, I am always interested in questions of simplicity in presentation. I will ask the Under Treasurer to comment on that.

Ms PRINCE: Mr Wood, the practice in the Territory and just about all other jurisdictions is to have that two-column format with the current year being the updated legal budget at that point in time. I think one jurisdiction does the three-column approach.

Mr WOOD: They are ahead of us.

Ms PRINCE: Some people say that the current formats are too complex to understand.

Mr WOOD: They are, but it does allow you to compare without having to immediately go and find another book to do it. After all, that is what we are doing a lot of times; comparing expenditure from one year to the next. You are going to bring out a spiral version of these things so that you do not have to have bricks on either side to hold them down?

Mr STIRLING: I am sure it would not be beyond the abilities of the Government Printing Office, but it is something we would need to investigate, I guess.

Mr WOOD: I see all the books in front of you are spiral bound. We have to live with these.

Mr STIRLING: Treasury is so talented.

Mr WOOD: Thank you, Mr Deputy Chairman.

Mr DEPUTY CHAIRMAN: Any there any other questions?

Dr LIM: Yes, Mr Deputy Chairman. In reference to printing the budget papers and budget commercial material in other languages, I am curious. I recall putting the question to the Treasurer last year, and he denied that it had come out of his office. He said that he might have something to do with it, and then he passed it on to the Chief Minister as the culprit. I ask the Treasurer to confirm that it is his office that actually requires the budget papers printed in other languages.

Mr STIRLING: Sorry, Richard, what is the question?

Mr DEPUTY CHAIRMAN: Can you repeat the question, please, member for Greatorex?

Dr LIM: I said I find it curious that the Treasurer today says that the request for budget papers and promotional material on the budget printed in other languages comes from your office whereas, when I put the same question to you last year, you initially denied having anything to do with it and then said: 'Yes, I might have something to do with it', but then explained that it was, in fact, the Chief Minister who was the culprit behind it all, and refused to provide any figures as to the cost of production of such material. Which is correct Treasurer, today's version or last year's version?

Mr STIRLING: If I blamed the Chief Minister last year, it does not sound like it was a very smart thing to do. I do not recall getting into trouble for it. The advice from my own staff is that it is our office that does it, not the Chief Minister's.

Dr LIM: So why did you tell us different last year?

Mr STIRLING: Well, who pays for the running of my office, I suppose was where I was going ...

Dr LIM: You do.

Mr STIRLING: Well I am sorry, I do not. My office comes ...

Dr LIM: You manage the budget.

Mr DEPUTY CHAIRMAN: Member for Greatorex, can you please direct questions through the Chair? Treasurer, answer the question, please.

Mr STIRLING: My office, along with all ministerial offices, sits inside the Chief Minister's budget. Therefore, if there is confusion along that line - notwithstanding what I said last year and cannot recall - I apologise. It is done in my office, an initiative of our office, but all of our costs as a ministerial office do come under the Chief Minister's budget.

Dr LIM: Are you aware of what the production of the papers that are now translated into Greek cost this year?

Mr STIRLING: We will get that for you.

Dr LIM: Can you provide that before the end of the session?

Mr STIRLING: Yes.

Dr LIM: Thank you.

Mr DEPUTY CHAIRMAN: Any other questions?

Mr MILLS: Yes. On that, the name of the translator and how much the translator was paid?

Mr STIRLING: We will get that for you.

Mr DEPUTY CHAIRMAN: Any other questions? Finally, that concludes consideration of the Whole of Government issues.

TREASURY

OUTPUT GROUP 1.0 – FINANCIAL MANAGEMENT

Output 1.1 – Financial Management

Mr DEPUTY CHAIRMAN: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2006-07 as they relate to NT Treasury. I now call questions on Output Group 1.0, Financial Management, Output 1.1, Financial Management. Are there any questions?

Mr MILLS: None for me.

Mr WOOD: Treasurer, what are the details of the one-off legal settlement consultant expenses in 2005-06 which had caused a variation between the years, which is on page 63?

Mr STIRLING: The NT Power settlement is the answer, Mr Deputy Chairman.

Mr WOOD: Can details be provided on this new benefit fund money estimated to be \$1.51m in 2005-06 and \$2.97m in 2006-07?

Mr STIRLING: I do not believe we have a full breakdown of the grants dispersed with us here, but we could certainly get that. Oh, we do, in fact. It is in global terms. I am happy to table this for the member for Nelson. Payments through the Community Benefit Fund 2005-06 under the community small grants was \$702 171; under the Gambling Amelioration Program \$477 320 split to three organisations; the Gambling Research Program \$72 773; total grants from Community Benefit Fund, \$1 252 264; cost around administration and secretariat of \$131 908; and total payments \$1 384 172. I will table that for the benefit of the member for Nelson.

Mr WOOD: Thank you. That does not really explain why it is nearly double in 2006-07. I am presuming Community Benefits Funds are worked out on a set formula based on the gaming revenue?

Mr STIRLING: No, we invite applications twice a year from community organisations around the Territory. They have a cap of \$5000. There is an independent community committee that works through all the applications. They do a remarkably good job because I get the recommendations from the committee to sign off before they go out, and it is a very rare occasion when I need to question any of those grants. They have agreed to the population in each part of the Territory, in population share, and equity in grants received. It is always ticked off and presented in that sort of format. It is a very difficult ...

Mr WOOD: Excuse me, Treasurer. Maybe you misunderstood me. I am just trying to get to the basis of how come there is such a large amount of money for the 2006-07 year for Community Benefit Fund compared to the year before. It is nearly doubled. I am trying to find out how it could double if, normally, the Community Benefit Fund is worked out on a percent formula of gaming revenue?

Mr STIRLING: I am on your question now. It goes to a carryover. I ask the Under Treasurer to elaborate on that.

Ms PRINCE: Mr Wood, the Community Benefit levy is funded by an extra levy on community gaming machines in hotels. They go into a fund which is hypothecated specifically for this purpose, so it does not go into general revenue. The amount at the beginning of the year is estimated. If it is not used within the year, it is carried over to the next year. That is what has happened this year. There were some delays in decisions being made about Gambling Research Programs. In particular, there were some additional funds

set aside for that purpose in 2005-06. However, not all the work has been done to set up those research programs, so that will be carried over to 2006-07. The same applies to some of the amelioration funding. It is really just some lower expenditure in 2005-06 that has been carried over into 2006-07. What you are seeing is about a \$1.5m difference or so, which is about \$750 000 lower in 2005-06 and \$750 000 higher in 2006-07.

Mr WOOD: It is a fairly big carryover even with the university grant. I wonder if something got behind in the processes?

Mr STIRLING: The person who started out on the research got very ill reasonably early in the piece, and it took some time to get that project back on track. It is only very recently that a draft has even been produced. We were expecting that much earlier.

Mr DEPUTY CHAIRMAN: Are there any other questions?

Mr STIRLING: I do not know whether it is appropriate, Mr Deputy Chairman, because I still have more information as to the costs of the translation, production and postage, which was \$1300 approximately. No costs in translation.

Mr DEPUTY CHAIRMAN: Are there any other questions on output 1.1?

Mr WOOD: I might need some advice here, Mr Deputy Chairman. This is to the Treasurer. This section, which talks about demography and about ...

Mr STIRLING: What part?

Mr WOOD: Page 64, Output Group: Economic, about economic services which Treasury supplies. It talks about demography. One of the areas we have all discussed in parliament many times is the importance of population increase statistical analysis. What policies do you have to increase the number of people coming to the Northern Territory? What is the value of each person who does come to the Territory in relation to Commonwealth grants?

Mr STIRLING: The best way to attract people to the Northern Territory is a strong and growing economy, with good, well paying jobs attracting people to come here. That has been the case over the last couple of years, notwithstanding the major projects have been of considerable assistance in that. There is ongoing work around overseas migration. The Territory traditionally does not get its share of the numbers of overseas migrants coming to Australia, and the department of Business continues to work on policies in that area. Part of that, of course, is positioning yourself in order to be able to get a good story about the Northern Territory in front of those people before decisions are made as to where they will go.

The costs around each person out of the Grants Commission is in the order of \$8000 to \$8500 per year. You can see where the Northern Territory government historically has had differences of opinion with the ABS around population statistics and Census. We have used the example of Wadeye in the past, counted at 1100 people, now widely acknowledged, particularly by the federal government. When that was pointed out to ABS, they said: 'Well, we cannot change the vote that the Northern Territory has. If you think Wadeye has 2500 people and not 1100, we will take the 1400 off Darwin, but we are not going to change what the Northern Territory has because that would skew the whole count'.

To that end, this government has been very keen to work closely with ABS in view of the forthcoming Census. We will have a whole-of-government approach, led by Treasury as the lead agency, to ensure that we are able to put as much assistance toward the exercise as is feasible and practical. The end object is that ABS is able to capture the most accurate picture ever of the Northern Territory population at this forthcoming Census.

Mr WOOD: Do you have any idea what population growth we have at the moment? Not a percentage but in number terms?

Mr STIRLING: The population stands at a little over 204 000. We are running at 1.8%, so you are looking at about 3600, 3700 extra people in the Northern Territory over the last year. Our Treasury forward estimates are for 1.5%. Other commentators have it somewhat higher. Again, Treasury does err on the side of conservatism because that figure then takes you into forward estimates by way of what you might expect from GST and the rest. Conservatism does government an advantage in the sense that if we get more than we expected we are better off, rather than being over-optimistic and being disappointed.

Mr WOOD: I suppose my next question has an ethical side to it, but I have asked it before in various Estimate Committees. We have at least 1000 abortions a year in the Northern Territory. If you took the figure that you spoke about, that is equivalent to about \$8m per year. Would the government look at perhaps developing some sort of program of incentives, based on compassion, counselling and support, to encourage mothers to complete their pregnancy?

Mr STIRLING: I can see, in quite stark terms, what the member is saying in terms of bottom line. It is not - I do not know, I am not the Health spokesperson or Family and Community Services Minister. Maybe it is a question for them regarding what is required at the moment. It is not ...

Mr WOOD: I suppose I am saying ...

Mr STIRLING: ... something I am familiar with. I understand there are requirements around that - you mentioned counselling for one. I am sure that occurs now, but I am not totally familiar with all of the requirements there, but they exist.

Mr WOOD: I suppose I was getting at: you have this much money, you could use some of that for that goal. It is not being judgmental; it is just saying that we do have that much money over the last five years. That is \$40m the Territory has not received, because 1000 people have not been born. I suppose when we are looking at population growth, does it make sense to at least encourage or to have a plan which would encourage people to fulfil their pregnancies, so that we are having less abortions and more people born in the Territory?

Mr STIRLING: It is interesting, Mr Deputy Chairman, just picking up *The Australian* in the last couple of days. The baby bonus from the federal government, I think, is going from \$3000 to \$4000. If you got past midnight on a particular day you were eligible; if you get past midnight on a particular day you get a further \$1000. Apparently, the golden day last year was the most number of births recorded in Australia within a 24-hour period. You get women, apparently, with the ability to stave off long enough to get it. I think that is dangerous frankly, medically and physically for the mum-to-be but, apparently, that is the case. I guess there are incentives there at the federal government level, but you have to drop it on the right day.

Mr WOOD: Thank you, Mr Deputy Chairman.

Mr DEPUTY CHAIRMAN: Any more questions? That concludes the consideration of Output 1.0.

OUTPUT GROUP 2.0 - ECONOMIC

Output 2.1 - Economic Services

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output Group 2.0, Economic, Output 2.1, Economic Services. Are there any questions? There being no questions, that concludes consideration of Output 2.1.

Output 2.2 - Community Service Obligations

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output 2.2, Community Service Obligations. Are there any questions?

Mr MILLS: In the interest of time, I will let it pass.

Mr WOOD: Yes, I have one short question. Minister, in relation to community service obligations and to our discussions in parliament recently over the sewage issues at Larrakeyah, would the funding of \$40m required to remove the sewage problem at Larrakeyah and take it to the Ludmilla treatment plant be a community service obligation of the government, or would Power and Water actually have to raise that money themselves?

Mr STIRLING: I would have thought it was within the normal business of Power and Water.

Mr WOOD: Minister, I am just comparing it with, say, the undergrounding electricity, that was all.

Mr STIRLING: Yes. Big difference – notwithstanding you get better reliability with underground power than you do with above. It does not go to quite the same questions of environment and a whole lot of other topics raised in relation to sewage. They are different questions. Government made those election commitments around undergrounding. This treatment question is a basic obligation of the Power and Water

authority to do its job. Power still goes on whether we underground or not, but the Power and Water did not run out there and say we are going to underground everyone's power. The government made certain commitments around that.

Mr WOOD: Do you have a set of principles that says this is community service obligations and this is not? Is there something that specifies exactly that?

Mr STIRLING: Well, the difference is in the way I have just explained it. Power and Water did not say they will underground everyone's power; the government did. In fact, it was pre-election policy for certain areas prior to the election 2001. In that sense, the Labor Party made that commitment, followed through by the Northern Territory government. However, Power and Water were not faced with a fundamental basic service here. The power was still going around, whether it is above ground or underground. We decided that we would run this program underground, so ...

Mr WOOD: The sewage can still go in the sea. Someone has to make a decision to change that.

Mr STIRLING: Yes, but there are environmental questions around that, that do not apply in the above ground/undergrounding of power. This is as basic a function as you can get, Mr Wood, that Power and Water should be carrying out. I might be getting a bit lost here.

The Under Treasurer has kindly informed me of a definition that might help us. A community service obligation arises when the government requires a GBD or a GOC to carry out acts which it would not elect to do on a commercial basis. I think that is ...

Mr WOOD: You would not pump sewage to Ludmilla on a commercial basis if it is going to cost them \$40m; it is cheaper to put it in the sea.

Mr STIRLING: There are standards. There has to be environmental standards and health standards, and all of those sorts of things that come into play that do not come into play in relation to above ground power or underground power.

Dr LIM: It is interesting that the Treasurer comments that there are standards to be observed by Power and Water regarding the sewage outfall into Larrakeyah. I hope that our ministers would pick up on that comment; that there are standards to be observed. However, regarding the CSO in the same line as the member for Nelson has been asking, the government, in fact, did make a commitment to underground power in Alice Springs in the run-up to the last election. Commitments were made by the Labor government to do so. Have there been any CSOs put aside for that?

Mr STIRLING: This is a perennial. I do not doubt that there was a commitment there, but I do not recall it myself, but I am told that it is there. There is no new one, it follows the Nightcliff exercise.

Dr LIM: I understand that Power and Water puts about \$250 000 per year for R&M-type projects in Alice Springs, but there is no other monies available, so the commitment that the government made is not going to be addressed, through the budgetary process?

Mr STIRLING: I undertake to get a more fulsome understanding and follow up with you on that one. You are entitled to a question, but there is no time around it at the moment. I know there is no time around it at the moment, but I will write to you on it.

Dr LIM: Thank you.

Mr DEPUTY CHAIRMAN: Any other questions? That concludes consideration of Output Group 2.0.

OUTPUT GROUP 3.0 – COMMERCIAL **Output 3.1 – Commercial Services**

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output Group 3.0, Commercial, Output 3.1, Commercial Services. Are there any questions?

Mr MILLS: Mr Deputy Chairman, I will let it go.

Mr DEPUTY CHAIRMAN: Member for Greatorex, member for Nelson? There being no questions, that concludes Output Group 3.0.

OUTPUT GROUP 4.0 – TERRITORY REVENUE
Output 4.1 – Territory Revenue

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output Group 4.0, Territory Revenue, Output 4.1, Territory Revenue. Are there any questions?

Mr MILLS: Yes, I have a question. If anyone buys a block of land, they have to pay stamp duty; is that correct?

Mr STIRLING: That is my understanding of how stamp duty works.

Mr MILLS: It is my understanding also. Has stamp duty been paid on the waterfront transfer of land?

Mr STIRLING: I will go to the Under Treasurer in and around that, because of the particular aspects of that project.

Ms PRINCE: Mr Mills, the arrangements for the provision of land for the waterfront is that, while it is under development, it is provided by way of a development lease. Such leases are not subject to stamp duty. However, when each part of the development is finished and the various units are sold, then stamp duty will be paid at that point in time.

Mr MILLS: Does that mean that the development, at the development stage, is stamp duty exempt?

Ms PRINCE: If the development is occurring on leasehold in the way that it is, it will be stamp duty payable when the lease is converted to freehold and the property is sold.

Mr MILLS: Therefore, the developers are not paying any stamp duty at all for that development?

Mr STIRLING: Mr Caldwell.

Mr CALDWELL: Peter Caldwell, Deputy Under Treasurer. The process of when the instance of payment on development lease occurs has been a policy for 25 years or more. It is when the development lease is subsequently converted into freehold that the stamp duty is incurred.

Mr MILLS: My understanding is that, if I am going to go and do some development and buy a block of land, I have to pay stamp duty on that. The developers have developed this land, or are in the process of developing, so I understand by nature of this arrangement, albeit 25 years old or whatever, does that mean there is a privileged position for those who are involved in this development?

Ms PRINCE: No, Mr Mills. As Mr Caldwell was saying, for any developments that have occurred over the last 25 years that are undertaken with a development lease rather than a freehold lease being provided at the outset, then stamp duty is not payable until the lease converts to freehold and the property is then on-sold.

Mr MILLS: Help me understand that then. I am just looking at this from a perspective of there is a development down there, there are developments all over the place. For all of those other developments, the developers would have paid stamp duty, I would presume, when they purchased that block of land. That is the first payment of stamp duty. How is it this one – okay, I accept it is different. What other developments are occurring around us that are on leases of a nature that you describe?

Ms PRINCE: Mr Mills, I do not know which particular developments have development leases. That is really a matter for the minister for Lands. However, in relation to the waterfront development project, that site was not sold before the construction commenced but, rather, the consortium was given approval to develop that site. When each part of the development is complete and a sale occurs, then the Territory will receive both payment for the land at that time and the stamp duty associated with the development.

Mr MILLS: I will leave it at that. Thank you. Next question, Treasurer. With the GST coming in, it adds to the cost of any purchase of land, stamp duty is on top of the GST amount. When will you stop that double dipping?

Mr STIRLING: Mr Deputy Chairman, the treatment of GST on the make-up price of whatever it is, was dealt into the pack by all jurisdictions on the same basis that the mix of tax is to apply under the old wholesale sales tax. That was seen as the way forward in simplicity, and the way that taxation has always

dealt with wholesale sales tax - and it has not changed. This government does not have a view that it ought to change that arrangement, which is the same across Australia.

Mr MILLS: I accept that. Because all the others are doing it and it makes it simpler, and the government's view is that you have no problem with it - of course, it increases your income. Earlier on in these proceedings, you indicated that you are under no obligation to follow the directions of anyone else, including the federal Treasurer. Is it within your capacity, as a government and as a Cabinet, to decide not to double dip and just pay the stamp duty on the base amount?

Mr STIRLING: There is no reason why it would not be within the capacity of this government to effect such a change. I have said many times - and the member for Blain understands - that every Territory tax comes under review every year when we get around to deliberation on the forthcoming budget. However, the question government and Treasury would have to confront, will be understanding what the loss of revenue would be, notwithstanding that we are a government reducing taxes - and we have shown that by our track record and we have another \$130m-worth of taxes to wash out of the system over the term of this office. You get to a point where you want to make the biggest impact and the biggest difference you can for the amount of dollars you are forgoing. That is one of the criteria when you look around at what sort of tax you might remove or reduce.

Mr MILLS: For short-term political or long-term economic?

Mr STIRLING: No, payroll tax has been one of those that has had an impact, and we believe that that has allowed businesses who would otherwise come into the payroll tax net to remain free from it, because we doubled payroll from \$600 000 to \$1.25m, allowing many small Territory businesses to more than double in size before they have to worry about payroll tax.

In the Northern Territory – I just have a note here on revenue - levy and stamp duties on the GST exclusive basis would be in the order of \$10m a year, and that is quite significant. You have to balance that against the public services that you deliver or an increase somewhere else.

Mr MILLS: We could have the discussion about flow-on benefits of that which is forgone by government and is injected into the private sector at another day.

The harvesting of payroll tax. Minister, are you aware that the amount of payroll tax that you harvest from CDU is about equivalent to the amount of money you give to CDU in Batchelor?

Mr STIRLING: We do not believe that is the case, Mr Deputy Chairman.

Mr MILLS: I can table some documents that demonstrate that it is the case. The Commonwealth pays the larger share of that which goes towards the running of CDU in Batchelor, and the Territory government takes payroll tax from that, which is about the same as the amount that you actually give to CDU and Batchelor. I will table the document, if you wish.

Mr DEPUTY CHAIRMAN: Are you prepared to take that question?

Mr STIRLING: We will not go into individual cases.

Mr DEPUTY CHAIRMAN: Would you like to take that as a question on notice?

Mr STIRLING: No. We give CDU \$6.5m towards higher education, another \$35m for Vocational Education and Training, and another \$1.5m for the Institute of Advanced Studies. You are telling me that is just ...

Mr MILLS: All right, well I will ask ...

Mr STIRLING: ... payroll tax is \$50m. Come on! I have had enough.

Mr MILLS: ... this on notice then, through the Chair, to detail the payroll tax take from CDU and Batchelor.

Mr DEPUTY CHAIRMAN: Minister, are you prepared to take that question?

Mr STIRLING: No.

Mr DEPUTY CHAIRMAN: Would you like to rephrase that question?

Mr STIRLING: It does not matter how you rephrase it, Mr Deputy Chairman. The Treasurer does not know the individual circumstances around the high tax base in the Northern Territory, and nor should he or she. This is confidential stuff. This is a relationship between a client and Treasury.

Mr DEPUTY CHAIRMAN: Any other questions?

Mr MILLS: I will leave those for now.

Dr LIM: Yes. Were you going to say yes then?

Mr DEPUTY CHAIRMAN: No, either you or the member. If you want to go first?

Dr LIM: No. I will not, thanks.

Mr WOOD: Thank you, Mr Deputy Chairman. Treasurer, on stamp duty. In Budget Paper No 4 there are four means of attaining stamp duty: conveyancing, motor vehicle registration, insurance and, by far the biggest section is 'other'. What does the 'other' mean? It is on Budget Paper No 2, sorry.

Mr STIRLING: I think that might refer to a significant ...

Mr WOOD: Conveyancing is already covered in here.

Mr STIRLING: I might go to the commissioner, Mr Vukman.

Mr VUKMAN: Craig Vukman. This is the other stamp duty that you were talking about?

Mr WOOD: You have chart 6.4 there which shows \$177.7m for stamp duty in a column form. About \$110m of that is stamp duty from 'other'.

Mr VUKMAN: That represents a large penalty paid in relation to an assessment. It was actually classified as other stamp duty, not necessarily conveyance duty. It is actually a penalty they had imposed on a large transaction.

Mr WOOD: If that was not this year or last year, what would that figure \$177.7m be in stamp duty collections?

Mr VUKMAN: Sorry, from what I think you are saying it would be about \$16.5m less.

Mr WOOD: I was just trying to find out what that was about. I ask the Treasurer then: I know you have had letters from me regarding the double dipping. One of the most common letters I get is to why the government charge stamp duty on insurance and motor vehicle registration. I was trying to lead into that question before when I said how much money would you have if we were still under the old system. If you look at the amount of money that we are raising just from GST and from increase in payroll tax - even though you are lowering it, you are still getting more money from payroll tax. You are saying at the same time that you look at the best way you get the value for money or the best value for reducing stamp duty.

Do you not feel that, with all the extra money we are getting, there could be some reduction in stamp duty on the very thing that ordinary Territorians hate – and they hate taxation on taxation; the double dipping. Could we at least reduce the size of the stamp duty so, instead of it being - what is it? - 10%, why could it not be down to 5%? I find if there is anything that really gripes Territorians, it is the seeing a tax on a tax.

Mr STIRLING: I believe that is right. The Australian Chamber of Commerce and Industry came out today in *The Australian* saying: 'Howard is right with Work Choices, it gives us flexibility. The next thing we have to do is pummel the states into giving up so that we do not have to pay payroll tax at all. We have to get the Commonwealth to stop making us pay 9% compulsory superannuation'.

This is where everyone wants to go. No one likes or wants to pay taxes, but this is the Chamber now saying that they ought not to pay payroll tax at all because it is an impost on business; they ought not pay 9% superannuation which is the right of every worker in this country, because if they did not have to pay that super, they would be able to pay their workers more and they would be able to employ more people.

Probably the same argument is around workers comp, which was the other one; they should not have to pay workers comp. Where does this take the Australian worker, with hard-won conditions to ensure their safety or that they are looked after in the case that they are injured, for example workers comp, or that their future is looked after with compulsory super? Where does that leave governments if we have to knock out hundreds of millions of dollars of taxation because we give up payroll tax? Where does that tax load fall and on whom? If we give up or we give this money back - as I said, it is agreed to by all the states, we come along the same lines as previous taxation arrangements - where does that load fall?

People expect better standards of services all the time, whether it is health, education, or roads. Who pays for it? Someone has to pay for that; it cannot all come from the GST. We are judged by the Commonwealth Grants Commission against our ability to raise taxation, notwithstanding we are a small jurisdiction and small base of populous. They have an idea of what our capacity ought to be and they judge also our revenue raising measure against that capacity, as they do all states. If we were to throw our hands in the air and reduce all of these taxes, what is the Grants Commission to make of that when we are failing to make what they would regard as a proper state's right effort to raise its own revenue and, more importantly, what would the other states and territories think of the Northern Territory? We are already the lowest taxing jurisdiction by far in Australia when it comes to small business, and second or third off the bottom in per capita taxation across the board.

We are obliged to make a fair effort in terms of revenue. There are many areas of taxation that we do not go anywhere near, as the other states do, and we know that from the comparison. Did we table that comparison, Under Treasurer?

Ms PRINCE: Yes, we did.

Mr STIRLING: I refer you to that one because that is where it goes to fire services, to land taxes, to ambulance levies. There are all sorts of levies other state governments put out there by way of revenue effort that we do not. If our payroll tax is 1% or 2% points higher, notwithstanding we are going to reduce it, that is why, because there is a whole raft of taxes that we do not apply at all in the Northern Territory.

I conclude by saying every tax applied in the Northern Territory comes under the closest scrutiny by revenue people when we get around the budget cycle every year. They are looked at from the point of view of equity and the effect that they have on the economy. When we are about reforming taxes we try to get that mix right in fairness but, also, if we are giving up revenue, what is going to give the biggest bang for growth and economic activity up there?

Mr WOOD: I understand that, Treasurer, but the issue is that, on some items we get a GST and a stamp duty. Whether it is the GST that goes off those items or the stamp duty, I do not think the average person would care. However, I ask whether governments have considered discussing this with the Commonwealth and saying: 'We do not mind one tax being applied, but when you remember GST is a growth tax and is taxed in many cases on manufacturer, it is a tax on a tax on a tax, and it keeps going right through the system'. Why cannot we at least get some uniformity; that there is only one tax on the item we purchase? At the end, whether it is insurance or a bottle of coke or whatever, it does not apply to that, but it applies to registration and conveyancing and those things. Treasurer, has there been any discussion about trying to just have a single tax on some of those items?

Mr STIRLING: I believe it was touched on at the last Treasurer's Conference, was it? We are just trying to remember the last Treasurer's Conference. I think there was some? No. No, I am wrong.

Mr WOOD: You might have the opportunity to bring it up at the next one, Terry.

Mr STIRLING: It might have been another forum. I guess the Commonwealth say: 'It is your problem. We have the GST out there, and the GST stays. If you want to apply your stamp duties differently, that is up to the states and territories'.

Mr DEPUTY CHAIRMAN: Any other questions?

Dr LIM: Mr Deputy Chairman, to the minister, the first home buyers scheme through HomeNorth has been something that we all thought very good, and the opposition supports it strongly. Do you agree, though, that through your taxation system, in your HomeNorth share scheme, benefits for the first home buyer have been eroded through the inability for them to obtain the principal place of residence rebate when they buy out the share of the property held by the CEO of Housing?

Mr STIRLING: Not at all. It is fair that it is one or the other that applies in this situation. I believe it would be double dipping. They are there to serve different elements or different cohorts within the community, if you like. If you are a first home buyer, the concession is pretty generous: stamp duty free up to \$225 000. If you are a principal place of residence purchaser, it is a straight \$2500 rebate, which we increased from \$1500. The first home buyer receives the full entitlement stamp duty, first home owner concession up-front, even if they are only buying the proportional interest. They do get that full assistance there, and that is the time that they most need it.

Dr LIM: Well, take me through this a little then. If a Territorian, as a first home buyer, purchased a home, and CEO of Housing takes 20% equity in the house, and the house is worth \$200 000, the first home buyer's stamp duty is calculated on the \$200 000 or whatever the figure is. Is it on the whole amount, or is it only the first home buyer's share of the full amount of the cost of the house?

Mr STIRLING: It is on 100%.

Dr LIM: It is on 100%. Therefore, the first home buyer has paid stamp duty on the total price of the residence, even though the home owner only owns 80% of the total cost of the residence?

Mr STIRLING: No, no, no, no. Let us go back. Sorry, we are at cross-purposes here. They get 100% of the concession; that is, no stamp duty payable. The first home buyer does not pay stamp duty for the first \$225 000 of the purchase price of that property.

Dr LIM: \$225 000 is the key figure. All right.

Mr STIRLING: Okay? So, if it is a \$300 000 property, they are paying stamp duty on \$75 000.

Dr LIM: Good. If the home were worth \$225 000, they pay still only the portion that he pays for. The CEO of Housing's 20% is not factored into the stamp duty calculations?

Mr STIRLING: Let us go to the Under Treasurer on this, or Mr Vukman.

Mr VUKMAN: The way the concession works is that you take the full value of the property purchased, and you then work out 80% of that being the person's own interest in it. Then you work out the value, and then apply the stamp duty to it, and then deduct off the full amount of the concession.

Dr LIM: So, stamp duty is not paid on the other 20% that is owned by the CEO?

Mr VUKMAN: No, it is not.

Dr LIM: When the property appreciates in value and, therefore, the CEO's 20% also appreciates in dollar value, when the first home buyer now purchases that part of his equity from the CEO, he pays full tote odds on his stamp duty?

Mr STIRLING: No, I do not think so. I will check.

Mr VUKMAN: No, he would pay stamp duty on the value of the interest that he has acquired.

Dr LIM: Which is the 20% that the CEO owns, whether it is now \$30 000 or \$50 000, or whatever?

Mr VUKMAN: Yes.

Dr LIM: He has to pay the full stamp duty on the \$50 000 on the new value that the CEO is holding?

Mr STIRLING: If the 20% was now worth \$50 000 more than when the price was purchased, that is a pretty good appreciation. I would not mind paying that.

Dr LIM: The \$50 000 is just a figure that was picked out of the air.

Mr STIRLING: The means there is a rapidly rising property market and they have done very well.

Dr LIM: The minister is being expansive. What I am saying, though, is that this is a first home buyer who struggles to try and build up enough equity so that they can find a home, holus-bolus, without having the CEO of Housing owning a share of it. Surely, to then tax this home owner for the CEO's portion, erodes

the tax benefits that the first home buyer was intended to be given in the first instance? It is not so much the stamp duty exemption that you get; the intention of HomeNorth was to encourage people to buy their own homes, to encourage them to enable them to afford it. Why are you then taxing them and, thus, eroding their benefit?

Mr STIRLING: I do not accept the premise of the member for Greatorex. We now have the highest share of first home owners in the marketplace in Australia today. The significant increase over the past three years has been around HomeNorth and the generosity of the taxation and the stamp duty treatment. Would that be the case if we were less generous or giving these people a hard time? I believe the market and the first home owners in the Northern Territory responded - and responded with gusto - to the generous concessions that this government put forward. If you have had huge capital appreciation on the property, such as the member for Greatorex is suggesting, then so much greater is the 80% equity in the property in the first place, and so much greater would be the home owner's capacity to pay.

Dr LIM: The problem I see, though, is this is the first home buyer who has limited cash flow, and you are imposing a tax on that person. Whether the property appreciation is significant or otherwise, this is a person who has limited cash flow. You are imposing a tax on this person, when all that person wants to do is to free up Territory Housing's equity, free up government funds, in fact. You are also committing funds to assist the person in buying the home. That money can free it up, so government gets that freed up money already. This person is a low-income person, that is why they are in a home loan scheme. Now you are penalising this person because he or she wants to free up government funds and take over the responsibility completely.

Mr STIRLING: It is up to the purchaser to decide when they want to take over the 100%. They are not doing that out of the goodness of their heart to give government back its 20%. Get real! They are doing that because they want to own 100% of the property - and good luck to them, so they should. It is their call and they are timing as to when they think they are in a financial position to purchase the remaining equity; be it 25%, 30% or whatever it is. But do not tell me they are doing it because they want to give government back its money.

Dr LIM: I now understand the minister's position. I am sure that first home owners would be interested as well.

Mr STIRLING: They think they are doing very nicely. Witness the highest share of first home owner buyers in the market - where is it? In the Northern Territory - because of the generous treatment that they get.

Mr DEPUTY CHAIRMAN: Any other questions? That concludes consideration of Output 4.1.

Output 4.2 - Tax Related Subsidies

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output 4.2, Tax Related Subsidies. Are there any questions?

Mr MILLS: In the interests of time, no more.

Mr WOOD: A very short question, Mr Deputy Chairman. On page 66, Tax Related Subsidies under the heading Performance Measures, it has 'quantity subsidy payments'. Is that related to the first home owner grant and what is it actually subsidising?

Mr STIRLING: I will go to the commissioner.

Mr VUKMAN: That is, basically, the \$7000 first home owner grant that is paid and it also includes a fuel subsidy of 1.1¢ per litre that is also provided.

Mr WOOD: Thank you.

Mr DEPUTY CHAIRMAN: Any more questions?

Dr LIM: Yes, a quick question, Mr Deputy Chairman. In relation to the waterfront question the member for Blain was asking before, you are not charging stamp duty now because it is a developmental lease. In a way I see it as a subsidy, in a sense. What is the quantum of what the stamp duty will be? How has that been calculated?

Mr STIRLING: I have no idea, but I will ask the Under Treasurer.

Ms PRINCE: Dr Lim ...

Dr LIM: I will reword the question if ...

Mr DEPUTY CHAIRMAN: Hang on, you can answer the question, Under Treasurer?

Ms PRINCE: I was just going to seek some clarification with Dr Lim. Are you talking about stamp duty on the waterfront, or stamp duty overall?

Dr LIM: The waterfront development. Obviously, the land we provided; developers are there developing under a developmental lease. Usually, a development lease has a finite period - three years, five years. What is the length of the developmental lease in the first instance? Can you answer that?

Ms PRINCE: I cannot, the reason being that we in Treasury are not responsible for the development lease. What we do have in these budget papers is the figures for the 2006-07 year and three out years. The stamp duty will start to be recorded when we can be confident that sales will occur in one of those out years. We have not yet included any stamp duty revenues in 2009-10, and we will not do so until we have a higher level of knowledge about timing of when those units will be sold.

Dr LIM: So, no stamp duty costings have been made at all at this point in time?

Ms PRINCE: Talking about whether any of those estimates have been included in these budget papers, when the overall nett cost to the Territory of the waterfront deal was being calculated there were nett present value estimates of future revenue streams associated with land sales and other revenues, as well as expenses over 25 years. Those numbers do not yet appear in the forward estimates because of the time frame we are looking at.

Dr LIM: You are saying that it means that, in the balance sheet, your projections of the monies coming in through taxation to 2009-10 is not part of the calculations at all?

Ms PRINCE: The estimates that we have included in the operating statement and in the cash flow statement through to 2009-10 are based on some medium-term modelling of stamp duty revenues that we have done in aggregate over that period.

Dr LIM: Which includes the waterfront land?

Ms PRINCE: It includes a range of estimates; our assessment of the long-term trend in a range of revenues rather than project by project.

Dr LIM: Okay.

Mr DEPUTY CHAIRMAN: Member for Greatorex, are there any other questions?

Dr LIM: No, I will leave it at that.

Mr DEPUTY CHAIRMAN: Any further questions? That concludes consideration of Output Group 4.0.

OUTPUT GROUP 5.0 – ECONOMIC REGULATION

Output 5.1 – Economic Regulation

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output Group 5.0, Economic Regulation, Output 5.1, Economic Regulation. Are there any questions? Member for Blain? Member for Greatorex? Member for Nelson? That concludes consideration of this output group.

Non-Output Specific Budget Questions

Mr DEPUTY CHAIRMAN: Are there any non-output specific budget related questions? Member for Blain?

Mr MILLS: No.

Mr DEPUTY CHAIRMAN: Member for Greatorex?

Dr LIM: No. I just want to remind the minister that he was going to provide us with ...

Mr DEPUTY CHAIRMAN: We will come to that. Member for Nelson?

Mr WOOD: No.

Mr DEPUTY CHAIRMAN: I would like to note that the Treasurer undertook to get back to estimates on several issues before the closure of this session. I will pass over to you, Treasurer. Have you been able to do that?

Mr STIRLING: I assumed the end of my session, which is ...

Dr LIM: Treasury or the whole of your session?

Mr STIRLING: The whole.

Dr LIM: The whole session finishes at 6 pm tonight.

Mr STIRLING: Absolutely, as soon as – they would be doing it as quick as they can.

Mr DEPUTY CHAIRMAN: Okay. That is acceptable.

Mr MILLS: Mr Deputy Chairman, what are we drawing a line across now? We are continuing on, are we not?

Mr DEPUTY CHAIRMAN: Yes, we are.

Mr MILLS: All right.

Mr CHAIRMAN: I am about to move the Racing, Gaming and Licensing.

Mr STIRLING: We do not get a break do we?

Mr DEPUTY CHAIRMAN: If you want to have a break. The only thing is that, if we have a break, then it cuts into the next session. Would you like to have a 10 minute break, Treasurer?

Mr STIRLING: Five.

Mr WOOD: Seven-and-a-half.

Mr DEPUTY CHAIRMAN: Let us move on; I think the Treasurer is all right.

Mr STIRLING: We might have five minutes at 4 pm.

RACING, GAMING AND LICENSING

Mr DEPUTY CHAIRMAN: The committee will now move on to Racing, Gaming and Licensing. I invite the minister to introduce new officials accompanying him and, if he wishes, to make an opening statement. Minister, would you like to introduce?

Mr STIRLING: Sorry, I did not cover Elizabeth Morris. They were all introduced.

Mr DEPUTY CHAIRMAN: Sorry, I was not here before. Do you wish to make an opening statement?

Mr STIRLING: No. I covered it this morning.

Mr DEPUTY CHAIRMAN: All right.

OUTPUT GROUP 6.0 - GAMBLING, LIQUOR AND OTHER REGULATION
Output 6.1 – Gambling, Liquor and Other Regulation

Mr DEPUTY CHAIRMAN: The meeting will now proceed to consider the proposed expenditure contained in the Appropriation Bill 2006-07 as they relate to Racing, Gaming and Licensing. I call on questions relating to Output Group 6.0, Gambling, Liquor and Other Regulation, Output 6.1, Gambling, Liquor and Other Regulation. Are there any questions?

Mr MILLS: Yes, Mr Deputy Chairman. Treasurer, just following through the story in the budget - and if we look at this exclusively from a Treasury point of view, it looks pretty good that we have an increased take from gambling revenue. However, you and I both, and anyone else who stops to think about it, know that it is not a good story on the other hand, particularly when it was budgeted for \$45.13m last budget and actually came in \$5m more than that. Now we have a predicted increase of a further \$2m. On these trend figures, would you say that we should be expecting a further increase in gambling revenue in this reporting period?

Mr STIRLING: Mr Deputy Chairman, there is a projection around the last three years of about 5% in the community gaming machine taxation. There is also, in 2005-06 to 2006-07, an estimated increase due to expected growth in casino gaming machine activity. We also expect continued strong growth in racing activity during 2005-06 and racing turnover of about 6% in 2006-07. That is a fact. We can rail against it and say: 'This ought not be happening'. In part, some of it is because peoples' disposable income is okay.

I neither want to undersell or oversell, but that is why I am very keen to get my hands on that report that we commissioned from Charles Darwin University because, undoubtedly, there are problem gamblers out there who do not have an eye to their disposable income. In fact, whatever they get their hands on disappears, in the case of gaming machines, and that is not healthy. I guess, if economic activity is weakening rather than strengthening, you might see these figures change your answer.

Mr MILLS: Perhaps if ...

Mr STIRLING: Could I just check if - no, that is fine.

Mr MILLS: If these figures are a reflection of increased economic activity, you could probably sustain that argument. However, you and I know that if we walk through any gaming place, we see those who can least afford it. Possibly, the greatest portion of contributors to this live in my own electorate. I see that is so. If you are talking about or predicting a 5% increase year by year, is there the same rate of investment going into harm minimisation?

Mr STIRLING: I share a lot of the member for Blain's concerns in this area because, like him, I see what he sees in his clubs. I see it in the Arnhem Club, at Lasseter's and in SKYCITY; that is, people potentially doing themselves damage, who go way beyond any limit on their disposable income. Notwithstanding that – what was the question, sorry?

Mr MILLS: If you are projecting a 5% increase year by year, is there a 5% increase year by year into harm minimisation and assisting those families most affected by gambling?

Mr STIRLING: In fact, the increase in the last couple of years has been way in excess of that – to Anglicare, Amity, and there is a third group that came into the mix that was not there before. One of the things we are keen on is broadening that base of community service providers in and around this. For many years, it was only Anglicare and Amity, who have outreach services - almost by necessity, restricted to the major centres. They offer plan counselling outside of the main centres. However, we are keen, and I am keen – and I have discussed this – if we can get other providers in there, because this is paid for out of the Community Benefit levy which arises from the tax on hotel-based community gaming machines. We have had a marked increase in the last five years.

Mr MILLS: In excess of 5%?

Mr STIRLING: We would have to get the figures and compare, but there is a whole new group in there that was not in there before. We have a big number against it, so that is more than 5%.

Ms PRINCE: And quite separate from the amount set aside for research that will then flow into treatment services.

Mr STIRLING: Yes, and research was a cost that was not in there before.

Mr MILLS: Minister, would you consider indexing the flow of revenue into harm minimisation and strengthening families who are affected by gambling with the increases in gambling revenue?

Mr STIRLING: Not a bad question, but we would be miles ahead of any form of indexation in the sense that we commissioned that study at many tens of thousands of dollars. We have brought a new provider into that mix. I just remembered, I think it is over \$100 000 for one group alone. Why would we restrict ourselves to a level of indexation increase? We are spending in the order of hundreds of thousands of dollars more. That is where I saw it, when I was responding to a question from the member for Nelson – it is a Gambling Research Program with \$72 000. That was not there before. This group here is an Alice Springs-based ...

Ms PRINCE: Yes, a women's group out of Alice Springs.

Mr STIRLING: A women's group out of Alice Springs – nearly \$60 000. Of course, add in Anglicare, who have always been in that mix. Theirs has gone up. I am happy to make a commitment that we would increase amelioration, but we are talking 50% to 60% here.

Mr MILLS: That is great. I am just saying, if we can consider an index, wherever there is an increase there is a flow-on increase in what ...

Mr STIRLING: Well, I would not be restricting the ability of government to just go with an index, and just put that index figure against it. We should be putting more.

Mr MILLS: Okay, I accept that. Those figures that have been cited with regards to the amount going into the different agencies, could that please be tabled?

Mr STIRLING: I tabled that before.

Mr MILLS: Okay. How many liquor licences was your agency administering in 2001 compared to now?

Mr STIRLING: Just give us a minute, Mr Deputy Chairman. Good question. We will have to get the 2001 comparison.

Mr MILLS: All right.

Mr STIRLING: We will get that to you.

Mr CDEPUTY CHAIRMAN: Do you want to take that on notice or at the end of the session.

Mr STIRLING: Yes, end of the session.

Mr MILLS: I am curious to know why you are so excited by the question.

Mr STIRLING: Oh no, it is a good question.

Mr MILLS: So what happened to the answer?

Mr STIRLING: No, but we are going to get it.

Mr MILLS: That is good, I can hardly wait.

Mr STIRLING: In fact, we have it in front of us but we might just need to pull them together a bit. Let us go through it. Liquor licences in 2000-01 was 480; 2001-02 – 474; 2002-03 – 479; 2003-04 – 477; 2004-05 – 481, a nett increase of one; and 2005-06 – 484.

Ms PRINCE: An increase of four over the period.

Mr MILLS: Thank you. That is what I was asking, but I could not follow it. There have been four more liquor licences in 2001 to now? Do you have an intent to reduce the number, or at least hold it as it is? Have there been any approaches made to you to buy back some of those licences?

Mr STIRLING: Nothing formal to me. In fact, some consideration was given at a particular time to a buy back of one particular licence. We did not subsequently proceed down that path. There may have been some informal and indirect expressions of interest from licensees, but nothing ever to me at that time.

Mr MILLS: Would you be open for business, considering your intent to reduce the supply?

Mr STIRLING: It is an open question for government. Government and the taxpayer would need to be as confident that they could be that it was an effective use of taxpayers' dollars; that is, the use of taxpayers' dollars to purchase that licence is going to make a material difference to the abusive behaviour, social dysfunction, getting rid of the elements that we would want to get rid of. That is a question of merit which would have to be weighed up. However, as to the principle - not opposed to it.

Mr MILLS: That actually sounds like a political consideration when you talk about taxpayers' wishes. It is the same issue that drives the buy back of fishing licences.

Mr STIRLING: It is a question of value for money; that both government and taxpayers would need to be sure that this was going to make a material difference. I cannot talk about individual loss for obvious reasons, but I guess there are some obvious targets that you might go to without knowing what the quantum would be to buy that licence back. However, if there is an analysis around what that particular licence actually sells and puts out there, it is probably not one of the issue licensees. So, we would not buy that one back.

Mr MILLS: I understand.

Mr STIRLING: However, when you get to the ones - and maybe it is some of the bigger supermarkets and I cannot go any further, that is difficult - are you ever going to be able to afford to buy them back? Probably not. Yet, that, in a real sense, is where most of the sales come from and, invariably, much of the damage stems from.

Mr MILLS: All right, we will leave it at that.

Mr STIRLING: Not exclusively so. It is an open question and I am not ruling it out.

Mr MILLS: No, that is good. I noted that it is left open and room for further discussion.

Mr STIRLING: Yes.

Mr MILLS: Kava - you talked about that this morning on 104.1. I listened to that. I am just wondering whether you would be interested in supporting the CLP in moving towards banning kava?

Mr STIRLING: Mr Deputy Chairman, my experience with the previous banning on kava was dreadful. Again, this would be something I would probably like to discuss further with the member for Blain outside these walls. The black market was just so exploitative. Former Chief Minister Burke banned kava for the very best intentions; and that was to try to give some breathing space to communities and, in fact, to government and RGL in order to get a properly regulated scheme around kava. I and the opposition never did oppose the ban at the time.

However, I can tell you of being quite sickened physically by certain individuals standing in the Westpac Bank in Nhulunbuy and literally reeling out huge rolls of banknotes and throwing them on the counter - \$50s and \$100s, and I would not know how much in those fistfuls. This was from kava that was being (1) broken down with flour and other substances, and (2) pushed out there at an enormously high profit margin because it was illegal. It drove a very lucrative black market for certain individuals who I happen to know bought motels, vehicles, and properties interstate. That was the outcome in broad terms.

In fairness to the police, they made captures of both kava and individuals who certainly went to court. I do not think the court has ever responded, in sentencing terms, to the damage that was being done economically and health wise to those communities.

Mr MILLS: In the interests of finding constructive solutions I am happy to talk to you privately about this ...

Mr STIRLING: In answer to your question, I am happy to talk to you. I challenged that earlier this year, when minister Brough said on one of his first visits to the Territory in his role as Indigenous Affairs minister

that the Territory government should ban it. If anyone was going to ban it, the federal government has within its power to do so tomorrow quite effectively - ban it and stop the import. It is not going to get imported from outside the country because it is a bulky substance, it would be hard to get through Customs. However, it is relatively easy to load a troopie in Sydney and drive it up here, which is what happens - or ship it, or by aircraft. We do not have Customs' level of surveillance on our airports and roads, although police do still manage to impound quite a bit.

If the Commonwealth wanted to ban it, then so be it. Of course, there are constituents in other parts of Australia who use it in a traditional basis - Fijians and Tongans and the like - which would be a problem.

Mr MILLS: My final question and I will take that up later, privately ...

Mr STIRLING: Yes.

Mr MILLS: ... for constructive solutions to that problem. The last one is chook raffles and bottles of wine. Have you had a change of heart and freed the market up so that people can go out there and have a chook raffle without having to apply for a licence?

Mr STIRLING: Ms Morris.

Ms MORRIS: Elizabeth Morris, Executive Director of Racing, Gaming and Licensing. New regulations were brought in this year in relation to community gaming. Those regulations govern things like chook raffles and also what can and cannot be offered as a prize. Given the situation in the Northern Territory with alcohol at the moment, it was felt that alcohol as a prize was not appropriate as you cannot control who buys tickets in relation to raffles, and it could be supplied to minors or people who should not be supplied alcohol. That is the reason for the bottle of wine not being able to be the main part of a raffle prize. It can be part of a prize along with other goods and services.

In relation to an association having to be approved, there is a simple process for this. What happens when associations are approved is that it means, if there are any problems with any of the raffles, they can be investigated properly. Indeed, we have had several investigations this year in relation to relatively minor raffles which were very important in relation to the people who thought they should have won the main prize.

Mr MILLS: Minister, do you have the resources in preparation for the Melbourne Cup sweeps that will probably be run by organisations and not properly recognised?

Mr STIRLING: I do know that the intent was for every office sweep. This office and, no doubt, the Leader of the Opposition, and the member for Blain's own office ...

Mr MILLS: No, it is against ...

Mr STIRLING: Nothing should prevent what is a wonderful day in the Australian calendar, and it should be enjoyed by all, including that there be sweeps.

Dr LIM: Mr Deputy Chairman, if I can follow that up? I find that disturbing, minister, that you have passed this legislation to say that it is illegal, and here you are sitting there as a minister of the Crown saying: 'Oh well, wink, wink, nudge, nudge, it is all right on Melbourne Cup day'. Surely, if this rule is for everybody in the Territory - Rotary Clubs, service clubs of any kind that you like to name - how are you now able to sit there as a minister saying: 'Nudge, nudge, wink, wink, it is okay'?

Mr STIRLING: We have been through this.

Mr CHAIRMAN: Minister, do you wish to answer that question?

Mr STIRLING: We did not ban sweeps. We will check with Ms Morris.

Ms MORRIS: For an association to run a sweep or a raffle must be an approved association, and there is a process for that. However, if the value of the ticket or the prize is no more than \$5000 – and most office sweeps would fall in to that category – there is no need to get a permit or any other kind of paperwork. It is just that the Treasury social club, or whatever, must be an approved association in order to run that sweep. That is protection for the people who enter the sweep.

Mr STIRLING: I want to be in the opposition's sweep, because they get about six horses each Mr Deputy Chairman. It might increase your chances.

Members interjecting.

Dr LIM: Mr Deputy Chairman ...

Mr CHAIRMAN: Quiet, please.

Dr LIM: We go along with the levity of the occasion. I assume, therefore, that every group that wants to run a raffle or a sweep of any kind – they are the same sort of thing anyway - as long as it is not more than \$5000 it does not need to be approved or have a licence?

Mr CHAIRMAN: Treasurer, do you want the question restated?

Mr STIRLING: No I can - did you hear it? No. Please restate it.

Dr LIM: I will repeat the question. You say that if a sweep is less than \$5000 - and I include a sweep and any other raffle - are you suggesting that any group can run a raffle even if it is not registered or has a permit, as long as the prize is less than and does not exceed \$5000?

Ms MORRIS: The association who runs a raffle must be an approved association. That is a process where they fill out a form and they send their constitution to show that they have office holders and that they are a proper association. That approval occurs and they do not need a permit for any activity after that unless it is over \$5000.

Dr LIM: I come now to the issue of a moratorium on the alcohol licences in Alice Springs. I assume it is only for Alice Springs and it is not for the rest of the Territory?

Mr STIRLING: No. It is Territory-wide.

Dr LIM: It is Territory-wide. How do you consider that the moratorium on takeaway licences - and let us use Alice Springs as an example – would address the issue of the current supply that is available in Alice Springs and the current demand and the use of the supply in Alice Springs?

Mr STIRLING: Mr Deputy Chairman, it does not and that is not the intention of it. The intention is for the Territory - Alice Springs, Katherine, Tennant Creek, Nhulunbuy and including Darwin – in the knowledge that there will be no further takeaway licences issued over the next year and into the future; that from now on no takeaway licence applications are even looked at unless they are from pubs and clubs. The grocers, the corner store, the supermarkets, the caravan parks - service stations in the case of Alice Springs even - that have takeaway licences; there will not be any of those into the future.

There is a respite in the sense of saying no more whilst communities are able to draw together the local area alcohol management plans which we are seeing used with some effect, say, in Groote Eylandt. Much work has gone into Nhulunbuy, in Alice Springs the pieces are coming together, Katherine has a consultant starting work with them there with Tennant Creek along similar lines. We did not make this decision that this is the be-all and end-all. It is a breathing space; it is a line in the sand to say no more; and it is a no more forever outside pubs and clubs into the future.

Dr LIM: All right, I accept that. Obviously, that is just a bit of window dressing. However, in the total number of alcohol outlets in Alice Springs, it has been in the national and the international media as Alice Springs having almost 100 outlets. Would you join me in at least setting the record right that most of the licences are, in fact, on-site alcohol licences only and, therefore, are well controlled and do not cause the problems that we see in Alice Springs?

Mr STIRLING: Let us go to the question of numbers first. There is a lot of misinformation. In fact, every time you see the number of licensed outlets in Alice Springs recorded it seems to have jumped 10 or 15 ...

Dr LIM: Yes.

Mr STIRLING: ... and we should, for the record, put the proper numbers down. I will just ask to ...

Dr LIM: Ninety-seven ...

Mr STIRLING: ... get them. Many of those are restaurants that do not cause and are not a contributor in any way to the antisocial behaviour. In the main, the licensed premises are not. It is the takeaway element of the market, by and large, but not exclusively, because sometimes the action occurs first in the licensed premises and then with the purchase of takeaway beyond that. However, I agree with the member for Greatorex that there is a lot of misinformation around. In fact, I have been given - and I am guilty of using different numbers at different times because it was the last number I heard on it. In fact, there is a lot of exaggeration. There are 11 takeaways in Alice Springs, two pubs with takeaways, others are taverns and clubs and other licences including restaurants. The total is, off the top ...

Ms MORRIS: Eighty-six.

Mr STIRLING: Eighty-six. I have seen over 100.

Dr LIM: Well, I hope that the media will publicise this figure and set the record right. I believe that is important because Alice Springs continues to get criticised for having a lot of outlets. When you compare it to any other regional city or town around Australia, there would probably be more than what we have in Alice Springs.

Minister, with regards to takeaway alcohol outlets associated as ancillary businesses to food outlets, is there any proposal to separate those premises so that, in fact, the food outlets are not accessible and adjacent to an alcohol outlet which is accessible through an archway or an easy entry – they need, in fact, to travel several hundred metres to access one from the other?

Mr STIRLING: No, no consideration at this time. I am not sure quite how you would achieve that objective. I am not saying that I disagree with that objective, I am just not sure how that might translate into practical policy. I would probably be more open to the suggestion or the discussion with the member for Blain earlier about active removal of licences altogether by agreed buy-out.

Dr LIM: If the Northern Territory government has the money to buy-out, I suppose that is the way to do it.

Mr STIRLING: Well, hang on, I am not ...

Dr LIM: Another way to do that, I suggest to you, is to bring in a sunset clause.

Mr STIRLING: I am not ruling out or dismissing what you are saying, I am simply saying we are not sure how that would translate into a realistic policy to implement that. I am open. The government and Racing, Gaming and Licensing - and I believe all of our communities - are open to suggestions on the way forward. However radical they might sound, they should be bounced in on to the table around the ideas that are going into the local area alcohol management plans - no matter how off-the-wall they are. I believe everything should get a hearing at least, and tested for realistic implementation of community acceptance.

Dr LIM: The minister is also interested in using an individual permit system for Nhulunbuy for people to access alcohol. Why is he not prepared to extend that to the whole of the Territory?

Mr STIRLING: Mr Deputy Chairman, I have not ruled it in or out. I actually have been quoted, but you have never actually heard me say it because I have not. However, I have been reported to have said it would not work in Alice or Darwin. What I have said, for the record, is that the more licensees that are in a particular area, the more problematic a permit system might be to operate. I did not say - and if anyone thinks that I did, let us get it straight today - that it is not something that could not be considered for Alice Springs, Katherine, Tennant Creek or Darwin. I believe that it gets more problematic the more licensees you have in a particular area.

I quote the example of Groote Eylandt which has the Alyangula Recreation Club as the major takeaway. I think the golf club has extremely limited takeaway licence because it is a membership only. In terms of monitoring, keeping an eye on what goes on under the permit system, it really is the Alyangula Recreation Club that is the focus of attention. We are waiting for formal figures that show a strong case but, anecdotally, it seems to have been very effective over 12 months in operation.

The situation in Nhulunbuy is there is probably five or six takeaways. Again, a reasonably small area probably lends itself to monitoring and compliance under the scheme. Certainly, there is a lot of support within the Community Harmony Group at large. This idea first came from Senior Sergeant Tony Fuller, the OIC of Police at Nhulunbuy, who was very much in the formation and development of the permit system at

Groote. He got support readily forthcoming from the indigenous community at Yirrkala, and then went to the broader Harmony Group, which is both indigenous and non-indigenous from Nhulunbuy. It has been pushed along now for a couple of years and getting closer to going to the community. In fact, public meetings have been held and will continue to be held prior to the commission coming over. People have issues about privacy, all sorts of issues with it and questions. The idea is that Harmony would like to have as much understanding in the broader community of the scheme before licensing comes and the commission has a formal hearing.

If the member for Greatorex thinks that I ruled out those centres, I did not. I do say the bigger the centre, the more problematic. However, I have been misquoted, misreported, as often happens to us, Richard, as you know.

Mr WOOD: Do you want a break, or do you want to ...

Mr DEPUTY CHAIRMAN: We will finish this output. You are the last couple of questions.

Mr WOOD: Okay, I will be quick. Treasurer, what is the budget of the Office of Alcohol Policy? How many staff are allocated to the office? Is that enough staff to carry out all the recommendations that you have in the Alcohol Framework? How many licensing inspectors do you have in the Northern Territory and Alice Springs? Is that too many in one go?

Mr STIRLING: No. Let us get the formal position on this. I have a question about the resources in that area myself, given that the spotlight of government is firmly on it. Are we asking too much of too few in that area? That is a question that will be worked through with the Under Treasurer and myself. Regarding inspectors, every police officer is an inspector, in addition to the inspectors that RGL have. Let us start rounding them up now. I ask Ms Morris to answer.

Ms MORRIS: Taking the questions in order, the budget for the Office of Alcohol Policy and Development is estimated for 2006-07 to be \$1.07m. The staff in that office currently include an ECO1, an EO1, an AO8 and an AO7. However, the implementation of the recommendations from the Alcohol Framework are not the sole responsibility of that office. Various recommendations are being implemented by other departments, or by other divisions of Treasury or within Racing, Gaming and Licensing. That part of the budget specifically provided, however, for the Office of Alcohol Policy and Development.

How many licensing inspectors in Alice Springs? There are seven and, as the minister said, every police officer is also deemed to be a licensing inspector.

Mr WOOD: I raise the issue of the Nhulunbuy cartons for drinking. I am not trying to put things into people's minds, or try to kill the concept but, if you ban someone from getting takeaways by not allowing them to have a carton – I presume that that is the system that is being looked at – what is to stop my brother from going along and getting it? I give him \$20 and he goes and gets me a half a carton, I suppose, at Nhulunbuy.

Mr STIRLING: Well, if your brother has a permit under the system, he will not keep it for very long if he continues to supply people and gets caught supplying people with takeaway alcohol that do not have a permit. In fact, this is one of the issues in Groote Eylandt. Only two people transgressed that in the first 12 months of operation. They were both non-indigenous people and they lost their permits.

Mr WOOD: It relies on someone dobbing their brother or relation in, doesn't it?

Mr STIRLING: There is surveillance on the ground. These are small communities, or long grassers, or camps. It is pretty well known in communities like Groote or Nhulunbuy, generally, who they are and where they are from and, I think, they are highly visible.

Mr WOOD: Are you saying that those people who are banned not only cannot buy it, they cannot drink?

Mr STIRLING: No, they can go to a club or a hotel.

Mr WOOD: But can they get the takeaway from another person and sit down with them and drink it?

Mr STIRLING: No, not under the Groote situation, and not envisaged under the Nhulunbuy situation. Why else would you bother with a permit system if you are going to let them sit down and make a mess?

Mr WOOD: I was not leading them, I just wanted to know how it worked in practical terms. With the recommendations of the Alcohol Framework, have you some idea how far you are advanced with those recommendations? How many recommendations have been fully implemented; how many are on the way; and how many have not even been started?

Mr STIRLING: Gee, good question. I do not know that it lends itself to that type of audit with the approach that we have taken. What it has done, in the recommendations put forward around local alcohol management plans - the theory behind that was to empower the local communities to take responsibility, to step forward and come forward with solutions for their own areas. All of that work - the Antisocial Behaviour Bill and the alcohol courts – is all legislation that has come through the system over the last 12 months or so, all emanating from the sources inside the original Alcohol Framework. Good question. No, I do not think we have that. Perhaps we should have a look at that and get back to you.

Mr WOOD: I will finish off with one other question regarding the amelioration funds - \$1.5m for problem gambling. I have seen the books in pubs about 'be careful, you get caught up in gambling'. This is all very nice, but who makes the value judgment to whether this program is actually being effective?

Mr STIRLING: I guess we are going to have to continue to study it, monitor it, and get reports on it and evaluate that with RGL and the licensees. There is a gambling reference group which is made up of representatives like people from Anglicare, licensees, people from different parts of the equation, which meets on a regular basis to share information. The Gambling Code of Conduct was drawn up by them, mandated recently by government. It is a code of ethics for licensees and managers of those sorts of outlets. It is not going to go away. You just have to sit on it and keep as close a handle on it as you can.

Mr MILLS: This may have been answered before. The question I ask is regarding reviews: I will make it clear, the publicly reported reviews that were put about Racing, Gaming and Licensing.

Ms PRINCE: Yes, and it will be tabled within this session.

Mr MILLS: The other one is the communications unit that was referred to before: does it also operate within the Racing, Gaming and Licensing?

Ms PRINCE: Yes.

Mr MILLS: That is fine, thank you.

Mr DEPUTY CHAIRMAN: Are there any further questions? That concludes consideration of Output 6.1. At this stage, I am going to have pause from proceedings for five minutes so that we can all stretch our legs. We will come back at 4.17 pm.

The committee suspended.

Output 6.2 – Gambling-Related Grants

Mr DEPUTY CHAIRMAN: The committee will now consider Output 6.2, Gambling-Related Grants. Are there any questions, member for Blain?

Mr MILLS: No.

Mr DEPUTY CHAIRMAN: Member for Greatorex, member for Nelson?

Mr WOOD: I was going to ask about Undue, but, no.

Mr DEPUTY CHAIRMAN: Are there any further questions? That concludes consideration of this output group.

Non-Output Specific Budget Questions

Mr DEPUTY CHAIRMAN: Are there any non-output specific budget questions?

Mr MILLS: Yes, there is just one and that was one that we just about touched on right at the beginning and I have not forgotten. Minister, you made reference to the \$57m GST that came in unexpectedly. Here it is. It was in a press release - gosh, yes, June; no that is not that long ago. Anyway, in responding to that you said that that amount, even though it had been called upon by lots of different agencies, particularly at that time, if you recall, the problems at the hospital. The hospital was saying: 'We want it', education said: 'We want it', and you said in these hearings that it was used for beef roads.

Mr STIRLING: No, Mr Deputy Chairman, let us be clear. I was talking about a payment of \$36m made very late in the financial year 2003-04 where big parts of it went to beef roads - straight in onto the capital works budget for beef roads and other areas of infrastructure. That is not the \$57m. That is not it.

Mr MILLS: I have to go back over the *Hansard*. On 1 December 2005, \$57m unexpected, you did not actually allocate it to any specific project? That is the impression I got this morning.

Mr STIRLING: My answer I was giving earlier was in relation to \$36m near the end of the 2003-04 financial year. You tell your story about \$57m and we will find out where we are up to.

Mr MILLS: That was the one I was referring to; I found it. It was \$57m, 1 December. That was just taken into general revenue; it was not allocated to any specific project?

Mr STIRLING: Under Treasurer.

Ms PRINCE: Mr Mills, the date does not sound right to me. It could be at the end of February or early March when we got the revised ...

Mr MILLS: Sorry, you could well be right, I always get the wrong one.

Ms PRINCE: ... Grants Commission recommendation for 2006-07. It was in respect of 2006-07?

Mr MILLS: March, you are quite right. March.

Ms PRINCE: Yes, March, after the Grants Commission report. The 2006 report that applies to the 2006-07 year. Therefore, the increase in 2006-07 compared with what we had predicted for that year in the previous year. It is just the relativity change.

Mr MILLS: Okay. We had cross-purposes this morning. I thought it had been specifically allocated, but no.

Ms PRINCE: No. It is in this year.

Mr MILLS: Thank you.

Mr DEPUTY CHAIRMAN: Any other non-output specific budget questions? That concludes that output.

CENTRAL HOLDING AUTHORITY

OUTPUT GROUP 1.0 – CENTRAL HOLDING AUTHORITY Output – Business Line

Mr DEPUTY CHAIRMAN: We will now move on to Central Holding Authority. The committee will now proceed to consider questions regarding the Business Line. Are there any questions?

Mr MILLS: I have lots of questions but, in the interests of these good people sitting back there for a long time, I will take it up to another day.

Mr DEPUTY CHAIRMAN: Are there any questions, member for Greatorex? Member for Nelson?

Mr WOOD: Thank you, Mr Deputy Chairman. Treasurer, I am referring to Budget Paper No 3, page 283. It says the Australian government debt redemption payment appears to have discontinued in the 2006-07 year. Is this grant finalised, and how much has been paid under this grant since its inception?

Mr STIRLING: A good question, Mr Deputy Chairman. I will refer to the Under Treasurer.

Ms PRINCE: Mr Wood, this particular grant has a long history. The Commonwealth, up until about 1991, used to borrow on behalf of all state and territory governments under the Loan Council arrangements. In 1991 or so, the arrangements were changed and the states and territories were allowed to borrow on their own behalf. Because the Commonwealth borrows at a slightly lower interest rate than states and territories, there was a cost to the states and territories associated with this slightly higher interest margin and the Commonwealth put in place a 15-year program associated with the higher costs associated with refinancing of that debt. That is what these payments were for. The timing was related to the refinancing profile. I cannot tell you what the total amount of the payment was over that 15-year period off the top of my head. Mr Montague, who will join us when we talk about TCorp, may well be able to. That is the history of it. I am happy to provide you the total if you want.

Mr WOOD: We will not put it on notice, but if you have it before the end of the night ...

Ms PRINCE: No problem. Okay.

Mr WOOD: The other question refers to Budget Paper No 3, page 301. Why was there such an unexpected major increase in interest on the conditions of service reserved in 2005-06, which is not reflected in 2006-07? What are the balances for this reserve over the past five years, and the projected balance for 2006-07?

Mr STIRLING: Good question, and one that Mr Montague should be at the table for, because he takes great pride in ...

Ms PRINCE: He is here.

Mr STIRLING: He is here? Mr Montague.

Mr WOOD: Some people collect stamps.

Ms PRINCE: He gets 20% on these cash balances.

Mr MONTAGUE: My name is John Montague. I am the Senior Director, Funds Management. Conditions of service reserve this year, as at the end of 31 May, was \$230.6m, which was up from \$194.9m at the beginning of the financial year. It is, roughly, a return to that point of 18.6%. We have seen, however, a fall in the financial markets since 31 May. We estimate, as at close of business last night, that the fund would have returned around about 17%, and would be in the order of \$227m.

Mr WOOD: What does the figure in page 300 where you see Conditions of Service Reserve \$40.076m, and \$14.100m? What does that refer to?

Mr MONTAGUE: The \$40m represented the actual return for the financial year, and the smaller number in the following year represented our estimate. The way that the funds are invested is in a style which can be generating quite volatile returns. We estimate, in a vigorous year, about a 7% return on the funds year-on-year. This was partly now, to the fact that we have seen two extremely strong years of strong financial returns, and we anticipated that this was unlikely to be sustained in the third year. The fact is, though, that the markets have remained strong for the majority of the year, and have enabled us to maintain quite strong returns. We will be revising the figures as at 30 June to reflect the full amount of the return.

Mr DEPUTY CHAIRMAN: That concludes consideration of Output 1.0, Central Holding Authority, Output Business Line.

NT TREASURY CORPORATION

Mr DEPUTY CHAIRMAN: We will now move to NT Treasury Corporation. Treasurer, do you wish to make a statement?

Mr STIRLING: No, I have covered that this morning, Mr Chairman. Mr Montague is at the table with us.

OUTPUT GROUP 1.0 - NT Treasury Corporation Output - Business Line

Mr DEPUTY CHAIRMAN: The committee will now proceed to consider questions regarding Business Line. Are there any questions? That concludes consideration of Business Line, and that concludes

consideration of all Treasury-related output groups. On behalf of the committee, I would like to thank officers from the Northern Territory Treasury for attending.

Members: Hear, hear!

Mr STIRLING: Mr Deputy Chairman, the information around reviews is about five minutes away. I understand it will be tabled. There was also a question about valuation of national parks which I wanted to refer back to the Under Treasurer.

Ms PRINCE: The question was what is the valuation on our balance sheet for national parks land, and what will be the effect of any of the possible handovers that have been flagged. I say at the outset that all governments and valuers have difficulty in valuing land in national parks. There are a few areas where they have this sort of difficulty. Other difficulties they have is in the valuation of old heritage assets or museum holdings, because some of those values are, obviously, subjective. Our national parks valuations are not any different to other jurisdictions in that regard. The values that are attributed in our books to each of the national parks is around about \$1m to \$2m for each park, depending on its size.

What happens if the management arrangements change for those parks? Well, it very much depends on what is the nature of the arrangement and what the accounting rules say about control. However, as we understand it, at this stage what we are looking at is joint management arrangements similar to Nitmiluk. The access of the Territory public should not change in any material sense, and so it is unlikely that there would be any significant change to the park valuation. As each one of those agreements is finalised, then the valuation and the issue of control would be reconsidered. However, at this stage we are not expecting anything that is significant in the change to the valuation.

Mr DEPUTY CHAIRMAN: Was there anything you wanted to address, Treasurer?

Mr STIRLING: No, there will be a document in relation to the question around reviews, probably five minutes away. It will be tabled as soon as it arrives. There it is, Mr Deputy Chairman. I did not want to close the session ...

Dr LIM: The Greek translation?

Mr STIRLING: Did you want a copy of it?

Dr LIM: Yes, we seem to have a copy of the Greek translation.

Mr STIRLING: Something Greek; it is a very Greek photo of the Chief Minister. It has been tabled. One final comment from Mr Montague.

Mr MONTAGUE: Mr Wood, you referred to the level of compensation we were receiving from the Commonwealth. For the first, roughly, 10 years, it was in the order of about \$5m a year and, for the last five years, it has been in the order of \$1m. It has generally been based on a formula, in this compensation, which is just over 1% in value on the standard ballot.

Mr STIRLING: I add my thanks to the Under Treasurer, Mr Caldwell, Jodie Kirkman, Mr Montague, Mr Stubbin, and Mr Vukman, who did such a great job.

Mr MILLS: Hear, hear! Thank you.

POWER AND WATER

Questions on policy relating to 2006-07 Statement of Corporate Intent

Mr DEPUTY CHAIRMAN: Treasurer, I note the next consideration Power and Water Corporation with specific questions relating to the 2006-07 Statement of Corporate Intent. Do you wish to make a statement or have you already done so?

Mr STIRLING: I touched on it in the opening statement this morning.

Mr DEPUTY CHAIRMAN: Do you wish to add to that?

Mr STIRLING: No.

Mr DEPUTY CHAIRMAN: Okay. Are there any questions? Member for Blain?

Mr MILLS: No, I do not have any.

Mr DEPUTY CHAIRMAN: Member for Greatorex?

Dr LIM: I will let the minister get away with it this time. I will ask the Chairman of Power and Water.

Mr MILLS: We will do it on Friday.

Mr DEPUTY CHAIRMAN: Member for Nelson - short questions?

Mr WOOD: I am not going to answer that. Minister, on page 9 of the Statement of Corporate Intent, it talks about capital investments. However, nowhere in those capital investments does it mention an upgrade of the sewer for the Darwin area. Yet, the minister announced the other day that money had been spent and there was \$40m to be spent over five years. Would I be cynical enough to say that that was a promise required because of the problem the government now has, or was it actually something the government was planning for – to move the sewage from Larrakeyah to Ludmilla?

Mr STIRLING: Mr Deputy Chairman, I do not think the member for Nelson would be that cynical. It is a genuine question. However, I understand it is a question for the GOC Scrutiny Committee.

Mr WOOD: The reason I asked the minister was the basis of the document. Is the Statement of Corporate Intent only referring to business matters or actual programs they are putting forward?

Mr STIRLING: The Statement of Corporate Intent is really more around the financial.

Mr WOOD: I will leave it there.

Mr DEPUTY CHAIRMAN: Any further questions, member for Nelson?

Mr WOOD: No, thank you.

Mr DEPUTY CHAIRMAN: Any other questions? That concludes consideration of policy relating to the 2006-07 Statement of Corporate Intent. Now ...

Mr WOOD: Mr Deputy Chairman, can we swap, just so we do not get the boot?

Mr DEPUTY CHAIRMAN: Yes, you certainly can make any changes. The member for Braiting is coming in for the member for Nelson.

Mr WOOD: The other Chairman gets a bit upset.

Mr DEPUTY CHAIRMAN: I would never get upset.

EMPLOYMENT, EDUCATION AND TRAINING

Mr DEPUTY CHAIRMAN: I invite the minister to introduce the officials accompanying him and, if he wishes, to make an opening statement on behalf of the Department of Employment, Education and Training.

Mr STIRLING: Thank you, Mr Deputy Chairman. As a government, we consider this area of Employment, Education and Training to be one of key priorities, and we are proud of the achievements we have put into place in education. They go from staffing changes through to regionalisation of the agency, distance education and middle years. One of the proudest achievements among them is delivering secondary education to the bush.

I am pleased to introduce to the estimates process, for the first time, our new Chief Executive, Ms Margaret Banks. Thank you, Margaret. With Margaret are Trevor Saunders, the Chief Financial Officer; Mr John Hassed, the Deputy Chief Executive of Employment Services; Mr Ken Davies, Acting Deputy Chief Executive, Education Services; and Mr John Dove, Acting Deputy Chief Executive, Schools; Mr John Glasby, Acting Executive Director, Strategic Initiatives; Ms Sharron Noske, Deputy Chief Executive,

Planning and Resources; Richard Hunt, Executive Director Central Australia with Rita Henry on leave, and Leanne Taylor from Infrastructure.

Mr DEPUTY CHAIRMAN: Thank you, minister. Are there any questions?

Mr MILLS: Yes. My first question through you, Mr Deputy Chairman, is to the panel regarding the employment component. We can deal with it in a conventional way, but I propose the Government Education section with all those different line items; if we could talk about education issues related to that group as a whole and, once those questions have been exhausted, we then go through and deal with each of those lines. I do not know whether the members would accept that, particularly you, Mr Deputy Chairman?

Mr DEPUTY CHAIRMAN: I cannot see why not. Member for Braiting, you would be happy with that?

Mrs BRAHAM: Yes, Mr Deputy Chairman, whatever you said.

Mr MILLS: So you have any questions?

Mrs BRAHAM: Yes, make them global ...

Mr MILLS: Yes, so all those related to government education in one hit, because they inter-relate. Then, once we have finished - so my first question is ...

Mr DEPUTY CHAIRMAN: Are you happy with that, minister?

Mr STIRLING: Whatever is easiest.

OUTPUT GROUP 1.0 – EMPLOYMENT
Output 1.1 – Employment Initiatives
Output 1.2 - Regulation of Occupational Health and Safety

Mr MILLS: Is there a communications unit within Education, generally, that relates to employment specifically, or is it a unit that operates within the whole of DEET?

Mr STIRLING: One unit. It operates right across the face of DEET. For detail around that – do you want the detail, the numbers, levels?

Mr MILLS: Yes, I would appreciate that. Let us get that out of way for starters. It is numbers and levels and budget.

Mr STIRLING: And what they do? Ms Banks, Chief Executive.

Ms BANKS: Margaret Banks, Chief Executive. The number in the internal communications media marketing staff is 13 permanent positions, with one additional temporary AO8 position to assist with the Building Better Schools communications. The positions are an ECO1; two AO8s; one AO7; four AO6s; and five AO4s. It has a range of functions, including internal communications to over 3800 staff and includes the website, communications with stakeholders, DEET publications, marketing of major events connected to things such as Career Expo teacher events, as well as the advertising for recruitment, and also dealing with media operational issues. For budget details, I refer that to Mr Saunders.

Mr SAUNDERS: Minister, we have to get a document to be able to answer this question.

Mr STIRLING: Areas like the Get VET campaign on the buses and those sorts of different campaigns all come through there - shows and displays.

Mr SAUNDERS: Trevor Saunders, Finance. Mr Mills, the budget for media marketing is \$1.322m, comprised of employee expenses as \$1.035m, and administrative expenses of \$287 000.

Mr MILLS: I did not expect this. The major part of that is for cost of staff. How is the printing and the broadcasts of those publications - say the Middle Years School brochures - paid for?

Mr STIRLING: Presumably, with hard-earned cash like all bills. What do you mean, how are they paid for?

Mr MILLS: It is not in that line.

Mr STIRLING: Yes, it is.

Mr MILLS: I cannot see it in that budget allocation so it comes out from another allocation within DEET?

Mr STIRLING: I will check with Ms Banks.

Mr DEPUTY CHAIRMAN: Could members please address the committee and give their name for the purposes of Hansard. You will have to speak loudly, because they are having problems with the sound.

Mr SAUNDERS: Mr Mills, the question that you are asking, is the cost for media and marketing in it, which is the cost of salaries and operations answers for that unit. The media and marketing cost - publications, advertising, and those sorts of costs - are budgeted in the program area. If you were looking at an initiative of life Building Better Schools, it would be funded specifically within that initiative.

Mr MILLS: All right. I would like to know the cost of those promotions, such as Building Better Schools, Get VET.

Mr STIRLING: Just bear with us.

Mr MILLS: Sorry to cut in. In the interests of time, I would be satisfied to have the name and then the details to come at a later stage.

Mr STIRLING: That might be the best way forward. Have we got a clear instruction. Just give us the detail, will you?

Mr MILLS: The cost of broadcast of promotions - print, television, radio, and printing, including the postage.

Mr STIRLING: It is just a matter of finding the right brief, Mr Deputy Chairman. DEET spent \$2.715m on advertising and promotions including print and electronic media, advertising books, and general printed matter during the period of 1 July 2005 to 31 May 2006; advertising for 2005-06 - \$343 000; recruitment advertising \$209 000; marketing promotion \$1.2m; document production \$963 000; for that total of \$2.715m.

Mr MILLS: Thank you. I presume that is tabled or is it going to be tabled?

Mr STIRLING: Yes, I will table the document.

Mr MILLS: Minister, regarding the question I asked whilst we were looking at Treasury regarding staff in your office, do those answers apply equally to Education or not? That means the number of advisors, support staff that you have in the ministerial office. The same answer for Treasury or not?

Mr STIRLING: What was the question?

Mr DEPUTY CHAIRMAN: You might have to rephrase that question.

Mr STIRLING: It was a long time ago.

Mr MILLS: It was a fair while ago. I will ask it straight up. How many media advisors do you have?

Mr STIRLING: Just one. The same one we talked about this morning.

Mr MILLS: That is it. I presumed it was the same answer.

Mr STIRLING: I hope she is still there.

Mr MILLS: What you referred to before in Treasury is the same for Education. I will go another way. Do you have anyone on your staff specifically dedicated to Education?

Mr STIRLING: In the sense of an advisor position? By and large, yes, one.

Mr MILLS: Going back into the department, can you list the consultants that are paid for within DEET?

Mr STIRLING: For 2005-06?

Mr MILLS: For 2005-06.

Mr STIRLING: The Department of Employment, Education and Training spent \$2.098m on consultancies from 1 July 2005 to 31 May 2006: consultants' fees - \$1.238m; IT consultants - \$436 000; training and study expense consultants - \$175 000; and marketing and promotion consultants - \$287 000. That brings that total to \$2.146m

Mr MILLS: Thank you.

Mrs BRAHAM: Could we have that tabled?

Mr MILLS: Yes, table that, please, minister.

Mr DEPUTY CHAIRMAN: Will you table that, minister?

Mr STIRLING: Yes.

Mr MILLS: Going specifically to the first line item, which is the employment section in Budget Paper No 3. Staff levels have dropped from my reading of the papers. It is page 83.

Mr DEPUTY CHAIRMAN: Do you have a specific question?

Mr MILLS: Yes. I just want to make sure that we are focusing on the right section. Your staffing levels have dropped from 3813 in 2005-06 to 3766. What positions did these staff losses come from?

Mr STIRLING: Mr Deputy Chairman, I have the question, I am just checking with the Chief Executive Officer who is best placed to take that question. Mr Saunders.

Mr SAUNDERS: Yes, Mr Mills, the number that you have quoted of 3813 in Budget Paper No 3 for 2005-06, was a point in time, staffing FTE number taken in about April 2005. The staffing numbers for 2006-07 take into account a couple of things that have happened to our budget. One is that we have an efficiency dividend to achieve. We also have a baseline reduction to our budget to achieve. In addition to that, we have new initiative funding coming into the agency for Building Better Schools. The numbers are minus-12 for baseline budget, minus-22 for efficiency dividend, plus-nine for Building Better Schools, which is a nett reduction of 25. So ...

Mr MILLS: Can I clarify that? These minuses are minus people?

Mr SAUNDERS: They are minus FTEs. In a staffing organisation the size of DEET, staffing will go up and down, based on initiatives that are happening at the time. Particularly, for 2006-07, Building Better Schools is going up by nine. We do have these efficiencies to achieve; they are in the budget papers. A large part of the efficiency would have to be going through staffing.

Mr MILLS: With these efficiencies, is there some strategic thought behind the achieving of these efficiencies, or is it natural attrition?

Mr SAUNDERS: There will be natural attrition. The reductions to staff are not going to happen in schools; that will be in very much the support area, the head office area of the agency. Those are the strategies that we have in mind.

Mr MILLS: Do you have levels in mind?

Mr SAUNDERS: No, I cannot answer that at the moment, Mr Mills.

Mr DEPUTY CHAIRMAN: Member for Blain ...

Mr MILLS: On that particular line, because we have a lot of other things, is there anything ...

Mrs BRAHAM: I just want to know the breakdown of the staffing – administrative and school-based. Were the reductions school-based or administrative? Can you give us a breakdown of employees in both sectors?

Mr STIRLING: School-based are formula driven, and resources will follow students. In a sense, it is a bit like hospitals and prisons; if the numbers are there of either prisoners or students, so also, do the resources have to be, whether they are Aboriginal/Islander education workers, teachers or whatever. When Mr Saunders was talking about efficiency dividends and the department getting in under budget and some positions going, they will not be school-based. I believe he made that clear.

Mr DEPUTY CHAIRMAN: Member for Braitling.

Mrs BRAHAM: Yes, that is okay for that one.

Mr DEPUTY CHAIRMAN: Member for Blain.

Mr MILLS: I was not listening. Did you get ...

Mr STIRLING: It was a top question and an even better answer.

Mr MILLS: Let us just drive through that answer ...

Mrs BRAHAM: We, basically, said it was based on school enrolments and staffing formulas for schools. That is how they determined the staff they get and so any reduction is ...

Mr MILLS: All right, thank you ...

Mrs BRAHAM: ... due to enrolments not to anything else.

Mr DEPUTY CHAIRMAN: Is that a correct interpretation, minister?

Mr STIRLING: Absolutely.

Mr MILLS: Is there a breakdown of those that are non-classroom based and those who are in classrooms?

Mr STIRLING: In the total breakdown within the ...

Mr MILLS: Total breakdown.

Mr STIRLING: ... the department. I am sure there is. Ms Noske.

Ms NOSKE: Sharron Noske, Planning and Resources. The average quarter of teachers for March 2006 was 1756 teacher positions full-time equivalent. From 2002 until then, there has been an increase of around 100 teaching positions over that period.

Mr MILLS: It is the administrative-based positions I am particularly interested in.

Mr STIRLING: Ms Noske.

Ms NOSKE: I can get that for you by the end of the session.

Mr MILLS: Thank you.

Ms NOSKE: In terms of the total number, could you just clarify exactly what you are after?

Mr MILLS: Yes, I am thinking, education does not happen unless it affects a child in a classroom, I have heard someone say that before.

Mr DEPUTY CHAIRMAN: Treasurer, I guess that is directed at you.

Mr STIRLING: Okay.

Mr MILLS: I am interested in those who stand behind the teacher who work in administrative positions within education who are not in classrooms. How many of those are there?

Ms NOSKE: In the school basis?

Mr MILLS: No.

Ms NOSKE: Administrative staff as a whole?

Mr MILLS: Administrative - in that big building down there, basically. Those who provide support to teachers from an administrative, in the department. Not in the school, but in the department.

Mr STIRLING: There are others who are sometimes office-based but deliver a service to schools on a regular basis as well ...

Mr MILLS: Yes, so there would be three categories.

Mr STIRLING: Yes, they are neither pure administration nor are they pure schools.

Mr MILLS: I will be more specific then. There would be three broad categories - teachers, those who provide support to those teachers in and out of the school, and those who are strictly office-based.

Mr STIRLING: Yes. Mr Saunders.

Mr SAUNDERS: Mr Mills, I have some information that will help you. At the point that we prepared this estimate of staffing, which was pay period 19, which is a few pay periods ago, we had 3803 full-time equivalent people employed. Of that 3803, there are 3244 people employed in schools, and there are 559 people employed in what we would call head office, which includes Employment and Training, Curriculum, Student Services, Corporate Services.

A witness: WorkSafe.

Mr SAUNDERS: WorkSafe.

Mr MILLS: Right. Is that 519, you say ...

Mr SAUNDERS: Five hundred and fifty-nine.

Mr MILLS: Five hundred and fifty-nine. Is that where you are gaining the efficiency dividends?

Mr SAUNDERS: The process that we will follow as an agency is that each of the portfolio areas will be given a base funding level, and then we will sit down and cost out the staffing that we can afford to have within that base funding level. This is a process that we do each year. The process broadly achieves the efficiency reductions that are applied to our budget, as well as some areas that benefit from new initiatives.

Mr DEPUTY CHAIRMAN: Before we go on, can I just remind witnesses that we are being recorded by Hansard and they do not know who you are. I know it is very stressful here, but could you please give your title and name before you answer any questions?

Mr MILLS: I will leave it at that, thank you. I am happy with that list.

Mrs BRAITLING: Are we doing 1.2 now or 1.1 still?

Mr DEPUTY CHAIRMAN: It was decided before, member for Braitling, that because there was a consideration of time and there was a lot of repetition, we would deal with each of the major output groups as a whole. We are dealing with Employment now, then we move on, once we have finished that, to Government Education.

Mrs BRAHAM: I have a question which is Output Group 1.2, Regulation of Occupational Health and Safety.

Mr DEPUTY CHAIRMAN: Yes, exactly.

Mrs BRAHAM: This is one, minister, from the member for Nelson. An officer from occupational health and safety said on ABC radio that the leak at Wickham Point was a concern. Was it? Has the investigation into the death of the young man on the barge at the waterfront been completed? Who was the investigator?

Mr STIRLING: Mr Deputy Chairman, I understand the report into the death of the welder was near completion and, then, subsequent new information came forward which required its own secondary level of investigation in order to make a fulsome report on the tragedy. That is in that process now.

I am sure that the leak at Wickham Point is of great concern to ConocoPhillips and their workforce. I have had a series of newsflash-type briefings. I have the absolute latest here. They have now identified and located the source of, in fact, two seepages with thermal imaging equipment. Remedial works to seal the seepages commenced Tuesday, 13 June. It is proposed a minimum of 3 m x 3 m wide panels will be injected with polyurethane foam over the length of approximately 24 m and each of the identified areas adjacent in that nozzle, N1 and N2. Thiess has submitted the procedure for these works to NT WorkSafe.

I believe quite a bit of work went into locating the actual source of seepages. Now that they have that, the remediation is fairly straightforward but it has been ticked off through WorkSafe. WorkSafe is continuing a weekly safety site visitation program in the post-construction phase of the project. That is an ongoing anyway, not just because of the leak.

Mr DEPUTY CHAIRMAN: Any other questions relating to the Output Group 1.0? That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – GOVERNMENT EDUCATION

Output 2.1 – Preschool Education

Output 2.2 – Primary Education

Output 2.3 – Secondary Education

Output 2.4 – International Education

Output 2.5 – Tertiary Education

Mr DEPUTY CHAIRMAN: The committee will now proceed to Output Group 2.0, Government Education, and along with what we have decided as a committee, we will deal with Outputs 2.1, 2.2, 2.3, 2.4 and 2.5 specifically Preschool Education, Primary Education, Secondary Education, International Education, and Tertiary Education as a whole. Any questions?

Mrs BRAHAM: Mr Deputy Chairman, does that mean I have to wait until the member for Blain asks all his questions on those before I ask, or is he going to give himself a time limit?

Mr MILLS: Yes.

Mr DEPUTY CHAIRMAN: I think he actually does.

Mrs BRAHAM: Well, in that case, could we go back ...

Mr MILLS: No, you had two passes at it.

Mrs BRAHAM: Yes.

Mr MILLS: I can ask all mine, or have I set myself a time limit? Yes.

Mrs BRAHAM: You have? For me to ask for questions?

Mr DEPUTY CHAIRMAN: Member for Blain.

Mr MILLS: Just an aside. Many of the questions I ask, I am sure, would be of equal value ...

Mr DEPUTY CHAIRMAN: Member for Blain, please ask the question.

Mr MILLS: The first question I have, minister, is the most important one in Education and relates specifically to the department head. If we are going to move to this new structure, you have guaranteed us that academic progress will improve as a result. How is academic progress measured?

Mr STIRLING: I guess it is really benchmarks that have been used along the way and will continue to be used in the future. A measure of effectiveness of education has to be, I think, the attendance, the retention through to Year 12 and the quality of the outcomes at the Year 12 level. Because they are able to be measured in the context of the South Australian Certificate of Education, it does give us some measure for comparison. That is not to say that measures around the Year 11 student or, indeed, the Year 12 student moving into the workforce, successfully making the transition to a traineeship, an apprenticeship or, indeed, to full-time employment is not also an effective indicator of success within the education system. You cannot look at TER, for example, in isolation from what is going on by way of other indicators. Retention is a part of that in terms of going through the Year 12 and TER.

Frankly, not everyone aspires or wants to achieve the highest TER they can so they can go on to university. Part of the challenge of the education system is to ensure that pathways are provided for those different aspirations that students have throughout the system.

In addition, the MAP testing that has been carried out into Year 3, 5, and then along came Year 7 into the mix. Year 9 will come into that mix as well ...

Mr MILLS: When?

Mr STIRLING: This next round, I think, in 2008, which is a further benchmark at Year 9 level.

Mr MILLS: Of those three elements, retention and attendance are not academic measures specifically focusing on academic progress and how these students are performing in the task of education. You expect them to turn up and stay on at school, and there are other factors at play. What measures will you have to determine or measure academic progress?

Mr STIRLING: As I said, in relation to TER what we found through the Professor Gregor Ramsey review into secondary education was that average TER scores in the Territory are somewhat below the average score across South Australia. South Australia has, subsequently, revealed they are performing very well in the totality of outcomes for education at a national level, which puts us somewhat behind the poorest performing state in Australia.

The TER score in Year 12 and how many get through are measures, but so are those students who successfully transition into the workforce. If that is a success for them, then it is equally an effective outcome for the education system. We have to have a broad view of the outcomes of the effectiveness of the system overall. What we have to arrest is that drop-out which does not transition to the workforce and do not go on.

Mr MILLS: Minister, do you propose any additional means to measure academic performance during primary and secondary schools?

Mr STIRLING: It is an open question and an ongoing one. It is put to me reasonably frequently that education all went wrong when they stopped the Year 10 external exam. That is the failure of education; they stopped testing. They had different terms for it in different states. I am not all that opposed to that sort of education. However, in the context of middle schools and Year 10 being the start of the senior years, does that then fit as a stand-out tool when we will have from 2008 onwards a new interim math assessment? Open question: do we need a further series of a round of assessment in there? Possibly. I am not opposed to it.

Mr MILLS: Are there any changes proposed for reporting to parents?

Mr STIRLING: There is the national A to E grades allocated, based on student achievement of NT curriculum framework outcomes. There is the school-based regional systemic moderation and standards where teachers come together to understand the quality of work that is being produced in their school as compared to others, and try to get some agreed standard around that. There are validation opportunities for teachers to ensure that their judgments are as consistent as possible across the board. That has been an ongoing process in the Territory for many years and one that will continue.

Mr MILLS: With this welcome change in reporting, though, it reflects the curriculum framework which I would have to say is incredibly difficult to measure academic performance from. Will these new reports be road-tested with parents so that they understand the report because, effectively, it is for the parent to know how their child is performing? Will you ensure that parents understand what is being reported in these new reports?

Mr STIRLING: Yes.

Mr MILLS: What form will that take? Would Sheila O'Sullivan know?

Mr STIRLING: Well, she probably does very much. Mr Ken Davies.

Mr DAVIES: Ken Davies, Acting Deputy Chief Executive, Education Services. Mr Mills, we have been talking to COGSO about the A to E reporting framework. We are engaging parents in that. We have been talking to the teacher's union. We are in the process of rolling out into the public domain a set of information that will go out that makes it very clear to principals and to school communities around the processes they need to put in place to brief parents about the A to E reporting.

Mr STIRLING: I note, Mr Deputy Chairman, and I draw the member for Blain's attention. I know there is a lot of criticism from time to time around reporting. This is a real life example from Wanguri of a child that has come through Transition: 'This is to introduce your child's 2006 portfolio. It is a snapshot of how your child learned and developed'. It goes right through the evidence indicators around writing and pictures, texts and context, teacher's comments, estimating and measuring, use of language, and estimating, comparing and describing length. You could not get more comprehensive. It is more than a snapshot. It is almost the life story of this student's life at school for that one year.

We get lots of criticism from Kevin Donnelly around having outcomes-based education approaches. There was criticism in the report he did around the Northern Territory curriculum framework. For that purpose, because the Northern Territory curriculum framework is undergoing review which will commence later in 2006, I have said on the record we will be inviting Kevin Donnelly to come to the Territory. I want him to see firsthand some of the quality of the reporting in some of our schools. I want to understand from him firsthand the differences of opinion he has around the Northern Territory curriculum framework and outcomes-based education. I have heard him on radio and he is quite compelling when he talks about specific objectives needing to be measurable. You and I learnt that when we were at teachers' college. I do not know that we are all that far apart when you really sit down and analyse what is going on. We will be inviting Mr Donnelly before we begin the curriculum framework, so he can share some ideas around this.

Mr MILLS: Thank you, minister. What you have referred to there in that portfolio is handed to a parent. Will the parent know how that child is performing on an objective standard?

Mrs BRAHAM: Mr Deputy Chairman, can I ask a question related to budget, not policy, so we can get on with it. I am aware of the time. Most of these questions are not budget related.

Mr DEPUTY CHAIRMAN: It is for the Treasurer to determine how he answers; whether he thinks they are relevant.

Mr STIRLING: I have some sympathy with the view of the member for Braitling. However, the quality of outcome is intrinsically related to the budget as well. This is one of the differences of opinion, of course, we have with – and I want to understand more about Kevin Donnelly, because he wants a situation where the 30 students in that particular classroom are rated 1 to 30; and the 300 students in that school are rated against the 300 other schools in that state and territory. That is where he comes from with standards. It is all about that absolute A to Z, classroom by classroom, school by school, and state by state. I believe I understand that is where he wants to go.

This does not do that; it is not intended to. However, it gives the parent, I would have thought, a wonderful snapshot of that child's ability and where they are up to. We probably could go on this forever ...

Mr MILLS: We could do.

Mr STIRLING: I accept what the member for Braitling was saying.

Mr MILLS: That is the difference between an objective and a subjective measure which, I believe, is what parents are really asking for. Going to the next stage, moving students in Year 10 into the senior school, I presume that government will accept the South Australian changes to curriculum in the way that the Years 10, 11 and 12 curriculum is delivered in South Australia here without debate. Is that the case?

Mr STIRLING: Not at all. In fact, things are done differently to different degrees at the moment, notwithstanding we share SACE. I do not want to cast judgment on information out of South Australia that I am not that familiar with, except to say that I understand there have been some concerns voiced around the

recommendations coming out of the review. If those views are accurate perceptions of what, in fact, is in position, some of those concerns I would share, and I would expect the Chief Executive Officer to share as well. Do not take it as a given that, because South Australia has ticked off the recommendation and accepted it, that we do. We are not bound to – depending, I suppose, on how far those differences go, would mean whether the relationship continues into the future. However, there is a fair bit of work to go, I would have thought.

Mr MILLS: That leads me to the question related to that matter and others: a report, as I had in Treasury, of all reviews that will be reported externally presented for members, please?

Mr STIRLING: We have information I believe is all right to table. There have been a couple ...

Mr DEPUTY CHAIRMAN: The decision to table is yours.

Mr STIRLING: ... crossed out. Some of them were not reviewed and did not progress. However, this information, in the interests of time, I will table. The member for Blain can come back to it if he finds anything there.

Mr MILLS: I am mindful of the needs of other members, and I will endeavour to finish within a timely manner.

Mr STIRLING: Just for your information, that document is 2001 to current that we have just provided.

Mr MILLS: That is good, thank you. We dealt with curriculum and the capacity to measure outcomes in education with academic performance. I would like to go to teachers. If a teacher is assaulted, how is that report registered and recorded? How is the report made and how is it recorded?

Mr STIRLING: We would probably need to go to the manager of schools, Mr Deputy Chairman, John Dove. Thanks, John.

Mr DOVE: We have directed all schools to ...

Mr DEPUTY CHAIRMAN: Sorry, can I have your name and title, please.

Mr DOVE: Sorry. John Dove, Acting Deputy Chief Executive, Schools. We have directed the schools to report immediately to the department whenever there is any assault on a teacher. That report is then forwarded through to the minister and then we deal with responding to that situation.

Mr MILLS: Thank you, Mr Dove. Through the minister, is that a new policy?

Mr DOVE: No.

Mr MILLS: Help me understand the discrepancy between the claimed number of reports and the number of official reports registered in the department.

Mr STIRLING: Could I ask for clarification, Mr Deputy Chairman? What is the claimed number of reports ...

Mr MILLS: I do not have the ...

Mr STIRLING: ... as opposed to the ...

Mr MILLS: Talk to the education union. I have heard them make public comment. It appears that the number that are actually occurring do not match what is in the department.

Mr DEPUTY CHAIRMAN: Do you wish to answer that question?

Mr STIRLING: I believe it is always fraught with risk to rely on anecdotes. I have heard in some instances referred to by the AEU that I had not heard of and, subsequently, checked and found that there was not an issue and nothing had ever come through. We need to be very careful. Mr Dove explained how it works.

Mrs BRAHAM: Could we have the number of assaults that have been reported?

Mr MILLS: Just going to that. The actual number and some pertinent details related to those assaults. I am particularly interested in – and I am sure the member for Braitling will also be interested - how this has tracked over the last five years.

Mr STIRLING: Mr Deputy Chairman, I do not believe we have a five-year break down, although that would have intrinsic value. Of 103 critical incidents reported in DEET schools from 1 July 2005 to the present, 51 involved violence in the schools. There is a range of schools and a range of incidents reported.

Mr MILLS: Is it not broken down? It is two items is it, this year and last year?

Mr STIRLING: No. I said there were 51 incidents involving violence in schools between 1 July 2005 and the present.

Mr MILLS: Right. How many expulsions have ...

Mr STIRLING: You did ask over a five-year period, which we do not have. I do not know how difficult that would be to – I do not think it will be and it might be useful.

Mr DEPUTY CHAIRMAN: Do you want to take that question on notice?

Mr STIRLING: I will check with Mr Davies.

Mr DEPUTY CHAIRMAN: Do you want to take it as a question on notice?

Mr DAVIES: We do have statistics that are run and kept for us by DCIS around the number of incidents that are reported, and we could obtain those statistics for you. I do not know how long that would take us, Mr Mills. We may not be able to get it directly this afternoon.

Mr MILLS: No, I would accept it in the next couple of days. I have been asking for this and did not know it existed.

Mr DEPUTY CHAIRMAN: Are you prepared to take that as a question on notice?

Mr STIRLING: I believe Mr Davies is saying that before the Estimates Committee process overall was complete - which gives us until some time Friday - we would have that information; the agency will provide it.

Mr DAVIES: Those statistics relate to reported incidents of injuries on staff.

Mr MILLS: I understand.

Mr DAVIES: Not student on student issues. Okay?

Mr MILLS: Yes, I understand. Is there a move within the department to ...

Mr DEPUTY CHAIRMAN: Are you going to ask that as a question on notice?

Mr STIRLING: Yes. We will need to be careful about what we are comparing. This year, I have already said 51, which is all violent incidents.

Question on Notice

Mr DEPUTY CHAIRMAN: Could I ask you to repeat the question?

Mr MILLS: I requested the minister for reports on assaults on teachers over the last five years, year by year.

Mr STIRLING: Yes. We will have that before the Estimates Committee process is complete.

Mr DEPUTY CHAIRMAN: I acknowledge that the minister has accepted that as a question on notice and I allocate that question No 2.1.

Mr MILLS: Thank you. How many students have been expelled for assaults on teachers in the past year?

Mr STIRLING: No expulsions out of the system.

Mr MILLS: Is there a mechanism to deal with a student who assaults a teacher?

Mr STIRLING: There is a normal procedure and process involving counselling and, of course, work with the parents and, I would have thought - not invariably, but generally - a period of suspension around that. I might just check the procedure with Mr Dove again.

Mr DOVE: We need to distinguish between suspension and expulsion in schools. There have been no expulsions in recent times. In incidents involving assaults on staff, there have been suspensions around each of those. The nature of the suspension, of course, depends on the nature of the incident, and it also depends very much on the situation of the child. Schools invariably work their way through those situations and make judgments accordingly. In the number of suspensions that occur, that will match up pretty much with the number of assaults on staff that you have previously asked for.

Mr MILLS: The decision to suspend and take either an internal suspension or an external suspension, is that left to the school?

Mr STIRLING: What is an internal or an external suspension?

Mr MILLS: Where the kid is asked to go home, leave the school for a period of time, not come back to school for a period; or stay at school, sit in the library and do not mix with any other kids - that is internal.

Mr STIRLING: Okay.

Mr MILLS: Sometimes, kids are asked to not turn up for a bit, have a day off or a week, they are suspended for two weeks or something like that, and to not come back to school. Parents will look after them.

Mr STIRLING: And the question is?

Mr MILLS: Is that decision the domain exclusively of the school?

Mr STIRLING: Mr Dove.

Mr DOVE: The legislation says that the principal has the power to suspend for up to four weeks. The legislation also says that it is only the minister who can expel. In terms of suspension, yes, that is the decision of the school.

Mr MILLS: Are reported incidences of students assaulting other students recorded within the department?

Mr STIRLING: The 51 incidents of violence I referred to from whatever date to now picks that up. However, whether they are picked up over that five-year period, you will have to ask Mr Dove who is busy shaking his head.

Mr DOVE: Mr Mills, we would not have that data. No, we would not have that data.

Mr MILLS: Next question relates to school maintenance. Do you have a schedule of the amount of money spent on school maintenance across the system?

Mr STIRLING: Mr Saunders.

Mr SAUNDERS: Mr Mills, we would have. We could get that information for you before we close the sittings. I would need to spend a bit of time to look at the schedule for you.

Mr MILLS: Thank you.

Mr DEPUTY CHAIRMAN: Do you want to take that on as a question on notice?

Mr STIRLING: Yes.

Question on Notice

Mr DEPUTY CHAIRMAN: For the purpose of Hansard, could you please repeat the question, member for Blain?

Mr MILLS: I am requesting a schedule of maintenance of schools expenditure across the system.

Mr DEPUTY CHAIRMAN: I acknowledge that the minister has accepted that as a question on notice. I allocate it No 2.2.

Mr MILLS: Is there knowledge within the department - notwithstanding the amount that has been allocated to repairs and maintenance - of the repairs and maintenance need of the schools infrastructure across the Territory?

Mr STIRLING: Yes, a good question and one that work has been done around. Mr Saunders.

Mr SAUNDERS: Mr Mills, there is a Building Asset Management System run by the Department of Planning and Infrastructure. That system measures the maintenance requirement of each school, of each asset that DEET manages, and DPI, as we refer to them, manage R&M in schools on our behalf. There is a fairly deep knowledge of what repairs are required in schools, yes.

Mr MILLS: Thank you. To assist me, through the Chair, to make sense of the report that will be provided to me, can I also have some indication of the identified need of schools across the system?

Mr STIRLING: Mr Saunders got the first part. I am not sure what the question is.

Mr SAUNDERS: Mr Mills, the system reports on the repairs and maintenance need for each school and we could then match that with the amount of expenditure for each school for a given period. So, you would have the information that you wanted.

Mr MILLS: If it is as described, fine, thank you. Next question: asbestos in schools. Has that been assessed? Is there anything to report with regard to asbestos in any of our school assets?

Mr STIRLING: Mr Hassed.

Mr HASSED: John Hassed, Deputy Chief Executive, Employment Services. If I could have that question again, thank you, Mr Mills?

Mr MILLS: Has an assessment been made of any incidences of asbestos in any of our school assets across the Northern Territory?

Mr HASSED: There is a register kept by DPI of evidence of asbestos, and any reporting or incidences are taken up by both DPI and by WorkSafe in terms of investigations into any problems experienced.

Mr MILLS: Is there a strategy to ensure all assets have been thoroughly checked and known by a certain date and time?

Mr HASSED: Again, all I can refer to is the work DPI has undertaken to identify evidence of asbestos in the schools. Those records are kept by both DPI and at a school level. In certain cases, unidentified asbestos has been found in schools and immediate action taken in an investigation by WorkSafe and actions to remediate problems by DPI and licensed contractors.

Mr MILLS: Is the Education department driving this process at all or just waiting for the DPI to conduct its business and report?

Mr HASSED: It is the responsibility, at this stage, of DPI to lead that particular initiative.

Mr MILLS: You are satisfied with the progress of that?

Mr HASSED: As I said, any incidences or reports of asbestos have been acted on immediately. In all cases in recent times, action has been taken and has resolved the problem. Again, we do have a register as to where asbestos is, what its state is but, in some incidences, it has been identified where it was not on the register and immediate action was taken by both education through WorkSafe, and also through DPI.

Mr STIRLING: The awareness raising program - the Safety Around Asbestos Awareness campaign - a big part of the message and particularly in schools is, there is a limit date from which you can probably assume there will be asbestos. Generally, the view taken is that, if you do not know, you should expect that it is until it is tested. You do not just go banging and drilling into walls willy-nilly without knowing. That is the culture of care and safety awareness we have tried to put right through, not just the public sector, but the entire Northern Territory community.

Mr MILLS: I want to spend more time on that because I am concerned that it is like the left hand is not quite sure what the right hand is doing. There are kids in these schools, there is a possible problem - perhaps not. What measures are in place to ensure this has been completely satisfied; that there is no risk of asbestos in Territory school assets?

Mr STIRLING: Asbestos in schools, as in any building, is safe whilst undisturbed. There must be care taken, and this has been part of the education program. It is certainly part of the culture in our schools that you do not go tearing into minor new works. You do not go banging holes in walls and hanging pictures and those sorts of things, unless you know complicitly that it is asbestos-free. Generally, with newer buildings you would be on safe ground. The older buildings are quite problematic. We would expect, through our own communication and the awareness raising program, that that level of understanding would be out there. There was an example, I think in a secondary school, where that very thing occurred. It looked like asbestos and it subsequently turned out it was not. Treat it as though it is if there is any doubt.

Mr MILLS: If an older school has some likelihood of containing asbestos, will the administration of that school be aware of that?

Mr STIRLING: Absolutely. It will be on their register, which will be held at the school, and the staff are made aware of it.

Mr MILLS: Member for Braitling, getting towards the end now.

Mr STIRLING: She is so patient.

Mr MILLS: Languages other than English: I would like to know how many students are currently learning other languages. Maybe you can specify them. This includes indigenous languages, Chinese, Larrakia, Indonesian, etcetera - now and going back.

Mr STIRLING: I am wondering whether it is all four languages. We just need to check. If you want to go on, we will check whether we have the information here.

Mr DEPUTY CHAIRMAN: Is there something you can come back with at the end of the session?

Mr STIRLING: Yes.

Mr MILLS: This is my last question in this section. Minister, I have been curious to find out. A statement you made in parliament last year, you made reference to partnership agreements that will be signed with indigenous communities regarding attendance. You are going to find different communities that you could work together with, and there would be some agreement established. How many communities have had these agreements signed?

Mr STIRLING: Mr Deputy Chairman, this goes back to the Collins Report. Collins looked at community-controlled schools. On behalf of the department, he looked at how you might call these community-controlled schools; should we run pilots; which areas; couple in the north, couple in the Centre. The further that was discussed and thrashed around, we then came back to rather than a community-controlled school, going through this process of what we are calling a community engagement process.

That is challenging the community itself and the leadership of the community to get a view and share that view of where the community sees itself in the future - what jobs are going to be applied in the community, what school sets are those individual community members going to have to attain in order to

fulfil those jobs and being part of the labour market - and then working with the school and the community to demonstrate to the community how the school and the process of education can deliver those various school sets that those youngsters coming into the schools today are going to require in the future, so they are holding down the jobs in those communities. That is it in the nutshell.

The process of community engagement will, in the first instance, be rolled through the 15 CECs. Community education centres tend to be in a larger community. We see it as a living form of document, agreement, contract - call it what you will - between the department, the government, and the community; such that it would be on the wall in a prominent position. Every time someone walks into that school, they will see what that school is about, what the charter is. It would read 'government will, community will' - a really worthy piece of work so that every teacher and every parent understands that.

One of the problems of course, is that this has been achieved in communities up to 30 years ago. Yirrkala is an example. In fact, some of the indigenous teachers in that school can tell you today what that plan was 30 years ago because it was the vision of their forefathers.

Other schools started and have come and gone over the years, and the vision, the sharing and the partnership has been lost. The whole process needs to be revisited, revitalised and, then, when it is on the wall not just forgotten but revisited. You go back and recheck those objectives and ensure that they are still in sync - on a fairly regular basis. It is an ongoing process of engagement. Too often, our schools sit on the fringe of the community, not owned by anyone. That is what ...

Mr MILLS: The question was: I was there for the statement; I understand exactly what you were beginning to do ...

Mr STIRLING: Where are we up to, is it?

Mr MILLS: How many have been signed?

Mr STIRLING: Mr Glasby.

Mr GLASBY: John Glasby, Executive Director. Mr Mills, we will finalise that within the next two years. Currently, we are negotiating under the over-arching agreement with the Australian government, which wishes to participate in this engagement process. Therefore, we are seeking to finalise that. We have a manager in place, and seek to finalise it within two years.

Mr MILLS: Does that mean you have not secured any yet?

Mr GLASBY: No.

Mr MILLS: There is none in place at the moment? Right. Any plans to change holiday structures, minister?

Mr STIRLING: Actually, we signed off just recently. Who looks after this? Mr Dove again. Mr Dove can tell us all of that. There were questions from several schools in Alice Springs about changing a part of it, and how that might be managed. We can hear from Mr Dove to bring us up to date. And Richard.

Mr DOVE: What we have asked the minister to sign off on is the term dates as we wish to publish over the next four to six years. However, what we are also saying is that we have checked with a number of schools, particularly in Alice Springs where interest has been expressed in rearranging the school terms and, in particular the mid-year break and the second semester break.

We have indicated, on a number of occasions, where communities have wished to alter their holiday period on occasions for a particular purpose, that we would wish to approve that they do that, particularly if it was agreeable to the whole community and was not impacting on other parts of the community. The consequence of that would be, for example, the Katherine School of the Air, where they have their in-schooling in the first week of the four-week break, and so they move their four-week break back a week.

In places like Alice Springs, it will take a lot more concentration because those communities have staff, parents and students where they are attending different schools and, so, changing for one school will impact on others and, therefore, we need to get greater commitment all around.

In principle, there is an open mind on the rearrangement of term dates; in practice, it needs to be sorted out on the ground.

Mr MILLS: I have ...

Mr DEPUTY CHAIRMAN: Any questions relating to ...

Dr LIM: Let the member for Braitling ask her questions.

Mr DEPUTY CHAIRMAN: Member for Braitling, on Output Group 2.0, Government Education, do you have any questions?

Mrs BRAHAM: Just following along that particular one. Through you, Treasurer, to Mr Dove. Does that mean that you would expect all the Alice Springs schools to agree to the same holidays, rather than just, as I know, some have approached the department?

Mr DOVE: We would be looking to broad agreement across the schools, yes. For example, we know that there are issues with the Australian Education Union. We know there are issues with some parents, so we would be looking, in general terms, broad agreement, rather than having major disruption.

Mrs BRAHAM: Treasurer, could I ask ...

Mr DEPUTY CHAIRMAN: Minister for Education.

Mrs BRAHAM: The minister for Education. The upgrade for Ross Park Primary School was an election promise last year. Is it included in this budget this year?

Mr STIRLING: No, it is not in this budget. There are two lots of work at Ross Park. One was the new airconditioning system, and then a commitment was made to a major refurbishment of the school. It is a school I am quite fond of; I think it operates beautifully. However, it is aged infrastructure. The classrooms are small, and do not lend to the additional space that you need around infotech in this day and age. It is not in this budget, but it remains a commitment. The reason it was held off, of course, was it was no good doing the airconditioning work then refurbishing the school and losing many hundreds of thousands of dollars. Therefore, it was necessary to pull those projects together with a full redesign brief. I do not have an answer as to where that redesign brief is up to, but it is not this financial year.

Mrs BRAHAM: Last summer, as you are aware, the Braitling Primary School students had to be bussed to another school because of the inadequacy of their airconditioning. Is there any upgrade for that airconditioner to be done before this summer?

Mr STIRLING: There is an ongoing airconditioning replacement in the newer program from the evaporative to the refrigerated style. I need to check, perhaps with Leanne or Mr Saunders, if there is a dead set time against - Braitling, you are asking about?

Mrs BRAHAM: Yes, because otherwise we may have to bus students again and ...

Mr SAUNDERS: There is no program at the moment, for Braitling.

Mrs BRAHAM: It is not in this year's budget?

Mr STIRLING: No. It is not in this year.

Mrs BRAHAM: It looks like we will have to talk a bit more, minister.

Mr STIRLING: Happy to.

Mrs BRAHAM: Minister, you also wrote to me advising me that there would be a submission for playground equipment for Teppa Hill Preschool, which was condemned, for consideration in this year's budget process. The principal actually went ahead and the parents raised some funds to put in the playground equipment themselves. Will you reimburse the committee for that?

Mr STIRLING: That is a good question. I have not been asked that one before. We would have to give it consideration, member for Braitling. I could not give an answer on the spot, but have you written to me?

Mrs BRAHAM: It is not in this budget.

Mr STIRLING: Have you written to me?

Mrs BRAHAM: Yes. You have replied.

Mr STIRLING: Well, we will pick it up off this question.

Mrs BRAHAM: Minister, you also replied to me with regard to truancy, saying that you expected to have the new directions for the attendance officers program by May this year. It is now June. Could you tell me where that is at?

Mr STIRLING: Yes, if I said May - it has not occurred. I do not know if there is some slippage there, but there would be someone here who can talk - perhaps Mr Davies. Yes, I was expecting about this time that I would see full redesign of the program. There is a bit of hit and miss with the first attempt. In fact, several did outstandingly well. However, it gave us lots of questions about how we might go forward with the redesign. I believe Mr Davies might have some further information.

Mr DAVIES: Mrs Braham, as the minister has said, the school attendance officer program is being remodelled at the moment. There is a project brief that is being prepared and will go to the minister this month which gives the minister some options around what the new program will look like. That should be in place; we are hoping for the start of the next financial year.

Mrs BRAHAM: Minister, are you able to give us figures on how many students are, in fact, truant from school in, say, primary schools, with break-up from remote to urban? I am not talking about those who are just not attending because they have never been enrolled - or even some percentage of how many students are actually truants?

Mr STIRLING: I would have thought that these are people who have not enrolled. I ...

Mrs BRAHAM: I am talking about a lot of students who are also enrolled in the public schools.

Mr STIRLING: We can talk about ...

Mrs BRAHAM: I am happy to talk about both categories.

Mr STIRLING: ... attendance to enrolment, school by school, and all the way down. However, those not enrolled and what numbers of students might be out there of compulsory schooling not attending, it would be best guess, anecdotal and subjective stuff. We used to talk with some conviction from days of opposition, but I am not sure that it really does add up, yes.

Mrs BRAHAM: It is significant though, you would say?

Mr STIRLING: If there are any it is significant to me. It is not the number, it is the fact that it is occurring at all. I could not put a figure on it and the department does not have the figure.

Mrs BRAHAM: Okay. Minister, could I ask you what the average attendance of students in remote schools is?

Mr STIRLING: That can vary from the 60s through to the 80s. I have seen higher in small, remote communities. To draw an average is a bit unfair, but you probably could. We could probably give you the figures.

Mrs BRAHAM: I make the comment that the minister does not seem to be terribly worried about the situation, whereas a lot of other people would be very concerned.

Mr DEPUTY CHAIRMAN: Do you have a question relating to that?

Mrs BRAHAM: I do not think I am getting a very good answer, that is all.

Mr STIRLING: That is not fair. I am concerned when students are enrolled and do not go to school, and more concerned with the example you gave the other day. The department is following that up. You talked about a 15- or 16-year-old ...

Mrs BRAHAM: A 12-year-old.

Mr STIRLING: A 12-year-old who has never been to school. I hope that there are not too many of those individuals around but, clearly, there are some. The department will be following up on that from the comments that were made in the House.

Mrs BRAHAM: Minister, regarding my concern about the camp children in Alice Springs getting to school and the breakdown of the bus service to Tangentyere and my suggestions to you - has anything happened from that?

Mr STIRLING: Yes, in fact, I think I said to you when you raised the question in the House the other day that the department was working in Alice Springs around the contents of your letter on that very day. I have not seen a brief come back yet, but it might be that Mr Hunt, because he is from Alice Springs, may be able to shed more light on where that is going. It is a very live issue. We have had a further request from Tangentyere which goes a long way beyond what currently is provided. I am not sure if Richard is able to comment or not? Yes, Mr Hunt.

Mr HUNT: Richard Hunt, Assistant General Manager, Schools, Central Australia representing the Executive Director, Central Australia. Mr Deputy Chairman, member for Braitling, we have recently, in response to your letter and other things that have been happening, addressed or started to address this particular issue. First of all, we have met, just a couple of days ago on 15 June, with representatives of Tangentyere. We discussed, first of all, ways in which they might employ a driver without using CDEP as a resort to get the bus running straight away. That is the first priority - to get the bus in action again.

We have also considered a submission that Tangentyere have provided us to address the whole issue of transport of town camp kids on a broader scale with the employment of – they call them network liaison officer/bus drivers, I think. They want to employ a coordinator and four people to do that. Although we will consider that, that also will need to be taken in the context of what the Alice in 10 project on community safety is also doing. A community safety workshop on 3 May, for instance, considered much the same sort of thing, and that would involve getting all agencies involved, including Commonwealth agencies for funding purposes. Is that sufficient?

Mrs BRAHAM: No, it is not satisfactory. Mr Deputy Chairman, through you, I ask the minister what is the cost of the contract of Cobb & Co who have the contract to take students to school in Alice Springs? Has there been any consideration of extending that contract so that it does go into town camps?

Mr STIRLING: It is a minister for Transport question. Again, it is a valid question, and I am sure consideration will be given to that in getting to a fix for this.

In relation to the attendance, average attendance across all schools - rural, regional, remote and urban - is 82% across the board which, given some of the figures from remote areas, is probably fairly good.

In this workshop just recently in Alice Springs - and I know you are concerned about some of these areas - they were looking at the groups of students aged six to 15, the compulsory school age; students who were permanent residents of town camps; those who travel to and attend Alice Springs on a regular basis because they want them to be the role models for the rest; those who have never attended school you have mentioned; those who are irregular attendees; and students who are attending alternative education programs. They were looking at four groups of students and the same sorts of breakdown around those who they know are temporary residents of town camps; that is, in the town camp for six months or less: how you deal with them, how you pick them up and how you engage them, knowing they are going to go back to a home community.

Mrs BRAHAM: Just one more on middle schools. Minister, the schools re-zoning. For instance, will Casuarina Senior College be zoned, or will parents have a choice of where they can send their students; whatever middle school or senior school?

Mr STIRLING: He wants to phone Frank. The system as applies now will continue to apply, but our middle schools expert is sitting right on my left, Mr Glasby.

Mr GLASBY: Mrs Braham, zoning precludes students from travelling across zones, if you will. What we have is a system of priority enrolment. The intention is that parents and students have a choice. The numbers, certainly in your electorate, are such and the capacity is there for that not to be an issue. Also, in

the northern parts around Darwin, our middle schools are roughly between 400 and 550 students in total and they have capacities which will allow a degree of choice. We currently have a number of schools that already have priority enrolment. Darwin High School, Bakewell and Bees Creek, for example, have defined areas where they take enrolment. That still might be the case with some schools but, generally, it is our view that parents will have choice.

Mrs BRAHAM: Casuarina Secondary School – will that be open as it is now, because they seem to have come from everywhere - or will you have to zone that?

Mr GLASBY: No. It will be a question of some priority enrolment. Certainly, in this transition period we will probably need to be careful around that, but the numbers are ...

Mrs BRAHAM: At this stage, no zoning?

Mr GLASBY: No zoning at this stage.

Dr LIM: Mr Deputy Chairman, a question to the minister. Looking at your output performance, the primary education budget allocation is down by some \$4m and secondary education is up by about \$2m. What capacity do you have to fund the \$43m-plus for the middle schools program? Can you explain where the money is going to come from and how you are going to pull that all together?

Mr STIRLING: I believe the \$43m you would be referring to would be around \$46.7m for capital. Final decisions around the shape of middle schools and what it would look like, and what options, would be taken from the various options Cabinet had to look at. Those decisions had not been made. At the time, this budget was back from the printer before Cabinet had even met and made those final decisions.

However, that \$46.7m has to fit in to the capital works program over the next three years. These pieces of work carry their own priority, and that is a very high one in the view of budget department and the government, because various elements have to be in place by start of school year 2007; some in place by start of school year 2008; and some in place by commencement of school year 2009. It sounds good when you look at the amount of work that goes out via the capital works program over a three-year period. If you block that together, it is not quite so scary or big.

We look at and review the capital works program two or three times a year. For example, if it comes to notice that a fairly sizeable program cannot be achieved – there could be lots of reasons why a project is deferred or delayed - then some consideration is often given to accelerating other parts of the program where design is ready and can go and there are no impediments. That sort of flexibility and some reshuffling occurs on a regular basis now. This is a sizeable chunk, I acknowledge that, but it is, in our view, manageable given that it does not have to be in place for the start of the school year 2007, nor even 2008. A big part, of course, is done.

Dr LIM: Minister, \$6.7m is for capital works only. How, then, do you propose to fund the programs unless there are other budgetary items which are not listed in the budget books that you are proposing to put on through Treasurer's Advance in the coming year?

Mr STIRLING: Those areas around professional development are certainly in the budget. Gee, we went backwards and forwards on this. The increased number of resources, given that the teacher/student ratio is strengthened for both Year 7 and Year 10 students at the other end. Again, Mr Glasby did all the work in this area. Perhaps he can comment on it. There is a figure; I think it is \$2.8m on there going forward. We are talking about the middle schools costs.

Mr GLASBY: Recurrent is \$6.7m - operational payments.

Mr STIRLING: \$6.7m after full adoption. From 2009 going forward. We have built to that.

Dr LIM: For this coming year, are you going to put some Treasurer's Advance forward to allow the next two years program to work in 2007? You have your teacher resources, you have teacher training, you have your student relocations – unless these students are going to be bussed from wherever they live to the various schools.

Mr STIRLING: That recurrent figure, and that figure I gave you would be the annual recurrent when it is all in place.

Dr LIM: That is right.

Mr STIRLING: That figure is ...

Dr LIM: Is there a 2007 onwards?

Mr STIRLING: ... built up to or drawn down, if you like. As it marches forward that figure grows. From the start of school in year 2007 ...

Dr LIM: But in this budget time line, which includes commencing your middle school program in 2007 ...

Mr STIRLING: It will have six months of the Year 10 changes inside this budget framework. That is why I am just going to ask Mr Glasby what does that mean for the second six months of this financial year - or Mr Saunders.

Mr SAUNDERS: Dr Lim, the Building Our Schools initiative was funded for \$42m over the period 2004-05 to 2008-09. In the 2006-07 budget year, there is \$12.147m in the base, and the variation that you referenced is a nett variation. At the beginning of the year, we had the external funded programs which were taken out of 2006-07. Within the 2006-07 budget, there is a nett change of \$3.33m, so that \$42m will be directed toward the middle years program in addition to capital works and grant funding that minister Stirling mentioned.

Mr STIRLING: Mr Deputy Chairman, I believe we have that information around languages..

Mr MILLS: Oh, good. Thank you.

Mr STIRLING: Mr Davies.

Mr DAVIES: Thank you, minister. Mr Mills, you asked the question about the numbers of students in regard to language in our schools. The answer is 10 115. In the non-government sector, there are 4309 students learning a language other than English and, in government schools, 5806. The languages include a wide range of indigenous languages in language centre auspiced programs: Yolngu Matha 212 students; Arrernte 276; Tiwi 301, are examples. A range of other major modern languages are taught. Examples in the government sector schools include Indonesian with 926 students but, when you pick up the non-government sector, the number is 2861 in totality; Italian is 851; Greek, 305; French, 70; and Chinese Mandarin, 112. That is as far as I have reached at this point in time. We could provide a more comprehensive list, but that gives you an example of the scale.

Mr MILLS: I am interested in how that is tracking, particularly with the language of our near neighbours – whether there remains a commitment. Could you provide some tracking over the years of how that has been trending?

Mr STIRLING: Indonesian in particular?

Mr MILLS: Indonesian, Chinese Mandarin, Chinese languages - broadly speaking. I would like to take the lot in, but I am particularly looking at the languages of our near neighbours in that.

Mr STIRLING: Happy if I write to you?

Mr MILLS: Yes, sure.

Mr STIRLING: Okay. So we will take it out of this process?

Mr MILLS: That is fine.

Mr DEPUTY CHAIRMAN: You do not want it as a question on notice?

Mr STIRLING: No, I undertake to write to the member for Blain.

Mr DEPUTY CHAIRMAN: Are you happy with that?

Mr MILLS: Yes, certainly. What were the two Chinese languages referred to?

Mr DAVIES: Chinese Mandarin is the one.

Mr MILLS: Oh, just Mandarin.

Mr DEPUTY CHAIRMAN: Are you happy with that process?

Mr MILLS: I am happy with that, thank you.

Mr DEPUTY CHAIRMAN: Any other questions? Member for Braitling?

Mrs BRAHAM: No, I want one on Output 4.0, Training.

Mr DEPUTY CHAIRMAN: Okay, if there are no more questions on that, we will conclude consideration of Output Group 2.0.

OUTPUT GROUP 3.0 – NON-GOVERNMENT EDUCATION

Output 3.1 – Primary Education

Output 3.2 – Secondary Education

Mr DEPUTY CHAIRMAN: We move to Output Group 3.0, Non-Government Education, Output 3.1, Primary Education, and Output 3.2, Secondary Education. Are there any questions?

Mr MILLS: No, I will let it go.

Mrs BRAHAM: No.

Mr DEPUTY CHAIRMAN: That concludes consideration of Output Group 3.0.

OUTPUT GROUP 4.0 – TRAINING

Output 4.1 - Vocational Education and Training Services

Mr DEPUTY CHAIRMAN: The committee will now move to Output Group 4.0, Training, Output 4.1, Vocational Education and Training Services. Are there any questions?

Mr MILLS: Yes, I have one. I do not want this to be specific. I will refer to it as a case. There are cases of this nature that come up from time to time where a well-intentioned small business operator takes on an apprentice and there is, occasionally, a dispute between those supporting the student in their training and the small business operator. When these disputes arise, what resources are there to assist that small business operator?

Mr STIRLING: Mr Deputy Chairman, let me get this right. There is a dispute between the employer and the apprentice?

Mr MILLS: Yes, but it, effectively, ends up being between the agency and the small business operator.

Mr STIRLING: I am not sure ...

Mr MILLS: I am getting tired. Let us just ...

Mr STIRLING: The new apprenticeship scheme is funded jointly under the Australian government and the Northern Territory government. They have the contract regarding sorting those sorts of issues through. The feedback I get is that they carry a fairly high degree of professionalism into the workplace in their dealings with both sides of the equation. There is always two sides to every story, as you can imagine. Sometimes, it is a pretty thankless task to sort through those types of issues. However, if you have, I guess, specific complaints now, I would be happy to follow up for you outside this room.

Mr MILLS: It has been raised before, minister. I just ask widely, how many disputes have occurred and what success can you report?

Mr STIRLING: I will go to Mr Hasted. There was one announcement from the minister, Mr Hargraves, today, that the term 'new apprentices', which some of us were just getting used to, is no longer, and the term from today will be 'Australian apprentices'.

Mr MILLS: Australian!

Mr STIRLING: So, forget about 'new apprentices' and 'new apprenticeships'. Now it is 'Australian apprentices'. Mr Hassed.

Mr HASSED: As the minister alluded to, we do have a contract jointly with the Australian government through the Department of Education, Science and Training, case pooling the operations of the new apprenticeship centre, which will have to change its name very soon. Effectively, part of that contract is that they have a responsibility to have the initial look at any dispute between an employer and an apprentice or trainee. If they are not able to resolve that, they refer it back to the department and we have field officers that do investigate those. We also do have a complaints recording arrangement in place. I have to be honest, to date, I cannot recall an incident that we have not been able to resolve to the satisfaction of the parties. We do not have that many complaints coming through to us. In many instances, it is not so much a complaint between the employer and their apprentice or trainee, quite often it deals with the delivery of training, flexibility in training and funding issues. I have to say, Mr Mills, we have a very good record in resolving those concerns that are brought to our attention.

Mr MILLS: Minister, I will write to you.

Mrs BRAHAM: Perhaps I have read this wrong but, for each placement of a trainee, what is the government's contribution? Also, it seems to me that the papers are saying 50% of trainees drop out; that the completion rate is only 50%. If that occurs, does the contribution of government to business who have taken on those trainees stay with the business or is it recovered back?

Mr STIRLING: Let us deal with that one first. Let us say they are traditional trade, hard to fill vacancy, where the subsidy is in the order of \$7000. Half of it is paid after an apprentice has completed their three months probation.

Mrs BRAHAM: Half of that \$7000?

Mr STIRLING: Half of it. Half of the subsidy is paid to the employer when the apprentice has successfully completed - \$4000 is paid - a three-month probation, and the balance on completion.

In relation to completion rates of apprentices - and let us be clear, we are talking here about the traditional four-year based apprenticeships - 50% - point something or other - completion is actually creeping closer to the Australian average. It is up from around 48% a few years ago. Yes, it is not as strong as we would like, but getting close to the Australian average, which is in the 50%.

Mrs BRAHAM: Following the remarks about the employment centre, what assistance then do business and trainees get to complete the traineeship, because 50% is not really very high, as you say?

Mr STIRLING: I will ask Mr Hassed, because he knows that the national average is not that much stronger.

Mr HASSED: I actually had a look at an NCVR - which is the National Centre for Vocational Education and Research - which published a document in April this year where they had identified a cohort of apprentices and trainees completion rate of 52%, so we are not far behind in terms of the national rate according to that body.

In terms of assistance, we endeavour to provide every support possible to apprentices and trainees to complete their training. In many cases, we do intervene where there is a dispute, provide counselling and attempt to bring the parties together, and we do have some success in that. It is a fact of life these days that people do change jobs, and that includes apprentices and trainees. If you have a look at the people who commence a tertiary qualification through universities, you will find that their completion rate within those qualifications is not much higher than that of an apprentice or trainee.

Mr DEPUTY CHAIRMAN: Members present, we have run out of time, so that concludes consideration of all outputs. Minister, is there anything you brought back to the session that you would like to talk about before I thank the committee?

Mr STIRLING: I understand I am writing back to the member for Blain in relation to languages. Mr Mills is going to write to me about an apprenticeship matter. We will be getting back to the member for Brainting about the playschool equipment before this session is finished, as with assaults on teachers.

Mr DEPUTY CHAIRMAN: On behalf of the committee, I would like to thank the minister for attending. We also thank officers who provided advice to the minister today. On behalf of the committee, thank you.

Mr STIRLING: I thank all committee members. I thank Margaret Banks, Trevor Saunders, Ken Davies, John Hassed, John Dove, Richard Hunt, Sharron Noske and Mr Glasby for their assistance at the committee.

Members: Hear, hear!

Mr DEPUTY CHAIRMAN: The Estimates Committee is now closed for this session and will meet again at 6.30 pm when the Chief Minister will be in attendance.

The committee suspended.

CHIEF MINISTER'S PORTFOLIOS

OFFICE OF THE AUDITOR-GENERAL

Mr CHAIRMAN: I welcome the Chief Minister and invite her to introduce the officer accompanying her and, if she wishes, to make an opening statement on behalf of the Auditor-General's Office.

Ms MARTIN: Thank you, Mr Chairman. Yes, I would like to make an opening statement. With me, of course, is the Auditor-General, Frank McGuinness. The *Audit Act* requires the Auditor-General to, quoting the act:

... audit the Public Account and other accounts in such manner as he or she thinks fit having regard to the character and effectiveness of the internal control ...

In addition, the Auditor-General conducts special audits as directed by the minister in writing, and the Auditor-General may conduct audits of performance management systems. No directions have been issued for 2005-06.

The *Audit Act* requires the Auditor-General to report to the Legislative Assembly at least once per year. The information provided to the Assembly is intended to assist members of the Legislative Assembly in scrutinising the performance of government administration. Reports setting out the results of audits are also provided to accountable officers of government agencies so that they can, in turn, address issues that may have been identified during the audit, and provide any comments to the Auditor-General that they may deem appropriate.

The Auditor-General operates with a staff of five, one of whom is part-time, and utilises the resources available from six local accounting firms from which selected staff are appointed as authorised auditors under the provisions of the *Audit Act*.

The outputs of the Northern Territory Auditor-General's Office comprise a single Output Group called Audits. The primary output during the 2005-06 financial year was to conduct 113 audits, with a similar number planned for 2006-07. From the office, there have been a number of achievements in the last financial year, and I am sure our Auditor-General will speak about those during his time here at estimates. Thank you, Mr Chairman, for allowing that opening statement. Questions.

OUTPUT GROUP 1.0 – AUDITS Output Group 1.1 - Audits

Mr CHAIRMAN: Are there any questions?

Ms CARNEY: Yes, thank you, Mr Chairman. Mr McGuinness, could you detail the expenditure from your office in 2005-06 on reports that have been produced, either internally or outsourced, and include what the purpose of those reports were; who or what organisation prepared them; the cost of those reports; whether they have been tabled in parliament; what the outcomes of the reports were; and how do they compare to previous years? If you have a table, we would be grateful if you would table it.

Ms MARTIN: Yes, the Auditor-General, as you know, has a statutory position. Most questions are probably best directed to the Auditor-General himself.

Mr McGUINNESS: Mr Chairman, the cost of printing reports up to 31 May 2006 was \$8044. That covers the cost of two reports to parliament in August 2005 and February 2006, and an annual report. I do not, at the moment, have the comparative costs for the previous year. However, I will take that question on notice if you want those figures.

Ms CARNEY: Thank you, Mr Chairman.

Ms CARNEY: Would you like it if I repeat the whole question so that you could provide that answer?

Mr CHAIRMAN: I seek some clarity. We are talking in regard to the opening statement by the Chief Minister. For the Hansard, so there is no comment in regard to the opening statement, I would also like to take this opportunity to introduce members of the committee and Independent member, the member for Nelson; and the members for Daly and Arnhem; Leader of the Opposition; and member for Greatorex. I will now call for questions on Output Group 1.0, Audits, Output 1.1, Audits.

I believe that there is a question to be taken on notice. Leader of the Opposition?

Question on Notice

Ms CARNEY: I will ask the question again. Can you detail the expenditure from the Office of the Auditor-General in 2005-06 on reports produced that have been either produced internally or outsourced and include what the purpose of those reports were, who and what organisation prepared them, the cost of the reports, and whether they have been tabled in parliament, what the outcomes of those reports were, and how did the numbers of reports compare to the same period in the proceeding year?

Mr CHAIRMAN: Do you accept that question on notice?

Mr McGUINNESS: Yes.

Mr CHAIRMAN: For Hansard purposes, I allocate that question No 3.1.

Ms CARNEY: Mr McGuinness, at page 15 of Budget Paper No 3, in the Budget Highlights, there is a reference to increased audit activity. Do you anticipate that there will be more audits undertaken, or simply more broader scope of audits? Can you explain what, if any, difference there is between the two I have just put to you?

Mr McGUINNESS: Mr Chairman, an audit can be as large or as small as you wish to make it. It could be confined to, say, an examination of accounts payable in a single organisation, or it can consist of, perhaps, an examination for procurement across all of government. One may be 20 or 30 hours, the other one could be 1000 hours, so that, by definition, the number of audits can be as difficult.

One measure sometimes is the number of audit hours we are purchasing from authorised auditors each year. That gives an indication of the amount of activity. For 2006-07, I expect that the number of audits may decline slightly, because one audit which I have undertaken to do is to review the waterfront project. That may take additional time which otherwise may, in other circumstances, be devoted to small audits.

Ms CARNEY: Thank you. Will you need more resources in order to fulfil your statutory duty? Obviously, the waterfront is considerable and will take a great deal of your time, and no doubt others. Do you need more resources in order to satisfactorily fulfil the statutory obligations?

Mr McGUINNESS: This year, our position is improving. The government has given me approval to begin to levy charges, or extend the charging division. That will raise almost another \$200 000 this year, which is enough to buy slightly more than 1000 audit hours. Using that, it means for 2006-07 we are in a better position than we were in previous years. Perhaps to put this into context, I should point out that the previous strategic review of the Northern Territory Auditor-General's Office, which was done in 2003, pointed out that there had been a long-term decline in the real resources available to the office. The move for 2006-07 to begin to expand the charging regime will be the first step to addressing that.

Ms CARNEY: Do you have adequate resources to fulfil your statutory obligations?

Mr McGUINNESS: Mr Chairman, I will answer that with yes. However, any Auditor-General, if asked, would always claim that he needs more.

Ms CARNEY: You are not saying, are you, by virtue of undertaking the audit into the waterfront, that other activities will suffer?

Mr McGUINNESS: No.

Ms CARNEY: So Territorians need not fear?

Mr McGUINNESS: They need not fear, Mr Chairman.

Ms CARNEY: That is very comforting. I note that, on page 16 of Budget Paper No 3, you have actually predicted, or what appears to be an estimate, of fewer audits from 98 to 70. Do you regard that as significant?

Mr McGUINNESS: As I said, if you look at what constitutes an audit, audits can be large and broadly scoped or they can be narrowly scoped and quite small. As an output measure, it is an indication of activity dropping. For 2006-07, the waterfront project will take up additional time which will mean that some small audits that may have been done in other circumstances will be displaced.

Ms CARNEY: But you will still be able to meet your statutory obligations, nevertheless?

Mr McGUINNESS: Yes, I certainly will. My statutory obligations will be fulfilled. With the additional revenue we are raising in 2006-07, for the first time in perhaps two or three years, we are moving back into the field of discretionary audits.

Ms CARNEY: Your statutory obligations will be fulfilled, but your discretionary - not that you have discretionary obligations - but that there will obviously be a limitation but you do not regard that as important?

Mr McGUINNESS: I do regard it as important. However, what we will see is fewer small audits - some of these very small compliance audits which may have been done - and those discretionary audits which are to be done will be broader in scope.

Ms CARNEY: Can you give me an example of a small audit?

Mr McGUINNESS: I could walk into an agency and do a compliance audit, as it is called, of adherence to Treasurer's Directions. That may be whether they are following procurement directions, Treasurer's Directions, accounts payable, asset registers - those sorts of things. They are often done as an accompaniment to a financial audit. However, while they may give me some comfort in the context of a financial audit for information to the Assembly, there is much better value in having audits which are broader in scope and, perhaps, covering a number of agencies. For example, if I look at procurement, there would be more advantage and more information in doing an audit which encompasses six or seven agencies and looks and compares procurement practices across those agencies.

Ms CARNEY: Okay. I do have some other questions but, in the interests of time and in the knowledge that I can always write to you with further questions ...

Mr McGUINNESS: You certainly can.

Ms CARNEY: ... I will move on to other things.

Mr CHAIRMAN: Are there any further questions?

Ms CARNEY: Well, it is still under the same output. It is just away from that particular subject.

Mr DEPUTY CHAIRMAN: I am sorry. I thought we had done ...

Ms CARNEY: No, I will let you know if I remember when I have finished the output.

Mr CHAIRMAN: I misunderstood what you were saying.

Ms CARNEY: I would like to ask some questions about the waterfront and your audit. Are you currently undertaking an audit of that project?

Mr McGUINNESS: The authority to commence the audit will be issued on 1 July.

Ms CARNEY: So, it will be issued.

Mr McGUINNESS: It will be issued on 1 July. Its scope will cover: (1) the economic and social benefits which flow from the project; (2) the legal framework which is really to identify the tripwires that may exist if, for some example, there should be slippage; (3) is the way in which the project is financed and, flowing from that, the cost of funds to the Northern Territory government.

As an aside, I did look at the cost of funds some months ago, and was rather surprised that it was lower than what I expected. What I want to do is compare the implicit cost of capital in the project against the Territory's marginal borrowing costs. You would expect it to be higher, and that represents the price of risk which is being shifted from the Territory government to the private consortium. However, the difference was less than I had expected. I have double-checked with Treasury, which agreed that my calculations were pretty much on the mark. However, I would expect that cost of funds to move over – well, perhaps they have moved by now - depending on the debt equity mix which the consortium is using to finance the project.

Ms CARNEY: Do you set the terms of the audit ...

Mr McGUINNESS: Yes.

Ms CARNEY: ... or is that set by government?

Mr McGUINNESS: No, they are set by me.

Ms CARNEY: Thank you for outlining the terms of the audit. You will remember a letter that my colleague, Terry Mills, wrote to you ...

Mr McGUINNESS: Yes.

Ms CARNEY: ... expressing, or repeating, I guess, concerns about PPP partnerships. In particular, he made some comments about what the New South Wales Auditor-General had said about PPPs in that state. Will your audit either traverse or deal in any significant way with those concerns?

Mr McGUINNESS: It is difficult to avoid that because - you can describe it in a rather clinical fashion - at some point, if I am going to compare the cost of funds in the PPP against our marginal relevant cost and the questions of shifting risk, you are then drawn inexorably to the question of whether we are better off having done this below the PPP, or having done it by ourselves? What are the pitfalls through going on the PPP path? One thing I did not mention, in terms of the scope of the audit, of course, I intended to examine the project management processes, which will see the project through to its completion.

Ms CARNEY: Will your audit include - and you have talked about cost of the project to the Northern Territory government - consideration of the government promotion of it, such as everything from glossy brochures, fact sheets - whatever? Will your tentacles extend to those sorts of things?

Mr McGUINNESS: The scope of the audit, at this stage, seeks to identify all the costs incurred as part of the project. That will go back to some of those very early preliminary expenses which were incurred before the consortium was selected. That would have to be dealt with at a fairly high level. The benefit to the Assembly is to then concentrate on the processes and costs incurred since the successful tenderer was announced.

Ms CARNEY: Your audit will commence in July?

Mr McGUINNESS: July.

Ms CARNEY: You expect to have that finished in October?

Mr McGUINNESS: I would expect it to run through until October and, then, given that I will be bringing down one report in August and the next report normally would not be due till February in 2007, I propose to actually bring in a separate report.

Ms CARNEY: Do you propose to undertake regular audits, or is this the audit?

Mr McGUINNESS: No. This audit is really intended to give the Assembly a comprehensive overview of the project, its structure, the accounting issues, and the way it has been managed. Then, in each subsequent year, I will need to look at the expenditure being incurred in that year. I already have agreement with Treasury on the way in which we will account for the project over the next couple of years going right through to its post-completion. There will be a liability shown on the Treasury balance sheet for the full amount, and the present value of all the payments to be made over the next 25 years.

Ms CARNEY: What is your current understanding of how much the waterfront development will cost Territorians?

Mr McGUINNESS: Any answer I give could be misleading, Mr Chairman, because, until I actually have a chance to sit down and look at the latest numbers, it would be a bit cavalier of me to speculate.

Ms CARNEY: I appreciate that. I take it in the course of your audit government will be open, accountable and transparent in its provision of documents and so on?

Mr McGUINNESS: Mr Chairman, I want to say now that the government has held nothing back at all in legal documentation, project documentation, and access to key individuals.

Ms CARNEY: You will be, I would have thought, somewhat constrained in your audits because government, understandably on fairly regular occasions, has claimed they cannot answer particular questions because of commercial-in-confidence. How significantly do you envisage that will impact on your audit, do you think?

Mr McGUINNESS: There are precedents here, Mr Chairman, that commercial-in-confidence is not binding on an Auditor-General. However, the Auditor-General is then required to use some judgment so as not to disadvantage particular tenderers or firms. Having said that, an Auditor-General does have the power to seek whatever documents they need to do the job.

Ms CARNEY: Thank you. I do have some other questions but, in the interests of time, I will leave it there. Thanks, Mr Chairman.

Mr CHAIRMAN: If I understand then, you have finished asking questions on this output?

Ms CARNEY: Yes.

Mr WOOD: No.

Mr CHAIRMAN: No, I am talking to the Leader of the Opposition, member for Nelson.

Mr WOOD: You have to be quick.

Mr CHAIRMAN: Are there any further questions?

Mr WOOD: Mr Chairman, there are two different ways of dealing with things. Chief Minister, through the Chair to the Auditor-General, I have a couple of questions. Mr McGuinness, how do the new international financial reporting standards improve the provision of government services to Territorians?

Mr McGUINNESS: International financial reporting standards do not improve the delivery of services, Mr Chairman. By way of background, accounting standards are a way of limiting the discretion which accountants can apply when preparing financial statements. There have been Australian accounting standards for quite a number of years, but a decision by the Commonwealth's Financial Reporting Council three or four years ago has seen Australia adopt international financial reporting standards. In service delivery it means very little, but it does mean some change in the way financial information is reported.

Mr WOOD: Leading on from that, apart from auditing costs, what other costs are likely to arise from the implementation of the new reporting standards?

Mr McGuinness: Mr Chairman, I have seen material published over the past six months which suggests that audit costs could rise by 5% to 15%, and that comes by a confluence of two things. There are a number of things intertwined here. One is adopting of international financial reporting standards, so there are changes to the way in which audits have to be done. However, complicating that is the legal force now given to accounting and also to auditing standards under the *Corporations Act*. It means that all the methodologies of my authorised auditors who operate out of private firms are now being worked around legal compliance. Therefore, it is having some effect on my costs, and I would expect it to lead to some cost pressures in the next few years. However, I believe they can be contained in the short term.

Mr Wood: My last question. Has the Auditor-General's Office seen an increase in the number of, or the complexity required, for auditing Commonwealth payments to the Territory?

Mr McGuinness: No, that has not changed, Mr Chairman. Those payments are relatively straightforward. Most of that work, where issued special or separate opinions, comes from special purpose grants where the Commonwealth may demand an acquittal. That in itself has not demanded any particular rebound increase in resources.

Mr Wood: Thank you, Mr Chairman.

Mr Chairman: Are there any further questions in regard to that output? That concludes consideration for this output group.

Non-output Specific Budget Questions

Mr Chairman: Are there any other non-output specific budget questions? No? That being the case, on behalf of the committee I would like to thank Mr Frank McGuinness for attending today.

NORTHERN TERRITORY ELECTORAL COMMISSION

Mr Chairman: The committee will now move on to the Northern Territory Electoral Commission. I now invite the Chief Minister to introduce the officials accompanying her and, if she wishes, to make an opening statement on behalf of the Northern Territory Electoral Commission.

Ms Martin: Thank you, Mr Chairman. I have with me Bill Shephard who is the Territory's Electoral Commissioner, and the commissioner's Finance and Procurement Officer, Michael Kyr. I suppose, looking back on the last four years, one of the things we did commit to do in 2001 was to have an independent Electoral Commission established in the Territory. It used to be part of the Department of Chief Minister. We did that, and last year was the first time that we had a Territory election with an independent Electoral Commissioner. On that basis - something that we are very proud of in government - open for questions.

Mr Chairman: Thank you, Chief Minister. Are there any questions about the opening statement?

Ms Carney: No, Mr Chairman.

OUTPUT GROUP 1.0 – NORTHERN TERRITORY ELECTORAL COMMISSION Output 1.1 - Electoral Services

Mr Chairman: I now call on questions relating to Output Group 1.0, Northern Territory Electoral Commission, Output 1.1, Electoral Services. Are there any questions?

Ms Martin: I make the point again, because of the independent nature of this office, that questions should be directed to the commissioner.

Ms Carney: Thank you. Hello, Mr Shephard.

Mr Shephard: How are you?

Ms Carney: Very well. How are you?

Mr Shephard: Bearing up, thanks very much.

Ms CARNEY: I suspect you are in much better shape than you were this time last year, having just completed, for your part, the Northern Territory election. You have recovered and you look healthy and well.

Mr SHEPHEARD: I will accept the compliment.

Ms CARNEY: I have a number of questions, all of them, in my view, excellent, of course. However, in the interest of time, I will only ask a few of them. The most obvious one is that when you appeared before us last year, I asked you about the costs of the 2005 Territory election and, for obvious reasons, you could not give us a figure. I think your answer was not all of the accounts had come in. The obvious question is: have all of the accounts come in and how much did it cost?

Mr SHEPHEARD: Firstly, all the accounts have not come in, but we are virtually there. Obviously, we have an election report to still produce, and just a wee bit of tidying up with the non-voters. Essentially, the figures I can provide in a table here today will be just about there. The actual figure will appear in the election report.

Ms CARNEY: Okay. Are you able to table the figures now?

Mr SHEPHEARD: Yes. I will just give you an overview of them and a little background. You might recall, in the estimates last time, I raised the issue that, in the costing of the election, comparisons will inevitably be made. At the previous election of 2001, the figure of \$650 000 for running the election was produced. I said at the time that, whilst we were not in a position to say what the cost of the election would be, at a guess a ballpark figure I was asked for, I said about \$900 000 or so.

That was based on my experience previously in running the Territory election as the Deputy Chief Electoral Officer in 1990, where it cost \$550 000, and also my experience of running two Commonwealth elections in the Northern Territory in recent times, particularly the election that was conducted only about seven or eight months before the Territory election.

The cost of those elections, if I can use the Commonwealth as an example, were around \$1m. Those elections were only local costs in that they did not include costs associated with centralised functions in the Commonwealth elections. Any centralised advertising or scheme costs - any of those costs that the Australian Election Commission would run, were not included in that \$1m for the 2004 federal elections.

You will see from our cost here - and these are pretty much on the mark; I do not anticipate any more than a few thousand dollars being added to these - that we run out of \$985 000, it says there. That, as I said, will be pretty much what the election will cost. I should say also, I am trying to move towards a greater benchmark or better placed benchmark than we have had in the past. As I say, \$650 000 has been reported for the 2001 election. What I suspect is that it did cost around the same sort of figure that we are talking about now, but it has been absorbed in operational costs of the agency. Of course, as we move forward, particularly in this election report, we want to have the full costings so that becomes a benchmark for future elections. Therefore, committees such as this can question on what the difference in cost has been from election to election. Hopefully, we move towards running things more efficiently in cost.

Ms CARNEY: You referred to the election report not being completed yet. I was going to ask you have you completed any reports. To my knowledge, none have been tabled in parliament. What has been the reason for the delay and how long do you think it will take until one is either tabled or made public?

Mr SHEPHEARD: Firstly, you are quite right. At the last Estimates Committee, the dust had hardly settled on the election and I was pressed for an answer on when the election report might be due. I indicated at that time that I would be trying to get it done by the end of that year. What transpired in between, of course, was the Alice Springs Town Council election, which was a major distraction for our office. It is a fairly big election to run. Also, I probably was not as well considered as I should have been because, as I alluded to before, I think this is the first election report for the new Electoral Commission. I think it is important that it be absolutely comprehensive - we have the full costs of the election, well researched - and we make sure that it fits in with the normal cycle of the financial year.

In other jurisdictions, it is quite common for election reports to come out one year later, or even more. Also, they usually are timed to come out, wherever it is appropriate, with annual reports. That is what we will be trying to head to, so when our annual report comes out, our election report will come out virtually simultaneously.

Ms CARNEY: When is your annual report due?

Mr SHEPHEARD: Our annual report is due within four months of the closure of the financial year. However, we will be aiming to try to bring that forward, to roughly try to bring it out on the deadline. So, it will probably be out in the next two to three months.

Ms CARNEY: Okay, thank you. Budget Paper No 3, page 23. It is likely, at least I hope, there is a straightforward answer to this question. It has not been in previous budget papers. Can you tell me why there is \$27 000 in the Central Holding Authority?

Mr SHEPHEARD: Sorry, is that page 23, is it?

Ms CARNEY: Page 23, yes.

Mr SHEPHEARD: Yes, other revenue. I will have to take that on notice to be honest.

Ms CARNEY: Okay. I will that on notice, Mr Chairman.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, could you please re-state that question?

Ms CARNEY: On page 23 of Budget Paper No 3, what is \$27 000 doing in the Central Holding Authority?

Mr CHAIRMAN: Commissioner, do you take that question on notice?

Mr SHEPHEARD: Yes, sure.

Mr CHAIRMAN: For the purposes of Hansard, I will allocate that question No 3.2.

Ms CARNEY: Did you know that this money was here? I will start again. Is this the first time you have seen page 23 of the budget paper?

Mr SHEPHEARD: No, it is not.

Ms CARNEY: Okay. If it is not the first time, have you not seen that \$27 000 floating around in the Central Holding Authority previously?

Mr SHEPHEARD: I do not recall this being a point of issue that I have picked up on when I have looked through these.

Ms CARNEY: Given your independence and your ability to control your own budget, does it not occur odd to you that you have this rogue \$27 000 and you do not know what it is there for?

Mr SHEPHEARD: I certainly would like to know what it is there for and I will endeavour to find that out for you.

Ms CARNEY: Thank you. In the interests of time, Mr Chairman, I have no further questions on that output.

Mr CHAIRMAN: Thank you. Does anyone have any other questions? Member for Nelson.

Mr WOOD: Yes, Mr Chairman, one question and it relates to the last election. As you know, there was an issue related to votes being counted in the Goyder electorate. The claim at the time was that there was a requirement to count them on the side of the road. Has your commission looked into that, made a report on that particular issue? Have you come up with a recommendation and are they public?

Mr SHEPHEARD: The election report will deal with that; it will be in the report. The recommendation, if we preview the election report, obviously, we are looking closely at that procedure and we will not want that to happen again.

In some of the procedures that we do internally, we will be looking at a whole new range of sealing packages and all that sort of stuff, that will accord itself more with practices of the past, and not so much in more contemporary times. In times gone past, things were signed off and sealed. There has been a move in more recent years in international electoral jurisdictions, not because of the safe handling arrangements, not to be as particular about that sort of thing as they have in the past. We will certainly make sure our procedures and forms meet that requirement that is more stringent.

One of the issues that brought that about, and it should be addressed when answering the question, is a case of training the polling officials to make sure that the figures are correct on the night; the communications between tally centre and the electoral officials; and a better understanding of the electoral procedures by some of the people manning the phones when they are often asked for guidance. They will be things that are picked up in the election report and recommendations made on those.

Mr WOOD: On a local government issue, recently Jabiru Town Council eventually got its council back. However, it still has the problem of having eight councillors which, inherently, makes it difficult for a council to operate, especially when you get equal votes on either side. Does your Electoral Commission advise the government or local government - it would probably be advising government in this case because it comes under the *Jabiru Town Council Act* or whatever it is. Would you be advising the government on ways around resolving that issue so it does not occur again, because that particular situation was part of the reason the council could not operate previously?

Mr SHEPHEARD: Yes, on many of these types of elections, we are invited to come in. We do not run them under statute or anything like that, we are invited to come in. Whenever we come in and run elections, we are more than willing to provide some advice to people and the authorities if they want to inquire. It is not a role of ours to do that, particularly in terms of the numbers of councils and that sort of thing. That is really a realm outside of what our jurisdiction would be. We like to restrict ourselves to giving advice on voting systems or some of the procedures - things of that nature. That is really the extent of it. Most of these places will need to address that themselves. Of course, we are happy to pass an opinion if they want to ask us questions in terms of what other places do, but that is really the extent of it.

Mr WOOD: Thank you.

Mr CHAIRMAN: Are there any further questions? That concludes consideration of this output group. On behalf of the committee, I would like to thank Mr Bill Shephard and Michael Kyr for attending today.

Mr SHEPHEARD: Thanks very much.

OFFICE OF THE OMBUDSMAN

Mr CHAIRMAN: Office of the Ombudsman. Where is the ex-member for Drysdale when I need a pronouncement of that?

Ms CARNEY: No, no, the ex-member for Brennan.

Mr CHAIRMAN: That's who it was, was it?

A member: Denis could not say 'ombudsman'. It was extraordinary.

Mr CHAIRMAN: That is right.

We will now move onto the Office of the Ombudsman. I invite the Chief Minister to introduce the officials accompanying her and, if she wishes, to make an opening statement on behalf of the Ombudsman's Office.

Ms MARTIN: Thank you, Mr Chairman. With me is the Ombudsman, Carolyn Richards and, as her appointment has been in the last year, I welcome her to her first estimates; and Business Manager for the Ombudsman's Office, Karen Lewis, who was here last year.

As everyone is aware, the Ombudsman's Office comprises two entities. There is the Ombudsman and the Health and Community Services Complaints Commission. This is an independent office and I suggest that questions be directed to the Ombudsman. So, over to questions.

Mr CHAIRMAN: Are there any questions in regard to the opening statement?

Ms CARNEY: No, thank you.

Mr WOOD: I just ask for a point of clarification. If I was to ask about funding and its adequacy, can I direct that statement to the Chief Minister under this opening statement because you are saying that questions can be directed ...

Mr CHAIRMAN: No. The Chief Minister has just made it clear that you can direct questions directly to the Ombudsman who is here. However, if you have a question for the Chief Minister, I am sure she will handle it how she wants to.

Mr WOOD: I ask that because the Chief Minister, or the government, is the one that funds the Ombudsman. It is a bit hard to ask the Ombudsman about the funding.

Chief Minister, I have raised this before in parliament. The 27th Annual Report of the Ombudsman stated clearly that this office has an extremely large work growth. The number of approaches to this office has doubled since 2001-02 without any increase in staff numbers. That was one of the comments. Another comment was the workload of those managing inquiries has reached saturation point. Further on, there are comments about staff having overload, staff morale, and diminished job satisfaction. Yet, in the budget, there has been a reduction in the amount of money set aside for the Ombudsman. Could you explain why, in the light of all these issues the Ombudsman has put forward, the government has reduced its funding?

Mr CHAIRMAN: Member for Nelson, is that in relation to the opening statement or in relation to the output group?

Mr WOOD: I would ask for clarification as well as talking about ...

Ms MARTIN: I am happy to deal with it.

Ms RICHARDS: Carolyn Richards, Ombudsman of the NT. I am happy for the question to be asked.

Mr CHAIRMAN: It would be more appropriate in the output group but, nevertheless, Chief Minister.

Ms MARTIN: First off, I make the point that the funding has not decreased this year. If you look at page 27 in Budget Paper No 3, you will see that is not the case. We were very concerned about the Ombudsman's Office and the pressure and amount of work. One of the tasks for our new Ombudsman was to look at that, to work out how we could, perhaps, put new management into the way complaints and inquiries were dealt with. When you hear the Ombudsman speak, you will realise a lot of that has been achieved. There were some short-term resources that went into the office to enable some of the backlog to be tackled, and the Ombudsman's Office is in a much healthier condition now than we saw 12 months ago.

OUTPUT GROUP 1.0 - OFFICE OF THE OMBUDSMAN **Output 1.1 - Office of the Ombudsman.**

Mr CHAIRMAN: We are now on to Output Group 1.0, Ombudsman, Output 1.1, Office of the Ombudsman. Leader of the Opposition, do you have any questions?

Ms CARNEY: Thank you, Mr Chairman. Welcome to your first estimates, Ms Richards, and welcome back, Ms Lewis. I also have some questions about your funding arising from the comments you made in your last annual report. Based on the 2005-06 budget which had an allocation of \$2.095m, your budget for 2006-07 is \$2.191m, which is a minuscule increase. Is it your view that you have sufficient funds in order to perform your statutory and other duties?

Ms RICHARDS: I have barely sufficient funds. The brunt of the economies we have to bear has been borne by my staff who are missing out on training and development opportunities. However, we have been able to make some savings. The number of complaints we are dealing with has declined since the previous year and, generally, we have made some structural changes to the way we do things. The fact it is impacting on staff is demonstrated by the fact that we have had a turnover of eight staff out of 17 in the last eight months, which is an indication of the strains and the pressures actually getting to the staff.

Ms CARNEY: Eight out of 17 in the last how many months?

Ms RICHARDS: Eight months. There is no shortage of people wanting to work for us, so we are replacing them.

Ms CARNEY: Does it follow that your view is that if you had a significant and real increase in funding, that would not only assist your staff, but reduce the high turnover?

Ms RICHARDS: We are a demand-driven organisation and you could predict, yes, that it would have an impact. However, your question was 'can we operate adequately?' and my answer is, yes, barely adequately. Of course, we are doing more with less, and if we had more we would be able to do more.

Ms CARNEY: Certainly. I do propose to ask you some questions about complaints and time frames because that has been an issue your predecessor was forced to grapple with as well, and you make reference to it, obviously, in your annual report. I will get to that.

I want to ask you a couple of questions based on Budget Paper No 3 on page 27, I think it is. Sorry, in last year's budget paper on page 25 it said in the agency's profile that among the strategic issues facing the agency in 2005-06 was completing the review of the *Ombudsman's Act*. It also said on that page:

A draft bill is currently being discussed with stakeholders and it is expected that proposed amendments to legislation will be introduced in 2005-06.

Clearly, it is not been introduced. Can you get the committee and us up-to-date as to why there have been those delays?

Ms RICHARDS: A lot has had to do with my appointment and discussions that I had with the Police department, Department of Justice and, recently, with a representative of the Department of the Chief Minister. There is general consensus among us that the previous bill is too cumbersome, it has blown out the number of sections in the act from about 70 to about 180. What is in the bill seems to be inappropriate to be an act; a lot of it should be put in regulations. We are agreed on that.

There are two fundamental issues that have not yet been resolved – they are to do with police complaints - and that is what has caused the problem. Indications at the moment are that the government is intending to consider it in August, by which stage we think we will be ready to proceed.

Ms CARNEY: Okay. So, at the relevant time – and I am aware of the difficulties that have been encountered for probably 18 months, and that sticking point in particular regarding the role of the police and the Police Commissioner. When the bill is introduced, no doubt opposition members will come to you for a briefing. Do you expect the bill to be introduced if those difficulties with the Police Commissioner cannot be overcome?

Ms RICHARDS: I cannot comment on that. My time frame is that it is likely to be considered by Cabinet in August. When it is introduced is not something on which I can comment.

Ms CARNEY: Thank you. Also, in Budget Paper No 3, page 25, of the last budget under the heading 'Strategic Issues Facing the Agency in 2005-06' it said: 'introducing a draft bill for the introduction of whistleblower's protection legislation following public comment'. In this year's Budget Paper No 3 page 27, it says under the same heading: '... implementing reforms under the proposed whistleblower's protection legislation ...'. I have a number of questions. The first one is: why the delay?

Ms RICHARDS: That is something that you really have to address to government. As far as my agency is concerned, a Cabinet submission was circulated with the draft bill. My understanding was that there is an Australia-wide review being carried out of whistleblower legislation and the bill to be introduced was based on the Victorian model. Victoria itself has announced that it is not happy with the way its legislation is working. There is a study being done by the Queensland Ombudsman on their legislation. I think that the Office of the Commissioner of Public Employment did not support the proposal that is being put forward here. Once it has gone to the government and we have made our submissions, I cannot comment any further.

Ms CARNEY: No doubt, they will benefit from the Opposition's whistleblower legislation that was tabled a couple of sittings ago.

Ms MARTIN: Mr Chairman, that whistleblower legislation is carried by the Department of Justice.

Ms CARNEY: Sure, but it is expressly referred to in this ...

Ms MARTIN: I was just giving that a context, that is all.

Ms CARNEY: Okay. My next question is in relation to what is said at page 27 of Budget Paper No 3: 'implementing reforms under the proposed whistleblower's protection legislation ...'. How can you implement reforms under legislation that has not been introduced yet, or does that assume its introduction?

Ms RICHARDS: I do not know whether the bill has been made public. My understanding is that the government's bill proposes that the Ombudsman's Office plays a certain role in the implementation of the legislation - in fact, a critical role. If the bill is passed in the form that I have seen it, it will require a great deal of work from the Ombudsman's Office.

Ms CARNEY: Do you have any input into the wording in the budget papers about your office or do you just provide the figures?

Ms RICHARDS: No, we have input. Yes.

Ms CARNEY: I guess, based on what you just said, you are unable to enlighten us as to what the reforms might be?

Ms RICHARDS: I am sorry, I am not familiar enough with protocol to know whether I should announce to you and this committee what is in a government bill. I assume it is either a public document which everyone is presumed to know, or it is still with Cabinet. Perhaps you could help me on whether I am allowed to disclose ...

Ms CARNEY: I could lead you astray, but I had better not, because I believe it is appropriate that the Chief Minister ...

Ms MARTIN: Mr Chairman, if I can. From government's point of view, we had outstanding issues to be resolved with the Ombudsman's legislation. That has taken time, as the Ombudsman indicated in her response. We have to make sure that there is a good synergy between whistleblower legislation, which has been drafted, and also the Ombudsman's legislation. I see them as complementary, in a way, and we have to make sure that they can work with each other. Therefore, while we are still finalising the Ombudsman's, we also have issues with whistleblower's because the legislation on which it is based is now being reviewed. Rather than push too fast on legislation, we have to get it right. We will certainly be having effective public consultation along the way.

Ms CARNEY: Chief Minister, as I understood what Ms Richards was saying, she was really looking to a lead from you as to whether she, as an independent Ombudsman – as all Ombudsmen are - would be able to tell this committee what the reforms are that are contained in the whistleblower legislation. What are your views on that?

Ms MARTIN: What I would say is that this reference on page 27 in this 2006-07 budget is about the fact that we would like to see the whistleblower legislation and the new Ombudsman's legislation in place before the end of the year. Of course, therefore, the Ombudsman will have a role in that implementation. It is not appropriate, at this stage, to be discussing those details.

Ms CARNEY: Okay. It is not appropriate for the Ombudsman to give this committee details of the reforms that are referred to on page 27?

Ms MARTIN: Quite appropriately, the Ombudsman has said, of course, there are reforms. We currently do not have whistleblower legislation. Implicit in that, when we introduce it, there will be changes. That will be something that we would expect the Ombudsman's Office to be involved in when it is introduced.

Ms CARNEY: Okay. But you do not want the Ombudsman to gazump government because, no doubt, she will not be issuing media releases like you do?

Ms MARTIN: Perhaps.

Ms CARNEY: Is that why you do not want the Ombudsman to tell us what these reforms are in the whistleblower's protection legislation?

Ms MARTIN: Mr Chairman, the caustic comments of the Opposition Leader do not exactly encourage a fulsome response. This is legislation that is still being drafted; it is still before government. It is not appropriate, at this stage, to talk about it. I am sure, when that legislation is complete, we will have plenty of media releases, because this is a first for the Northern Territory.

Ms CARNEY: I am sure there will be plenty of media releases ...

Mr CHAIRMAN: Leader of the Opposition ...

Ms CARNEY: I will move on. We could go on for hours, Ms Richards.

I move to time frames. Last year, I asked a number of questions about the time frames for resolutions of complaints. I see that there has been a reduction in the measurement of the effectiveness, or the time in which police complaints are resolved; that is, within 180 days. It has gone from 60% to 55%. Formal investigations resolved within 180 days of complaint were, in 2005-06, 50%. They are not included in the current papers. Can you tell us why that is.

Ms RICHARDS: Sorry, could you repeat the question? The time frame ...

Ms CARNEY: The time frames for formal investigations to be resolved within 180 days in 2005-06 was 50%. At the bottom of page 28, next to time lines. Can you see that?

Ms RICHARDS: Yes.

Ms CARNEY: There are two performance measures. One is inquiries and general complaints resolved within 90 days, and the next one is police complaints resolved within 180 days of receipt. That has been the reduction from 60% to 55%. The missing bit that did appear in last year's budget paper was formal investigations resolved within 180 days of complaint. In other words, there is a performance measure missing, if you line up the contents of Budget Paper No 3 from last year to this year. My question is: why is it missing?

Ms RICHARDS: Because we do not envisage doing any major formal investigations with respect to police complaints. If one were to arise, it would be a unique situation and we would probably not be able to cope with it within our current financing and resources.

Ms CARNEY: So, it is not there because you do not expect your office will have the capacity to deal with or resolve any formal complaints within 180 days?

Ms RICHARDS: That is exactly right. You have to understand that these complaints are not actually investigated by staff within the Ombudsman's Office, they are investigated by the Professional Standards Command of the police force whose staff, personnel and resources are actually used to do the investigation. It is oversighted by or directed by, jointly, the Ombudsman's Office and the police command. It is just simply not happening that it is being done within 180 days. For a long time - say when I arrived, the delay was in the Ombudsman's Office. I am able to report that, since May, the backlog of some 32 investigations which had been completed but for which the reports had not been written by the Ombudsman's Office, had been cleared by 11 May.

However, there are still 31 investigations in the pipeline. The Ombudsman's Office must wait before receiving results of investigations, statements taken, records duplicated, which are then sent to the Ombudsman's Office. We write the report, we sit down and discuss the conclusions on the evidence from the investigation with the police department. Because that is not happening within 80 days of receipt of the complaint, it has not been included because it is unlikely to happen within that time frame.

Ms CARNEY: That is a catastrophic situation, is it not? Surely, it is mysterious that one of the key performance measures for complaints from your office has slipped off the budget paper because your office has no prospect at all of dealing with it?

Ms RICHARDS: Well, our office and the police command.

Ms CARNEY: Sure.

Ms RICHARDS: It is not that there is no prospect; we do not expect that we would do it. Because the benchmark is 180 days, we are not going to meet it. The report is there will be no investigations within that time frame and meeting that benchmark. That is our expectation.

Ms CARNEY: Would you agree that that is a pretty sad state of affairs?

Ms RICHARDS: I would not make a valued judgment like that because I believe it is inappropriate. As I said, we can do a better job the more resources we have, but we have to work with what we have. The reality is that we are not resourced to do things more quickly. For the people of the Territory it would be better if it was done quickly, but it is a matter of priorities.

Ms CARNEY: Sure. My final question on this particular point is: from a strategic point of view, given that you will clearly be pitching to government - as presumably you have already done - for more money, would it not be better to retain that performance measure so if you had zero per cent, might not that prompt government to provide you with more funding?

Ms RICHARDS: You are asking me to comment on what would motivate government to put more resources into this office?

Ms CARNEY: Okay, I appreciate your position ...

Ms RICHARDS: I do not know if it is appropriate for me to really answer that.

Ms CARNEY: Okay, perhaps I could put a question this way: do you think Territorians will benefit from seeing that the Ombudsman's Office does not have the resources to resolve formal investigations within 180 days?

Ms RICHARDS: Certainly, those who make complaints will see that - it will be very obvious to them. As to other Territorians, you have put me in a difficult situation. You are really asking me to make a political comment and I do not think it is appropriate that I do.

Ms CARNEY: No. I am not, but I understand where you are coming from. I am sorry if you feel I have put you in that position. It just seems to me that the Ombudsman's Office is often the last bastion for Territorians. I speak as a local member. All 25 of us have people coming in, often in tears, saying that their last resort is your office. If your office is barely able to cope, as you said, and also unable to resolve formal investigations within 180 days, I would have thought that would be a serious concern for your office and its standing in the community – in the Territory.

Ms RICHARDS: For me it is concern that there is a mist of declining prestige in the office, both nationally and, I think, in the Territory. However, the value ascribed to the office reflected in the resources it is given is a matter for government, and for government to set priorities. I do not think it is appropriate for me, as the Ombudsman, to actually comment on whether it is a good or bad thing, simply because I see that as a political comment and I see it inappropriate for me to make a political comment.

Ms CARNEY: Okay. Thank you. I appreciate your position. In the interest of time, I will skip through to a couple of other questions. I notice from the budget papers - again Budget Paper No 3, page 28 - that the estimate in 2005-06 for inquiries and complaints received was 2500. I note the pinpoint accuracy of the estimate for 2006-07 wherein it states 2500 complaints. I assume the figures have been rounded up or down. How many inquiries and complaints do you expect to receive by the end of this financial year?

Ms RICHARDS: We had a considerable reduction from last year. Because we have not been doing many access and awareness activities, we would assume that next year will be similar to this year, rather than similar to last year. Overall, the number of complaints and people approaching us is down 18% this year – this is to the end of May – from the previous year, and that equates roughly to a figure of 2500, whereas the previous year was closer to 3000 than 2500.

Ms CARNEY: Could it be that word has got out that they are not going to get their complaints resolved in 180 days?

Ms RICHARDS: That is one possible explanation, yes.

Mr CHAIRMAN: Are there any other explanations?

Ms RICHARDS: Yes. There are.

Mr CHAIRMAN: Many?

Ms RICHARDS: It may be that government agencies that people complain about are doing it better. It may be that people are getting despondent, generally, and they feel there is no point in complaining, which is an indication of what they see as poor performance.

Ms CARNEY: Can I ask in relation to time frames: do you have any analysis of what occurs in other jurisdictions and does the analysis extend to – per capita, obviously, we have a significantly smaller population here in the Territory – do you have any information on how the other states and territories are doing?

Ms RICHARDS: Yes, I do. We interact quite regularly and very generously with the other Ombudsmen and police complaint monitors around Australia. There is a conference once a year at which we exchange this sort of confidential information. They publish newsletters and reports and we are able to do a comparison between both our quality and our quantity in terms of time frames and outcomes, etcetera.

Ms CARNEY: You may not have that information with you so – sorry, do you have that information with you?

Ms RICHARDS: Comparative to other states, no I do not, but if you want to get that I can arrange for that to be sent to you if you specify what categories you would like to see.

Ms CARNEY: Thank you. Do you want me to ask that question on notice, Mr Chairman?

Mr CHAIRMAN: Yes, if you want to ask a question on notice.

Question on Notice

Ms CARNEY: It might be best. The question is: can you provide an analysis of time frames for resolving complaints in other jurisdictions? Further, can you break it down to a per capita analysis so that it is a real analysis with the other jurisdictions?

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

Ms RICHARDS: Yes, I am prepared to take that.

Mr CHAIRMAN: Then, member for Araluen, I will ask you to re-state that question please.

Ms CARNEY: Sorry?

Mr CHAIRMAN: I will ask you to re-state the question.

Ms CARNEY: Can you please provide an analysis of time frames in other jurisdictions and can you do so with a per capita analysis noting the small population of the Northern Territory?

Mr CHAIRMAN: Do you take the question on notice.

Ms MARTIN: Yes, I do.

Mr CHAIRMAN: For the purposes of Hansard, I allocate that question No 3.3.

Ms CARNEY: You said earlier that you had input into the contents of the Ombudsman's Office contribution to this budget paper. Getting back to the performance that was in last year's budget paper but that is missing from this year's, did you arrange to remove that performance indicator, or was it removed by government?

Ms RICHARDS: No, it was our choice to remove that.

Ms CARNEY: Okay. I do have some other questions but, perhaps, I will conclude this output area by asking a question to the Chief Minister. Presumably you knew prior to today of the Ombudsman's concern about the funding for her office. In light of what you have heard tonight, would you be willing to give her and the people of the Northern Territory a commitment that you will increase the funding to the Ombudsman's Office, and do so immediately?

Ms MARTIN: Mr Chairman, I refer the Opposition Leader to page 28 of these budget papers. Although the discussion has been about the Ombudsman's decision to remove that timeliness figure about formal investigations, if you referred to the timeliness of other criteria, or other lines, it says inquiries and general complaints resolved within 90 days of receipt which is at 85% - it has certainly moved up since the estimate of 2004-05 – and those police complaints resolved within 180 days. We have those areas which have been dealt with very well. There is one outstanding area and, in how government works with the Ombudsman's Office, it is a small office. There are frequent discussions about funding and, often, it is because of the nature of the office and one-off things that happen that we do have those conversations quite often.

I congratulate the Ombudsman on the changes that have been made to the structure of the office. From what the Ombudsman tells me, inquiries and complaints that are made are dealt with most often in a very timely way. We have seen some changes there. However, if the Ombudsman wanted to formally raise that issue of formal investigations, she could do it with me, but she has not.

Ms CARNEY: Chief Minister, in light of what you have heard tonight will you or will you not give a commitment to immediately increase the funding to the Ombudsman's Office?

Mr CHAIRMAN: I think that the Chief Minister has answered that question.

Ms CARNEY: Thank you, Mr Chairman, but she has not.

Ms MARTIN: She is also saying ...

Ms CARNEY: I am sorry, please let me finish. My question was: will you give a commitment to increase funding? With respect, Mr Chairman, the Chief Minister did not answer that question and I ask that she do so. You can decline to answer and you can say yes or no. Which one?

Ms MARTIN: Mr Chairman, it is good to be told how I would like to answer the question.

Mr CHAIRMAN: Please feel free to answer as you desire, Chief Minister.

Ms MARTIN: The Ombudsman is an independent office. If the Ombudsman has specific issues that she would like to raise about things like the resolution of formal complaints, then the Ombudsman is free to come to government and raise that. I am not going to make any arbitrary decisions here in the Estimates Committee when, in budget allocations, we discuss it carefully with any agency. The Ombudsman has the capacity to talk to Treasury and me, as the minister to which the Ombudsman's Office refers. It needs to be raised by the Ombudsman and, regarding that particular timeliness measure, it has not been raised before.

Ms CARNEY: One final question to the Ombudsman based on your answers to my two questions, Chief Minister. Ms Richards, are you able to give an indication to this Estimates Committee of how much extra funding your office would require so that at next estimates you will not be able to say your office, quote: 'is barely coping', and that you have staff turnover at the rate of eight out of 17 in eight months. Bottom line, how much do you need?

Ms RICHARDS: Assuming there is no change in the number of complaints and inquiries we are receiving, that figure has already been calculated and it comes up to \$190 000.

Ms CARNEY: Thank you very much for answering my question. No more questions for that output.

Mr CHAIRMAN: Are there any further questions?

Mr WOOD: Yes, thank you, Mr Chairman. I welcome, and it is interesting to see the Ombudsman come with her arm in a sling.

Ms RICHARDS: Let me put on record that it is not compensable, so the Estimates Committee has no way ...

Mr WOODS: It was not a form of complaints resolution, was it? I am also concerned. I know the Chief Minister said that I was wrong in saying that there has been a reduction. There certainly has been a reduction in the Office of the Ombudsman by \$47 000. There has been an equivalent increased plus \$6000 for the Health and Community Services Complaints Commission. Ms Richards, in your foreword for the 2004-05 report, you made some statement of which I am interested to know whether they still apply. You said the office has continued to operate within budget but only at the expense of reducing funding available

for discretionary activities such as access and awareness, staff development and training. Have access and awareness programs, staff development and training programs been cut so you can continue your operations today?

Ms RICHARDS: The budget, as you will have observed, is very similar to last year's in the overall amount, if you take the two agencies together. What has happened is, because of the rise in complaints about the health system, we have transferred people, resources from Ombudsman's investigations to investigations about the health services. In order to do that and maintain our level of activity with respect to resolution of complaints and inquiries for next year, we have to reduce what is called our discretionary money which, overall total budget, is round about \$21 000. That is \$21 000 to cover access awareness, staff training, library, travel and conferences - all of those sorts of things. The public service management course, which is run by the Office of the Commissioner for Public Employment, which is essential for anyone expecting to develop within the public service, cost \$6000. One person does that, and that is one-third of our training access awareness budget. Therefore, our reduction is in respect to access and awareness. We have decided for next year to concentrate on getting the individual agencies themselves to improve access to them for the public of the Territory, and to work with them so that they are setting up their own direct complaint management procedures that comply with the international standards, and are responsive to the people of the Territory. We see that as benefiting the Territory so that there are less people coming to our office. We will then, within the budget that we have been allocated for the next three years, be able to investigate the more serious complaints that we are receiving. It is a long-term plan over three years.

Mr WOODS: But is there not a danger that people will feel they are not going to an independent person? I must admit I believe the Ombudsman is one of the most important officers we have. I am like the Opposition Leader, I send lots of people to the Ombudsman because I know of no other place I can send them for the issues they have. Is there a risk that now, by sending them with so-called minor complaints to a department that sets up a complaint section, that the department, if it is in an embarrassing situation, is not really going to be out there to help that person?

Ms RICHARDS: That can be a perception. However, the Ombudsman's Office and the Health Complaints Commission – and this is specifically in the *Health and Community Services Complaints Act* - always operate as a place of last resort. If someone has not been back to the agency concerned, we encourage them to do so, unless they have a reluctance to go back because they feel they have been treated so badly, or they have some sort of impairment and it is unfair to send them back.

We also think it is fair to the agency to give the agency an opportunity to manage the grievance of the person concerned appropriately before we get involved. That certainly works very successfully in Health. This is a procedure that has changed since last November. We are finding that, since last November, at least 40% of the approaches we get about health are being resolved directly between the service provider and the client or customer. We are playing the role of just ringing up now and then and finding out how it is going, getting an explanation. We are playing more an oversight role rather than a direct investigation role. We have an interest, in that, if we send someone back to an agency with a complaint, we want to know that that agency has a proper, responsive, reliable complaints process.

The project that we are planning for next year, and to which we are dedicating funds that might have otherwise gone to access and awareness activities, is for us to train and work with the agencies to make certain that they have a responsive complaint system, so that those 40% or 50% of people who come to us can have confidence that, when they go back to the agency, they will be treated with respect and be responded to within a reasonable time frame. The agencies have an advantage that we do not have. We in the Ombudsman's Office will never acquire the expertise about every activity of government carried on by every agency. I actually see that it is desirable that agencies are encouraged to, in effect, solve their own problems with their own expertise.

Does that answer your question? I agree entirely that there is one level of grievance; that having the independence and the impartiality of the Ombudsman's Office is absolutely desirable. However, there is also another layer which we think could be handled in a much better and much more resource efficient way than the way it is done now. Another sort of preservation, as much as anything.

Mr WOOD: Mr Chairman, one area that awareness and access campaigns are important for is Aboriginal people in remote areas. Unless we have those programs going, Aboriginal people are not going to know much about what the Ombudsman's Office is for. Do you see those people being disadvantaged, especially people in remote areas – not just Aboriginal people – if that funding has been cut?

Ms RICHARDS: It is a matter of record that Aboriginal people rarely complain to our office. I have made some efforts to speak to the Northern Aboriginal Legal Aid Service, which is now, I think, called the Justice Agency. I visited Elcho Island; I have been to the Tiwis and down to Alice Springs. The concept of an Ombudsman actually has an equivalent in some Aboriginal cultures. There is a lot of work that could be done, but it requires the materials that we need to produce and the people we use; to either have interpreters or to produce materials in language. That is very expensive. The cost of making one simple DVD on what the Ombudsman does with respect to police complaints would be around \$25 000. Plus it would then have to be put into language, and then distributed. Therefore, one single 15-minute resource that can be given to a remote community is going to have a price tag of \$50 000 at least. That sort of money the Ombudsman's Office does not have. Whether it will ever get that, as I say, is not up to me. Of course, we would love it and, of course, it would benefit Territorians, but ...

Mr WOOD: My last question. You said in your foreword for the 2004-05 annual report that there is a limit beyond which activities can be reduced in an unacceptable quality of service and an unfair burden on staff morale and diminished job satisfaction and, ultimately, productivity occurs. Is that still the case? Does what you said then apply today?

Ms RICHARDS: I think those things have changed since I wrote that.

Mr WOOD: It will change. Thank you.

Mr CHAIRMAN: Are there any further questions?

Ms McCARTHY: I have one, Mr Chairman. Ms Richards, you spoke about the direct complaints procedures; has the Ombudsman's Office already alerted agencies to set up complaints procedures and, if so, which agencies?

Ms RICHARDS: We surveyed all agencies November last year, and we have borrowed heavily from two produced in New South Wales and Queensland who did a similar project. We are just about to launch those. The only thing that struck me with this was that we are waiting for the printing of the logos and the envelopes. We are about to do a presentation to every agency and ask them to participate in the program to do this. We have had a project officer working on it for the last four months, so it is about ready to go. We will be asking for Cabinet approval that it becomes policy, but we are not quite there yet.

Ms McCARTHY: Just to follow up: with your own background and experience, would you expect that there should be more complaints coming to your office from Aboriginal communities?

Ms RICHARDS: I would like to see more coming. The only ones we get come via the prisons or through the Aboriginal legal aid services. When we try to investigate those, we come up against problems of mobility, not being able to find the person concerned, not being able to get follow up information, and a lot of them just fall by the wayside because of a lack of commitment or lack of hope in the person making the complaint that we will make a difference. I do not actually know the reason for it, but we have certainly not had a lot of success in dealing with complaints from Aboriginal people about the things that they endure. If we do hear about it, it is usually from a third person but, because of the nature of the act, we are actually required to get information in a form that might be acceptable in court. We can act on hearsay, we are not bound by the rule of evidence, but the ability to get that requires us to have our own trained people who are culturally aware and who could interact with the people who are suffering what are the grievances they are complaining about, and not from third parties.

Mr KNIGHT: I have one quick question. You have talked about the effectiveness of your office with your current budget. How effective would be your office if \$0.5m was taken out of it?

Ms RICHARDS: Well, the time frames would simply blow out to probably double what we are doing now.

Mr KNIGHT: So people would not get answers; they would not get their issues dealt with?

Ms RICHARDS: They would get them dealt with but, by the time they are dealt with, they would be so slow, and the consequences to the person concerned at not having their grievance dealt with quickly snowballs. The most important thing for someone who has a grievance is that it is responded to, and quickly.

Mr KNIGHT: So, if you had received the 2001-02 budget, which is, basically, \$0.5m less, that would be pretty disastrous for the Ombudsman's Office?

Ms CARNEY: You got that one down today. Go, you good thing!

Mr KNIGHT: Would that be right?

Ms RICHARDS: Logically, yes.

Dr LIM: Mr Chairman, you have to be ...

Mr CHAIRMAN: Hang on. I am not sure that ...Have you finished, member for Daly?

Mr KNIGHT: Yes, thanks.

Dr LIM: Mr Chairman, following on with the question from the member for Arnhem, is it not a catch 22, Ombudsman that, on the one hand you are not sure how indigenous people understand the role of the Ombudsman, you tell us you are about \$200 000 short to run your office efficiently and effectively, and it costs \$50 000 to provide a 15-minute program to enable indigenous people to understand the role of the Ombudsman. Have you spoken to the Chief Minister about this and your desire to do that, and that you need that extra money?

Ms RICHARDS: My discussions are with Treasury.

Dr LIM: Well, the Chief Minister is, essentially, the minister responsible for the Ombudsman's Office. That would be a useful avenue; to lobby the most powerful person in Cabinet for extra funding to enable the office to perform the functions, to provide indigenous people with the information that you would like them to have.

Ms RICHARDS: I agree, but I do not believe in spending my time on a futile exercise when the situation with budget allocation has been made perfectly clear to me.

Dr LIM: I am interested to hear that is a futile exercise; that you think it is a futile exercise to talk to the Chief Minister about this. Anyway, I will leave it at that. Thank you.

Mr CHAIRMAN: I have a question. You mentioned about the staff turnover rate.

Ms RICHARDS: Yes.

Mr CHAIRMAN: Eight staff members have left?

Ms RICHARDS: Yes.

Mr CHAIRMAN: Do you conduct exit interviews with staff members when they leave?

Ms RICHARDS: Yes.

Mr CHAIRMAN: What sort of questions do you ask them at the exit interview?

Ms RICHARDS: What they feel about leadership in the organisation; why they are leaving; what would have made them stay; what they liked about the organisation; what they did not like about it; what suggestions they had about how things could be done differently. The usual sort of questions.

Mr CHAIRMAN: Do you have an indication of how many might have moved on to other jobs within the public sector at level or promotions, or whether they have gone into other jobs which attract added remuneration?

Ms RICHARDS: Four of them are on temporary placement with other agencies for up to six months.

Mr CHAIRMAN: On higher duties? Seconded over?

Ms Carney: Most of them on higher duties?

Ms RICHARDS: Yes, on higher duties. Some of them have left because we could not offer them any permanency.

Mr CHAIRMAN: So there is a range of reasons why people leave, not just your budget.

Ms RICHARDS: There is a range of reasons.

Mr CHAIRMAN: They are leaving for their own career enhancement?

Ms RICHARDS: I do not think I can make a generalised statement other than to say that we are unable to offer them training opportunities and advancement opportunities within our office.

Mr CHAIRMAN: Any other questions in regard to Output 1.1, Office of the Ombudsman?

Ms Carney: No, thank you.

Mr CHAIRMAN: That being the case, 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. Are there any questions?

Ms CARNEY: There are, but in the interests of time I will not ask them. Thank you, Mr Chairman.

Mr CHAIRMAN: Any other members? That being the case, that concludes consideration of this output group.

Non-Output Specific Budget Questions

Mr CHAIRMAN: Are there any other Non-Output Specific Budget related questions? No one put their hand up. That being the case, that concludes consideration for that.

On behalf of the committee, I would like to thank Ms Carolyn Richards and Ms Karen Lewis for attending today.

DEPARTMENT OF THE CHIEF MINISTER

Mr CHAIRMAN: We will now move on to the Department of the Chief Minister.

Mr WOOD: You are doing a good job.

Mr CHAIRMAN: Thank you, member for Nelson.

Mr WOOD: Since the Ombudsman was here, I thought I would get carried away.

Mr CHAIRMAN: I invite the Chief Minister to introduce officials accompanying and, if she wishes, to make an opening statement of behalf of the Department of the Chief Minister.

Ms MARTIN: Mr Chairman, this year has represented an opportunity for my government, at the start of its second term, to build upon many of the initiatives commenced in the government's first term of office, but also to put in place new undertakings.

The new term commenced with the change to the administrative arrangements in the NTPS including the establishment of a new agency of Natural Resources, Environment and the Arts; the transfer of Asian Relations and Trade to my department; bringing together Department of Business, Economic and Regional Development activities in DBERD; and the establishment of a separate Department of Primary Industry, Fisheries and Mines.

Whole-of-government coordination is a key feature of much of the work of my department. An example of this is the considerable amount achieved by the Chief Executive's Task Force on Indigenous Affairs chaired by the chief executive of my department. This task force meets approximately every six weeks and has focused on ensuring a coherent and consistent approach to indigenous issues across government,

putting in place a consistent and systematic approach to the development and the negotiation of bilateral and shared responsibility agreements, and identifying policy options in response to the Australian government's reform agenda.

Similarly, the Major Projects Group, which consists of the chief executives of DCM, Treasury, DBERD, DPI, DEET, Tourism NT and the executive director of the Trade and Major Projects Division in my department, has met regularly to coordinate government action relating to Alcan's \$2bn expansion of its alumina refinery at Gove; ongoing development of the AustralAsia Trade Route; the Defence hub project; Power and Water gas issues; and the Darwin City waterfront. These are all critical projects for the Territory's development and the government's involvement needs to be proactive and well coordinated to support these economic drivers.

The Alice Springs Alcohol Task Force is another example of the whole-of-government coordination by my department whereby a number of agencies came together to develop options and strategies for dealing with alcohol issues in Alice Springs. Outcomes have included the formation of a task force to consult with the community and develop an alcohol management plan to achieve reductions in supply, demand and harm, including management of antisocial behaviour.

This year has, of course, seen construction commence in the Darwin City waterfront project, a signature development for both Darwin and the Territory. The Trade and Major Projects Division of my department has this year been working towards the establishment of the Waterfront Statutory Corporation which will develop, manage and service the precinct for the benefit of the community, and promote the precinct as a place of residence and business, and a venue for public events and entertainment. I was pleased to introduce legislation for the corporation in the Assembly last week. Of course, Mr Chairman, details of the construction of the waterfront project lie with minister Burns in his appropriation in the Department of Planning and Infrastructure.

Turning now to indigenous issues, one of the difficulties confronting remote indigenous communities has come under intense media spotlight in the recent weeks. My department has been working, on an ongoing basis, to pursue innovative solutions to challenges such as housing supply; petrol sniffing; family violence; arrangements for parks and reserves; land use; governance; capacity building; building sustainable communities; and reforms to the *Aboriginal Land Rights (Northern Territory) Act*. Agency officers played an important role in achieving the roll-out of Opal fuel in Central Australia; the establishment of the Town Camps Task Force; implementation of the overarching agreement on indigenous affairs; and development of the *Agenda for Action*, the government's blueprint for safe, healthy and sustainable indigenous communities in the Territory.

We have also recognised the need for a coherent, whole-of-government strategy for the regions more generally, with specifically targeted strategies directed at economic and social futures for remote indigenous communities, including outstations. We will now begin to build on this important groundwork with the generational plan I have recently announced to address foundation issues such as alcohol abuse, overcrowded housing, law and order, governance, and welfare reform.

Mr Chairman, the Office of Territory Development underwent a change of name and focus following the administrative arrangements changes in July 2005. Now titled the Trade and Major Projects Division, it continues to facilitate major projects and resource development, attract business to the Territory, and market the Territory. While the knowledge and innovation function transferred to DBERD in July last year, Trade and Major Projects acquired Asian Relations and Trade, an important complement to a number of activities of the division but, particularly, the AustralAsia Trade Route through meeting and facilitating trade delegations and missions to those parts of the regions which offer the Territory its best opportunities. On this topic, the trade route continues to go from strength to strength, with FreightLink reporting a 6.4% increase in total tonnage movements in 2005 to 557 400 tonnes. January 2006 saw the start of a regular monthly shipping service between Shanghai and Darwin, with inbound cargo being distributed both by rail and road.

The Skilled Worker Attraction Campaign commenced in February last year and, since that time, has led to over 4000 people from around Australia and New Zealand expressing interest in moving to the Territory. Many of these inquiries have come from tradespeople and from professionals in the employment categories targeted by government. These people have been provided with information about living and working in the Territory, and a database of potential employees has been made available to Territory business. This important program will be pursued through various initiatives in the coming year.

Community engagement remains an important priority for my government. The Community Engagement Division in my department variously works for me, the Minister for Multicultural Affairs, and the Minister for Young Territorians, Women's Policy, and Senior Territorians. The division continues to engage with the community at large, supports community sector organisations, and seeks to advance the interests of the community with a special focus on youth, women, seniors and the multicultural community.

The Community Cabinet Program took Cabinet to nine communities this year including the Tiwi Islands, the Anmatjere/Alyawarra region in Central Australia, Palmerston, Timber Creek, Alice Springs and Katherine. This program continues to be an extremely effective way for ministers to meet with people from all around the Territory and keep in touch with their issues and aspirations.

Finally, an area in my portfolio with a particularly high profile is, of course, the Major Events Company, which this year continued to professionally manage and provide support for a range of events including the upcoming round of the V8 Supercars, the Finke Desert Race held earlier this month, the Central Australian Mountain Bike Challenge in and around Alice Springs, and those major music events, *BassintheGrass* in Darwin and *BassintheDust* in Alice Springs. Other events supported by my department include the World Solar Challenge, Harmony Day and National Youth Week. Therefore, a very active department, Mr Chairman and one really focusing on the whole on getting the whole-of-government response to many of the issues that the Territory faces.

Can I introduce those with me while I am still here? With me to my right is Chief Executive Officer for Department of the Chief Minister, Paul Tyrrell; Mr Graham Symons to my left, who is the Deputy Chief Executive; and our Chief Financial Officer, doing his first estimates, Karl Dyason.

Mr CHAIRMAN: Are there any questions in regard to the opening statement? Leader of the Opposition?

Ms CARNEY: No, thank you.

OUTPUT GROUP 1.0 – POLICY ADVICE AND PUBLIC SECTOR COORDINATION **Output 1.1 – Policy Advice and Coordination**

Mr CHAIRMAN: That being the case, the committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2006-07 as they relate to the Department of the Chief Minister. I now 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?

Ms CARNEY: Yes, thank you, Mr Chairman. Hello gentlemen and welcome. Last year, when we asked some questions about this output group - you will remember, I think Mr Tyrrell - we asked about what was called loosely then, a communications unit – probably correctly referred to as the Communications and Marketing Unit. I would like to ask some more questions about that. Last year, the budget for that Communications and Marketing Unit was something in the order of \$1.9m. Can you tell us whether that has increased for 2006-07?

Ms MARTIN: Paul Tyrrell. Yes, you can actually refer them to me. Yes.

Ms CARNEY: My apologies.

Mr TYRRELL: No, it has decreased. The budget is \$1.748m.

Ms CARNEY: Sorry, say again.

Mr TYRRELL: \$1.748m proposed for this year.

Ms CARNEY: What is the reason for the reduction?

Mr TYRRELL: Sorry, I need to confirm that that is the estimated expenditure for 2005-06 against the proposed budget. Is that the question, sorry, for 2005-06?

Ms CARNEY: Yes, for 2005-06, the allocation for last year I believe was \$1.9m.

Mr TYRRELL: Okay.

Ms CARNEY: What is the allocation for that unit in 2006-07?

Mr TYRRELL: It is \$1.772m - \$1.716m.

Ms CARNEY: You are looking at each other strangely, Mr Tyrrell.

Mr TYRRELL: I gave the figure.

Ms CARNEY: Oh sorry, I thought you were flicking through for additional information.

Ms MARTIN: No, you got the figure. We were waiting for the next question.

Ms CARNEY: We will move on. Sorry for any confusion. Okay. How many staff are employed to work in the communications and marketing section?

Mr TYRRELL: There are nine at the moment.

Ms CARNEY: Okay. Last year it had 13 staff?

Mr TYRRELL: That is right.

Ms CARNEY: What is the reason for the reduction?

Mr TYRRELL: More efficient.

Ms CARNEY: Okay. Does the policy advice in the Public Sector Coordination Unit have its own media unit similar to those that exist elsewhere in other departments?

Ms MARTIN: No, we do not have that kind of unit, we just have the marketing unit.

Ms CARNEY: Okay. What does the marketing unit do?

Ms MARTIN: The marketing unit markets, as it says, and promotes activities of government, quite appropriately. Some of the things that that marketing unit has done, for example, is coordinate the police recruitment campaign. If I can be directed to the relevant bit, I can even talk about some more of these things. What page is that?

Ms CARNEY: Just while you are doing that, when you say coordinate the police recruitment campaign, what does that mean? Does that mean do the ads and pay for them, or does that mean coordinate the TV and the newspaper ads?

Ms MARTIN: It means produce the ads working with police, and do that activity on behalf of government.

The unit looks at a lot of issues to do with promotion of government - not so much promotion of government; that sounds a bit cynical or ...

Ms CARNEY: It does, doesn't it?

Ms MARTIN: ... suspicious. It is to do with government programs and is something that we believe is fundamental to government - letting the community know where their dollars are going and what activities are happening through government.

Ms CARNEY: Is the reduction in the budget from \$1.9m to \$1.78m this year a reflection that last year was an election year and this year is not?

Ms MARTIN: No, not at all. We have been looking right across the department. You will see that the indication is that there are less numbers. We are looking at efficiencies across the department and we have adequate funding to do the things we need to do.

Ms CARNEY: The fact that the staff has been reduced from 13 to nine; is that a reflection that last year was an election year and this year is not?

Ms MARTIN: No, it is not. Right across the Department of Chief Minister, we are looking at how we can do things more efficiently. That is just one section of how we are doing that. We have taken a very strategic look at what we want to do and what the staff requirements are doing it. It is not only about having those public servants employed within that unit, but it is also about how you work with the private sector as well.

Ms CARNEY: Okay. What publications, including television, did the unit publish and distribute in the last 12 months?

Mr TYRRELL: Are you looking for ...

Ms MARTIN: You had better say your name.

Mr TYRRELL: Sorry, Paul Tyrrell. I did not say that first off, sorry. Are you looking for just the brochures, reports, newsletters etcetera that they did themselves or those they managed on behalf of other units?

Ms CARNEY: Both.

Mr TYRRELL: Both. This is quite an extensive ...

Ms CARNEY: But you have obviously got one, so which one do you have? In a tabled form, I take it?

Mr TYRRELL: Okay, there is an extensive list if you go through the lot. For example the DC&M report, Alice in 10, Sustainable Housing, Alice in 10 brochures, postcards, police constable application package ...

Ms CARNEY: Sorry to interrupt, Mr Chairman. Can I ask whether that document is going to be tabled?

Mr TYRRELL: We could get a copy of that to be tabled, for sure.

Ms CARNEY: Sorry?

Mr TYRRELL: We could get that tabled.

Ms CARNEY: Can you get that document that you are holding, or are you ...

Mr TYRRELL: Yes ...

Mr CHAIRMAN: Chief Minister, are you prepared to table that document?

Ms MARTIN: Yes, we will table those details, Mr Chairman.

Ms CARNEY: Okay, thank you. That document lists all of the publications that the unit published in the last 12 months? Correct? It is a bit difficult without it in front of me.

Mr TYRRELL: That is right.

Ms CARNEY: Does it also include reference to radio and television advertising?

Ms MARTIN: The question is, does it include radio and television advertising. I believe it would. It would include everything that is under the banner of marketing.

Mr TYRRELL: It includes reports, publications, brochures, newsletters, research, displays, events - there is a whole range of stuff. It is important to explain further the communication unit does a lot of things. It does activities for the department itself, it coordinates activities for other agencies such as police; for example, the police campaign. It has worked for Treasury as well, and also does some whole-of-government activities like NT Brand and things like that. So, it is quite an extensive range of things that are done under those ...

Ms MARTIN: Some of those other things, I just add that, if you do not mind, is coordinated the media and communications for the Katherine flood recovery, for the Cyclone Monica recovery; a number of different aspects of things to do with whole-of-government - very important information going to the community of Katherine, for example.

Ms CARNEY: How many of the hard copy publications – clearly, I am not talking about TV or radio - were issued with a photograph of the Chief Minister on it? Would the table show it?

Ms MARTIN: How many of those publications would have my face on it?

Mr TYRRELL: We do not have that answer.

Ms CARNEY: Could I ask it on notice?

Ms MARTIN: Yes, I am happy to take that question on notice.

Question on Notice

Mr CHAIRMAN: Could you please repeat that question?

Ms CARNEY: How many of the publications contained in the table which, thank you, Mr Tyrrell, through the Chief Minister, just tabled, contain photographs of the Chief Minister - and other ministers as well?

Mr CHAIRMAN: Are you happy to take that on notice?

Ms MARTIN: I am, and I can assure the Leader of the Opposition, they come at a minimum.

Mr CHAIRMAN: For the purposes of Hansard, I allocate that question No 3.4.

Ms CARNEY: Do the publications include other ministers' photographs? Does the Communications and Marketing Unit extend to other portfolios, or does it just fall within the bailiwick of the Chief Minister?

Mr TYRRELL: The Chief Minister and whole-of-government activity.

Ms CARNEY: So, whole-of-government activity would, therefore, mean other ministers?

Mr TYRRELL: That is right. For example, *Agenda for Action* covers the names of a number of ministers.

Ms MARTIN: I think all ministers are there.

Mr TYRRELL: That is right, all ministers are on there because it is a whole-of-government publication. They are generally not departmental publications.

Ms CARNEY: Okay. How much was spent in this financial year - I know we have a couple of weeks to go - on advertising and promoting the matters that the communications unit dealt with in the last 12 months?

Ms MARTIN: Could I just hear that question again?

Ms CARNEY: How much was spent for marketing and promoting any of the activities undertaken by the unit in the last 12 months? You have the pumping out of hard copy publications; you do not sell them, you give them to interested people in the community. How much did you spend on advertising the availability of those things, for instance?

Mr TYRRELL: I do not believe we have identified that cost. A cost of advertising, of which you have a document available.

Ms CARNEY: But the unit clearly spent money on advertising its functions, or the things it pumped out? Correct?

Ms MARTIN: Well, for example, with a document like *Agenda for Action* it was sent to many people. Is that what you are saying was advertising ...

Ms CARNEY: I am talking advertising radio ads saying - I am trying to think of an example, but I know there are several – ‘such and such is available, here is a new initiative of government, find out about it, look on the website’, that sort of thing ...

Ms MARTIN: I suggest the ones you are talking about are probably agency specific. If they are environmental grants or something like that, then they would be agency specific. I cannot think of any that we have done regarding advertising over the last 12 months.

Mr TYRRELL: We can check for you. I just cannot recall.

Ms CARNEY: No, look I won't ... Judging from what you were both saying, I will not even bother putting it on notice. That is fine.

Ms MARTIN: The brochures we produce in advertising on marketing various aspects of the Territory about lifestyle or gas developments, go with you on trips overseas or interstate, or they are in offices for people to read.

Ms CARNEY: Sure. Chief Minister, are you aware that a perception exists that the Communications and Marketing Unit of the department is really an arm of your office here in Parliament House, and that part of its function is to ensure the re-election of the Labor government?

Ms MARTIN: I am not aware of that perception.

Ms CARNEY: You have not heard it anywhere before?

Ms MARTIN: Maybe from the opposition.

Ms CARNEY: First time I have mentioned it. Have you heard it anywhere before?

Ms MARTIN: No.

Ms CARNEY: That surprises me. Focus groups, Chief Minister. Did this unit undertake focus groups? Some might say that it is polling. Does it undertake research through focus groups? If so, how many focus groups were undertaken in 2005–06?

Mr TYRRELL: Information that I have here is that there was a focus group undertaken for police recruitment. It was to find out what messages worked and what did not in terms of how effective police recruitment had been. There was one with 13 people and one with 17 people, and another one with 22 people.

Ms CARNEY: This is all for the same ...

Mr TYRRELL: All for the same – all for police. That was the work undertaken out of the Communications and Marketing budget.

Ms CARNEY: Is that your answer? I am not wanting to cut you off. Is that your answer?

Mr TYRRELL: Yes.

Ms CARNEY: What about the focus groups that were undertaken in relation to the proposed or anticipated sale of the Territory Insurance Office? Was that research undertaken by the Communications and Marketing Unit inside the Chief Minister's Department?

Mr TYRRELL: That was arranged by the office on behalf of Treasury.

Ms CARNEY: When it undertook those focus groups, it got bunches of Territorians together and asked them a range of questions, one of which was: ‘How do you feel about the proposed sale of the Territory Insurance Office?’ Correct?

Ms MARTIN: I do not know. I do not have a list here of what questions were asked, only the topics that we covered in those focus groups. They range from views about the TIO, they certainly looked at road safety, which is a very keen issue here and still is. Also middle schools. They were omnibus focus groups.

Ms CARNEY: Can you tell us when those focus groups took place?

Ms MARTIN: Earlier this year; I think January, February, that kind of time. I suspect January.

Ms CARNEY: Noting that the Treasurer put his finger in the air to check which way the breeze was going late November/December, can Territorians draw the conclusion that you used taxpayer funds to poll on the popularity or otherwise of the proposed sale of the Territory Insurance Office?

Ms MARTIN: No.

Ms CARNEY: Why not? Why can't they? Why would Territorians not form that impression?

Ms MARTIN: We did focus groups legitimately on a number of issues, one of which was ...

Ms CARNEY: Three.

Ms MARTIN: ... on the future of the TIO. Another was one very close to my heart; that is road safety. We have done considerable work since then based on some of the things that we heard through those focus groups. Also middle schools; a very important and major change to education, looking at where the attitudes to middle schools were sitting at that stage of the year. It was very important.

Ms CARNEY: Chief Minister, is it not the case that you did use taxpayers' money to poll Territorians and, in fact, you threw in road safety to legitimise the process?

Ms MARTIN: Mr Chairman, we need to talk to Territorians. Those kind of focus groups are a very important way of doing it. I say to the Leader of the Opposition, when it comes to the future of the Territory the TIO is important, road safety is very important and middle schools are important as well. It is a mechanism that every government uses to find out what the community's thoughts are on important issues facing the jurisdiction.

Ms CARNEY: Chief Minister, your government, or your Cabinet, changed its mind in relation to what was always the proposed sale of the TIO and the fast-tracked implementation of middle schools. You changed your mind in those two areas in the last few months. Is it not reasonable for Territorians to infer that you used taxpayers' money to poll them so you would be able to identify what, ultimately, would be the electoral impact of the sale of the TIO and the fast-tracking of middle schools?

Ms MARTIN: Using focus groups is not an inappropriate thing to do; it is quite appropriate. The fundamental of the Opposition Leader's question was that we had decided on the sale of TIO. That is not the case. What we were looking at were options for the sustainability of TIO's future - something the CLP also did, I believe a couple of times, when they were in government.

Ms CARNEY: Do not even go there. You are not slipping away that quickly.

Ms MARTIN: It is something we will continue to do because TIO is an important institution, and it is a very tough marketplace out there.

Ms CARNEY: Okay, thank you.

Ms MARTIN: No. You have asked the question and you made a few statements in doing so that were inaccurate. We were quite right in talking to people about middle schools and their understanding of where middle schools were at and the value of middle schools. Those focus groups were very important in community consultation. Mr Chairman, every government uses focus groups. They are an effective mechanism to consult with the community. They are not a dirty word.

Ms CARNEY: Thanks, Chief Minister. Prior to early this year when your polling commenced at taxpayers' expense, have you ever polled Territorians on the sale of TIO or the implementation of middle schools?

Ms MARTIN: We have had a lot of consultation about middle schools.

Ms CARNEY: You have never polled them though, have you?

Ms MARTIN: We have had consultations right across the Territory on a number of occasions. I am just trying to recall what mechanism Gregor Ramsey's group used to talk to Territorians, and whether focus groups were part of that. I do not know; it is a question you have to put to the minister for Education. However, in terms of being an appropriate mechanism, yes it is a good one.

Ms CARNEY: To your knowledge, has the Communications and Marketing Unit inside the Chief Minister's Department ever polled Territorians specifically on the sale of TIO prior to earlier this year? I ask that question because your last answer was about middle schools and this question is about TIO. Have you ever done that before?

Ms MARTIN: To my knowledge no, and using the word 'polling' implies some kind of party political intention ...

Ms CARNEY: It does, doesn't it?

Ms MARTIN: It does. And this is research ...

Ms CARNEY: It does. Research?

Ms MARTIN: This is very legitimate research the government does.

Ms CARNEY: Right.

Ms MARTIN: In the same way that we did research, we did that kind of research with focus groups for our police ads. Certainly, in Building Our Police Force, it is very important that those ads are well targeted. We will continue to use that kind of research mechanism with focus groups where appropriate.

Ms CARNEY: Can you understand, Chief Minister, why some members of this Estimates Committee and, indeed, some Territorians, will be very cynical about not only your answers but the timing of polling Territorians in relation to the TIO and middle schools - given that you have never done it before?

Ms MARTIN: With the use of the word 'polling'; there is quantitative and qualitative. If we had wanted to do what you seem to be implying, we would have done quantitative. That would have been the way and political parties do that. However, this is appropriate government research. I do not know that the Leader of the Opposition is saying it was inappropriate for our police recruitment campaigns. It was not. And ...

Ms CARNEY: I am just asking the question in relation to the TIO and middle schools, Chief Minister.

Ms MARTIN: ... regarding the TIO it was important to do that research. It is important to do it in terms of road safety and we will continue to do it with middle schools - an important change to education.

Ms CARNEY: Thank you. Given that these focus groups - or polling by any other name - was an undertaking by the Communications and Marketing Unit with its budget allocation of \$1.9m of Territorians' money, the work that was undertaken and your defence of it, would you provide the outcome of the polling and the questions that were asked so that Territorians and the opposition could see for themselves whether, in fact, you are gilding the lily in some of your answers?

Ms MARTIN: Mr Chairman, there is work which is done for government, quite appropriately, and that is for government. We noted in the past that the CLP government did similar research groups that had very heavy party political overtones, and that research went to the CLP for very small cost and a lot of questions asked. This seems to be the premise that the Opposition Leader is working on - past history of how the CLP functioned. It is not how this government functions. We will continue to do research, and continue to consult with our community, and the result of that research is quite appropriate for government.

Ms CARNEY: Is the answer to the question no, you will not release the questions you asked the focus groups and you will not release the outcome?

Ms MARTIN: No, I will not. Somehow, the Opposition Leader seems to say that this is some kind of suspicious, furtive activity. Territorians were not reluctant to come and talk to us, and Territorians were here to talk about these issues.

Ms CARNEY: I digress slightly in a political sense. I am always happy to see you trip, but your feet are very much being caught under the cables under your feet. If you are comfortable, I am comfortable, but you

may get yourself into trouble with the cords. In fact, Mr Chairman, I wonder whether it might be better to take those cords because it is entirely possible someone is going to break their neck. Perhaps toss them away.

Mr CHAIRMAN: I will ask the secretary to crawl under the table.

Ms CARNEY: I am sorry, I could not let anything happen to the Chief Minister.

Ms MARTIN: I was not planning to fall.

Ms CARNEY: Okay. I have lots of other questions; however, in the interest of time, given that there are so many other interesting questions to ask, I will leave it there for that output, Mr Chairman.

Mr CHAIRMAN: Are there any other questions?

Mrs BRAHAM: Yes, thank you, Mr Chairman. Chief Minister, my understanding of the answers that have come so far is that last year the communications unit had a budget of \$1.9m. It has \$1.7m this year but, in fact, it is not a reduction because the staffing has dropped from 13 last year to nine this year. In fact, there is no reduction but there is probably an increase?

Ms MARTIN: Member for Braitling, in activity of that section of my agency, I believe they can successfully market and promote the Territory. They did a lot of document production last year and a lot of things for ...

Mrs BRAHAM: In fact, there is not a reduction if you take away the full salaries?

Ms MARTIN: There is a little left in actual dollars for marketing.

Mrs BRAHAM: In the list of people who work in this building in your office upstairs and the ministers' office, there is a media advisor. As well as that, there are four people listed as communications media people. In fact, those four people who went from the communications unit in the office are now in your office upstairs?

Ms MARTIN: No, that is not the case.

Mrs BRAHAM: In fact then, you have more than one media officer per minister? You have an additional number. I am sorry, I do not have the list with me.

Ms MARTIN: That is a question more appropriate to the output to business – I think it is the third output we have today.

Mrs BRAHAM: Okay, I could get the list by then. So, the four employees are not now upstairs?

Ms MARTIN: No, that is to do with media monitoring.

Mrs BRAHAM: I will get the list.

Mr TYRRELL: One further reason for a reduction this year in the budget from last year, as well as the staff reduction, is a reduced budget on police recruitment from last year as well. There has been a lot of activity in recruitment and it has taken off a bit because the numbers have been met.

Mrs BRAHAM: As regards the anti-nuclear waste facility campaign, I notice in the papers that were tabled 'No Nuke Campaign \$26 000'. Could you tell me if the government paid for the Aboriginal people who protested outside Lucas Heights? Did they pay for their cost of travel?

Ms MARTIN: No, certainly not.

Mrs BRAHAM: You certainly did not. Could you give me some idea of what the \$26 000 for the No Nuke campaign was?

Ms MARTIN: The total that was spent on the campaign was actually \$69 539. I do not know where you got the \$26 000 from.

Mrs BRAHAM: I was just picking it off a paper that you have circulated.

Ms MARTIN: Oh, okay. There was advertising in newspapers \$24 000, there was distribution of flyers which was \$40 000, there was some market research at \$5000, so in all it was \$69 000. Member for Braitling, if I had known what the Prime Minister was going to announce on Sunday about the Territory having to take spent fuel rods from France, I would have doubled that.

Mrs BRAHAM: It probably would not have made any difference, I do not think.

Ms MARTIN: But we should have – yes.

Mrs BRAHAM: Chief Minister, the *Territory Quarterly* of which the first edition came out this year, and I believe your CEO wrote to a number of people requesting feedback. I take it, it is going to be published quarterly. Could you tell me the cost of printing that document and what feedback the CEO received?

Ms MARTIN: We are just looking at the cost of printing that document. We did have a document which was called *Territory Business* and we ...

Mrs BRAHAM: This was called *Territory Quarterly*.

Ms MARTIN: This is the old *Territory Business*. It stopped being produced a couple of years ago, I think. There were arguments put to me that we really needed a production like this. I looked long and hard at it, and I thought the arguments were persuasive. It is about marketing the Territory and the good stories of the Territory. The first two editions have been very effective. I think we can give you a costing for that.

Mr TYRRELL: \$26 502 for the first edition for 5000 copies.

Mrs BRAHAM: Can you comment on the feedback you have, Chief Minister, through the letter that was circulated?

Ms MARTIN: I cannot give you that at this stage.

Mrs BRAHAM: The CEO might have some.

Ms MARTIN: I am being advised that, anecdotally, it is very positive. We will continue to monitor that because one of the reasons that we discontinued *Territory Business* was that we felt it had done its time. We want to make sure that this expenditure is going to be effective.

Mrs BRAHAM: Mr Chairman, that is all I have on that one.

Dr LIM: Mr Chairman, along the same line of questioning as the member for Braitling – talking about the anti-nuclear stuff. I assume that has been done by your media unit? This is produced by your media unit for making government programs - this petition that was provided ...

Ms MARTIN: Yes. That is part of the campaign with the \$69 000.

Dr LIM: How much was that?

Ms MARTIN: \$69 000.

Dr LIM: \$69 000. Six years ago, you said:

We have the Country Liberal Party beating their chests, posturing, putting in place policies that want us to feel better. They, as typical in all other areas, do government by glossy brochures, or glossy policies, or glossy laws.

I assume this is another glossy, but this one is produced by you. Chief Minister, do you recall this document called *Good Government*, the ALP policy for 2001?

Mr CHAIRMAN: Has this anything to do with the budget?

Dr LIM: It is a question. Yes, it is a budget question.

Mr CHAIRMAN: To this output?

Dr LIM: To this output.

Ms MARTIN: Yes, I know the document.

Dr LIM: In that, you said you support the integrity of public servants, and then you went on to say that the CLP had shown a lack of respect for accepted standards of behaviour in government:

Labor is committed to ending practices that interfere with the separation of powers, that undermine the independence of the judiciary, that breach accepted standards of ministerial conduct and ... propriety. We all need to ensure that government agencies and public servants are able to operate freely without direct party political interference and influence.

Mr CHAIRMAN: Member for Greatorex, I am more than happy to have a preamble to a question. I think yours is starting to get as long as a statement.

Dr LIM: That is all the preamble I need.

Mr CHAIRMAN: I would like to hear the question.

Dr LIM: The question, Chief Minister, is this: this is, I assume, a government initiative, to get this petition. I found these documents spread out at the Royal Darwin Show. I picked these up from Sports and Rec show stand, DEET show stand, DPI show stand, the Department of Chief Minister's show stand, the Department of Justice show stand, and Treasury's show stand – to name just a few that I collected ...

Mr Mills: Public servants.

Dr LIM: Public servants. Where is the separation of powers that you so strongly supported when you were in opposition, on coming to government?

Ms MARTIN: It is interesting, Mr Chairman, the member for Greatorex seems to be saying that this was a party political activity. We thought we had the opposition's support in this.

Ms CARNEY: You had our support for the motion ...

Ms MARTIN: So, you know, it rather ...

Ms CARNEY: ... but not to spend taxpayers' money flogging your wares around the show circuit, Chief Minister.

Mr CHAIRMAN: Leader of the Opposition, please allow the Chief Minister to continue!

Ms MARTIN: I seem to recall that, on the floor of parliament and in the media, there was support from the opposition for a campaign opposing the Territory becoming the Commonwealth's nuclear waste dump site. Certainly, I thought we had that support and I thought we were acting on behalf of Territorians ...

Ms CARNEY: Too desperate!

Ms MARTIN: We always suspected that the opposition was really running the Canberra line, and now, Mr Chairman, we know. We will probably find that the CLP will come out and they will say, yes, Prime Minister, it is fine that we will take spent fuel rods from France. It will probably be ...

Ms CARNEY: And what you did not say at the time was that you were going to go shopping with other people's money.

Mrs BRAHAM: A point of order, Mr Chairman! Can we get back to questions on the budget?

Mr CHAIRMAN: There is a big crowd here at the moment.

Ms MARTIN: Well, member for Braitling, I have been accused of running party political advertising and, yet, we had the strong support, I thought, of the CLP to run a campaign of awareness for Territorians, to

focus Territorians on the fact of not becoming the nuclear waste dump site for the Commonwealth. We were going to fight it ...

Ms CARNEY: And did you say you were going to spend \$70 000 of their money? I do not think you said that.

Ms MARTIN: I would have thought that the CLP wanted us to fight it and would have joined us. Instead, we have the member for Greatorex trailing round the show circuit picking up petitions and pretending they are some party political exercise. It was not. Let me say, I will put the Prime Minister on notice, that if you think you have seen anything yet, you have not, because we will fight this. The idea of spent nuclear waste rods coming in from Paris across our port here and heading down to wherever they are going to put the dump in the Territory, is an obscenity.

Dr LIM: Further to that question, the Chief Minister must now realise that she paid \$14 for every signature she got on the petition - \$14.20 per signature – that is a disgrace!

Mr CHAIRMAN: Is that a question?

Dr LIM: My question is: Chief Minister, do you not agree that you party politicised an issue, and put it upon public servants to spread your message?

A member: \$14 a petition.

Ms MARTIN: Mr Chairman, if I thought the CLP was opposing us in doing this, it would have been a government exercise without CLP support. However, I thought I heard the words of support, of opposing what was happening ...

Dr LIM: You never came to us with this petition.

Ms MARTIN: ... to the Territory, not only for the siting of somebody else's nuclear waste here, but also for the constitutional offence of the federal government simply bringing in legislation that made ours invalid. I thought the CLP was a party that supported that, but they are now showing their true colours - very disappointing.

Dr LIM: Chief Minister, were you aware ...

Ms CARNEY: You should see the look on all their faces!

Mr CHAIRMAN: Are there any further questions?

Dr LIM: I will ask the Chief Minister this last question. I want to know if the Chief Minister was aware that the many public servants working at the Royal Darwin Show were most offended by this act.

Ms MARTIN: I can inform the member for Greatorex that no public servant approached me and said: 'Do not ...

Members interjecting.

Ms MARTIN: Mr Chairman, nobody approached me and said: 'This is inappropriate'. In fact, we got strong support throughout the show circuit. I am sure, once Territorians realise that the spent fuel rods from France are going to end up in the Territory when the federal government overrides our wishes and builds a nuclear waste dump site here, they will even be more supportive.

Mr CHAIRMAN: Are there any further questions?

Dr LIM: Would the Chief Minister expect public servants to commit hari kiri with this?

Mr CHAIRMAN: Do you care to answer that, Chief Minister?

Ms MARTIN: I do not understand what the question is, so I decline to answer.

Mr CHAIRMAN: Are there any further questions in regard to that output? That being the case, that concludes consideration of Output 1.1.

Output 1.2 - Indigenous Policy

Mr CHAIRMAN: The committee will now proceed to Output 1.2, Indigenous Policy. Are there any questions?

Ms CARNEY: Thanks, Mr Chairman.

Ms MARTIN: I first draw members' attention to the fact that Neil Westbury, the Executive Director of the Office for Indigenous Policy, has joined us here at the table.

Mr CHAIRMAN: I draw attention that the member for Blain is also with us.

Mr MILLS: Thank you.

Ms CARNEY: Thank you. Chief Minister, in the area of Indigenous Policy in the 2005-06 budget, the amount budgeted was \$1.545m. The budget for 2006-07 is \$1.49m. Why has the budget been cut from the previous year?

Ms MARTIN: I will refer that to Neil Westbury.

Mr WESTBURY: Neil Westbury. Thank you. There has been no reduction. The figure of the 2005-06 includes a transfer of some \$180 000 from the Department of Local Government, Housing and Sport for a position that focuses on priority communities. That transfer will occur again this year, which will mean that the OIP will have the same budget. It is not included in the budget figure for 2006-07 because the amount is actually allocated to the Department of Local Government, Housing and Sport for this financial year. The necessary administrative arrangements have been implemented to transfer the budget to the Office of Indigenous Policy so that there should not be any confusion in future years.

Ms CARNEY: Thank you. Are you saying, through you, Chief Minister, that the budget has not been cut; that it owed some money to someone else, or to another agency, and paid it back?

Mr WESTBURY: That agency is paying us back. We had a position temporarily located with that agency for a period that was approved as extra resources and was administered through the Department of Local Government and Housing, or its predecessor. That position has now moved back to us and the money has been returned as well. In effect, the budget adjustment has to be made. That has occurred across two financial years. In future, those monies will come direct to the department, rather than going through that department.

Ms CARNEY: If monies are coming back to you, why is it that at page 36 of Budget Paper No 3, there is a reduction? Why is the figure for 2006-07 not higher, if you are getting money back from someone?

Mr WESTBURY: It is because, as I explained, the monies were the result of the way in which the monies were originally approved and allocated to a position. An extra position was approved which was located within the old Department of Community Development to focus on the priority communities exercise. We decided that position should return to us, to OIP and, to that extent, the monies were returned to us to administer those costs. That is going to occur again this year but, in future years, the arrangement will be that those monies will be allocated to our department through the normal budget process.

Ms CARNEY: Therefore, in real terms, there has not been a reduction nor has there been an increase?

Mr WESTBURY: That is correct.

Ms CARNEY: There was an increase in just about every other agency in the budget. Health and Justice received significant increases. Chief Minister, why did this agency - the one for which you are responsible as Indigenous Affairs Minister - not receive any more money?

Ms MARTIN: Are you talking about the agency of the Department of Chief Minister?

Ms CARNEY: Sorry, the Indigenous Policy Unit.

Ms MARTIN: The Indigenous Policy Unit coordinates across government and it is about the personnel to do that important task. It is about resolving indigenous land issues, coordinating activities that have to do with Aboriginal interests. There is no further requirement because this is about the skills and resources of

those who work within indigenous policy, and working with other agencies across government. That is what the funding is about for the Office of Indigenous Policy.

Ms CARNEY: The funding is to pay for the people in Indigenous Policy who have, among their core functions, coordinating the development of policies and strategies to resolve indigenous land issues and to improve social wellbeing and living conditions for indigenous Territorians?

Ms MARTIN: It is, but it is not the service delivery agency; it is the coordination agency. The Office of Indigenous Policy works with, where appropriate, Local Government and Housing; Health; the Department of Planning and Infrastructure; Employment, Education and Training - works across a number of different areas, including Natural Resources, Environment and the Arts where appropriate.

Ms CARNEY: Okay. At page 36 of Budget Paper No 3, it says that indigenous policy, and I quote:

Provide whole-of-government strategic policy advice on indigenous affairs including:

...

- *improving social wellbeing and living conditions for indigenous Territorians;*
- *enabling effective indigenous governance and capacity building to develop sustainable communities ...*

You are the Minister for Indigenous Affairs. Is it your view that Indigenous Policy has not done very well in the last 12 months?

Ms MARTIN: In the last 12 months, Indigenous Policy has worked across a range of areas and has tackled issues as diverse as working with the federal government on the bilateral overarching agreement that I signed with the Prime Minister in March 2005, in a number of different areas. Those areas ranged from housing, art, governance, employment - what are some of the others?

Mr WESTBURY: Economic development.

Ms MARTIN: Economic development - and have worked very strategically with the Commonwealth. There is a lot of work to be done under those overarching agreements and schedules. That work is being done. It is a fundamental change and one we agree with the Commonwealth government about how we dealt with the service delivery area. The Executive Director would agree a lot of work has gone into that. In something like the town camp issue in Alice Springs, the Office of Indigenous Policy was the chair of the Town Camp Task Force which came from the Office of Indigenous Policy. It is a critical issue for Alice Springs and its future.

Over the last 12 months, the first whole-of-government indigenous policy statement was released; that is, *Agenda for Action*. It is a very comprehensive and detailed strategy for the future. There are a number of issues that the office has addressed and it has made steady progress in those areas.

Ms CARNEY: Thank you. You raised something which I was going to get to. In the strategic directions on the website facilitating indigenous development, it refers to the plans, initiatives, and expectations that indigenous policy would meet, that you, as not only Chief Minister but the Minister for Indigenous Affairs, would ensure would develop. In your answer, you referred to the whole-of-government indigenous strategy that you said has been released in the last 12 months. My question is: a week or so ago you announced a plan to have a 20-year plan. Are the details of that plan different from the detailed strategy you have produced, and what are the differences?

Ms MARTIN: The *Agenda for Action* is Territory specific and ranges across a wide range of areas to do with Aboriginal Territorians. What I have called on the Prime Minister to do is set a generational change for Australia, and that is not just about the Territory. It is about every state and territory and the federal government working together to establish the benchmarks and how they will be achieved for Aboriginal Australians including, of course, Aboriginal Territorians - to see that very substantial generational change take place. It is, quite legitimately, a 20-year plan. We all know the indicators for Aboriginal people. They are, in every aspect of their lives, not as good as non-indigenous. Considering the public debate that had taken place over the last month and that that public debate, although it happens from time to time and there is a flow of activity and words said, it seems to go away and nothing happens. This was an opportunity to say as a country - and I think I said this clearly in the parliament last week - we have strategies for water, for

energy, and all those national strategies and, yet, for Aboriginal people, we do not have one. I believe it is time. However, the *Agenda for Action* is Territory specific to do with the Territory budget.

Ms CARNEY: On page 36 of Budget Paper No 3, the area dealing with Indigenous Policy, it says that the policy unit will provide whole-of-government strategic policy advice on indigenous affairs including improving social wellbeing and living conditions for indigenous Territorians. That objective has been contained under your government, I think, in every budget paper or thereabouts. Chief Minister, do you accept that you, as minister and Chief Minister, have failed because the social wellbeing and living conditions of indigenous Territorians has not improved?

Ms MARTIN: Because it is a tough ask and there are issues going back 10, 20, 30 years, it does not mean that that is not an objective of government; it is a very important one. You can certainly look around the Territory and see small and significant signs of change for Aboriginal people. When you look at some of the education outcomes we have achieved over the last three years, and at the situation that has been achieved over the last 12 months on Groote Eylandt, for example, with a very effective alcohol management plan in place, you can see signs of that change. We are moving to implement alcohol management right across the Territory. When you look at some of the indicators on Groote Eylandt, that crime has been reduced by 50% and more, then you know that you are on the right track. I am not going to sit here in front of estimates and say we can make dramatic changes overnight. We are going to make small changes and we will continue to strive to improve the social wellbeing and living conditions for Aboriginal Territorians.

Ms CARNEY: Thank you. On your website in this area, it has the Chief Minister's message, and there are four key areas. They are jobs for Territorians and population growth, education, healthier communities and safer communities. This is the strategic direction for the Department of Chief Minister. You used the word 'indigenous' once, and that was only in relation to education.

In the specific strategic directions for Indigenous Policy, you made no reference to the issue of violence in indigenous communities, for instance. There are other omissions. When was the last time you looked at your strategic directions for Indigenous Policy and for your department?

Ms MARTIN: We released, only in the last few months, *Agenda for Action*, a very specific document about what we are doing across government for Aboriginal Territorians. I refer the Leader of the Opposition to that document.

Ms CARNEY: We have seen it in parliament.

Ms MARTIN: Okay.

Ms CARNEY: That is your answer, is it?

Ms MARTIN: Yes.

Ms CARNEY: Right. Under Performance Measures for Indigenous Policy there are three performance measures. One is client satisfaction and that is estimated at 80%. That would be about the satisfaction levels of your caucus, would it, in relation to Indigenous Policy? Perhaps less? I am thinking of the memorandum that Matthew Bonson wrote and circulated in relation to your appalling handling ...

Mr CHAIRMAN: Is this relevant to this particular budget output?

Dr LIM: Indigenous affairs, yes.

Ms CARNEY: It is, with respect, Mr Chairman. However, I can be more specific. Perhaps I can make the point this way. I am sure that caucus would not, in the normal course of events, publish its satisfaction with the Chief Minister - at least I did not think that before I saw a copy of Mr Bonson's memo. I will ask the question this way, Chief Minister: since coming to office, you have received \$750m more in GST revenues that you expected; the Territory has pretty much doubled its own source revenue. Put simply, you have a lot of money as a government. Why has not funding to Indigenous Policy gone up one iota in this budget, given its importance because it provides you, government, with strategic policy on advice on indigenous affairs. With all this money, why did you not increase the budget? Or do you value it so little that you elected not to?

Ms MARTIN: Mr Chairman, as I explained before, this is not an operational area. This is an area that coordinates. When the Opposition Leader refers to additional funding, yes, we have used that. We have

used it in better policing and that is something that will affect the outcomes for Aboriginal people. We have used it in being able to ...

Dr LIM: Police at Wadeye?

Mr CHAIRMAN: Member for Greatorex, please!

Ms MARTIN: ... used that in education. There are significant increases to the education budget and significant increases in health.

The Office of Indigenous Policy coordinates when there are particular issues to be tackled. That it does very effectively. Dealing with Aboriginal communities is not about agency-specific issues; it is often across the board. If you look at something that Indigenous Policy is doing, one is coordinating what we do with the future of a town like Jabiru. That is an important coordination, but you have to work with a number of different agencies to do that. That is the nature of what OIP does. However, in terms of where the OIP spends the money, that is not appropriate. We have the resources there, the people with the skills, but what we want is for them to work with agencies which have those additional funds to expend.

Ms CARNEY: You said that Indigenous Policy coordinates issues. I ask whether the reason it did not receive an increase in funding was that there was so little for it to coordinate; it was not warranted? Does that trouble you, as Chief Minister and Minister for Indigenous Affairs?

Ms MARTIN: Mr Chairman, I do not think the Opposition Leader understands ...

Ms CARNEY: No, I understand well.

Ms MARTIN: I do not think the Opposition Leader understands because every single agency in this government deals with the issues to do with Aboriginal Territorians; whether you are dealing with the roads, education, health, or tourism budgets. There is significant work going on in tourism, which is where we have put in considerable new funds to be able to get Aboriginal people employed in the tourism industry - to set up their own tourism businesses, to work in the industry. We have seen some good steps forward in the last 18 months. It is not about Indigenous Policy ...

Ms CARNEY: Oh, here was me thinking it was called Indigenous Policy.

Mr CHAIRMAN: Leader of the Opposition! Please!

Ms MARTIN: Indigenous Policy, as it indicates, is doing things that the opposition severely criticised; that is, resolving those issues over the parks. Considerable work was done in that area with those 27 parks and reserves, and that took considerable time from the Office of Indigenous Policy. That is the kind of coordination approach - working with parks, lands and Justice - that the Office of Indigenous Policy did. It was severely criticised for it and is still criticised for it by the CLP.

Dr LIM: Paid for legal advice you did not share with anybody.

Ms CARNEY: You seem to be saying that this is operational; it does stuff, but it does not. One of the functions listed on page 36 of Budget Paper No 3 is, and I quote: '... communicating the government's policies to the indigenous and wider communities'. Is the reason it did not receive any more money because there was nothing to communicate to the indigenous community and the wider community, as suggested by your special friend, Matthew Bonson?

Ms MARTIN: The Office of Indigenous Policy produces a twice-yearly magazine called *Common Ground*. That is one of the ways we are communicating and will continue to do that. It is a very effective magazine. Maybe if I refer to Neil Westbury; there are other forms of communication that he might like to highlight.

Dr LIM: Another glossy.

Mr MILLS: How many times has your face been in that paper?

Mr CHAIRMAN: Please continue, Mr Westbury.

Mr WESTBURY: We communicate through a range of mechanisms. *Common Ground* is a major flagship for us in being published twice a year, because it not only communicates what government is doing in the Territory, but it also publishes a number of stories about what Aboriginal people themselves are doing in the community, in positive stories about achievements Aboriginal people themselves are making. We are also, obviously, engaged in a constant way in meeting with various Aboriginal organisations and others about addressing issues that relate to particular matters.

As the Chief Minister explained, a senior officer from my department played a key role in chairing the task force in respect of the Alice Springs town camps. She did an important job in communicating at the Chamber of Commerce in Alice, the town council, Aboriginal people, visiting all the town camps and talking with a whole range of stakeholders in relation to the issues of concern which were reflected and picked up in that report.

We are also engaged, as the Chief Minister explained, in a lot of work relating to resolution of land issues. That involves constant communication, of course, with the land councils, and a range of other stakeholders, might I say, who have particular interests, ranging from the Amateur Fishing Association to a whole range of other interests, including the mining industry. In fact, it is fair to say that, in the recent amendments to the *Aboriginal Land Rights (Northern Territory) Act* that were tabled this week in the national parliament, you will note that the proposals in relation to amendments to parts of that act or the mining provisions were the result of the joint Northern Territory land councils' submission, which was roundly endorsed and supported by the Australian Mining Industry Council and the local mining fraternity. It is the first major reform of the *Aboriginal Land Rights (Northern Territory) Act* in 30 years. A consensus was about streamlining the mine provisions and returning a number of those functions under delegation to the Northern Territory mines minister.

They are just some of the examples of the stakeholders and people who we communicate with and some of the outcomes associated with the work that we are involved in.

Ms CARNEY: Chief Minister, I well understand the work that the Indigenous Policy Unit of the department undertakes. Clearly, you do not. I am concerned that, in the last month or so, you and your colleagues - well, some of them, it is obviously split, but a couple of your colleagues - have implored the federal government to provide you with an extra \$1bn so that you can be assisted getting results. Yet, for the very agency that has this most pivotal role - that is, coordinating everything else - it has not received a cracker extra. Do you note any inconsistency, or hypocrisy even, that, on the one hand, you are saying to the federal government, 'Give us \$1bn' and, on the other, you are not giving your own anything extra for the very important role that it undertakes

Ms MARTIN: This is about service delivery. Policy coordination is very important, and we have seen some difficult issues resolved through the work of the Office of Indigenous Policy. When it comes to health, there is no point in funding the Office of Indigenous Policy; they are not going to be able deliver on the ground. When it comes to education, the Office of Indigenous Policy is not going to be able to build a school or put teachers in that school. When it comes to building roads, I am sure the Office of Indigenous Policy would like to have a try, but we are not going to let them do it. They can coordinate some of the issues if we do have problems in getting those roads built; that is what the task of this part of my agency is. The Opposition Leader does not seem to understand that.

What I said earlier this month to the federal government was something that, if you go back through the *Hansard*, consecutive Housing ministers from the CLP said. I read a statement recently from Steve Hatton in the early 1990s when he was Housing minister. He was saying to the federal government: 'You must help us with the housing backlog. It is outside our budget capacity. It is something we inherited from self-government'. The then member for Sanderson, Daryl Manzie, who was Housing minister at one stage, said the same thing. My proposal to the federal government - it was not \$1bn; I said \$50m by 10 years - would be a great start for housing, and I will continue to call for that. Previous CLP administrations have made the same call. It is an outstanding issue. It is outside our budget capacity; it is something we inherited at self-government. We cannot catch up with the funding we get; it is virtually trading water. What we need is assistance from the federal government in housing - something that used to be shared by the CLP.

Ms CARNEY: Thank you for that speech, Chief Minister. Noting that, according to you, there is so much extra to do, so much more to do, would it not be reasonable to provide additional funding to Indigenous Policy so that it can better coordinate the area of indigenous affairs? Surely, your colleagues are suggesting that you should do so?

Ms MARTIN: No, they are not.

Ms CARNEY: They are not? Chief Minister, you may not answer this but, given the memo that Matthew Bonson wrote and circulated deliberately about you, clearly your colleagues have expressed concerns about your very poor handling of this portfolio. What sort of message do you think it sends to them but, more importantly, to indigenous Territorians; that you are not prepared to provide the very agency that is tasked with coordinating all of these wonderful things that you say have happened and will happen? Are you not concerned about the message that this agency is not getting any more money?

Ms MARTIN: It is difficult with the CLP, Mr Chairman, because on one hand they say they are spending too much money and we have too many public servants and, yet, how do you deliver to our remote areas unless you have the people to do it? What we are talking about is extra police, Mr Chairman. What we are talking about are extra nurses in the bush. We are talking about extra teachers who, for the first time, are teaching secondary education in the bush. That is what my colleagues want to see. If you talk to the Health Minister, the Education minister, the Planning and Infrastructure minister, the Parks minister, where we put significant extra funding into parks and rangers, you will see greater employment in the bush. If you talk to me as Tourism Minister, yes, we have more resources to see that economic development happening in the bush. Talk to the Minister for Business, Economic and Regional Development. It is his task as well ...

Ms CARNEY: Everyone else is talking to him, aren't they?

Ms MARTIN: That is his task as well. Extra resources are going in to see that activity happen. This is not about the Office of Indigenous Policy; it is a coordination area to work with other areas of government.

Ms CARNEY: As not only Chief Minister but Minister for Indigenous Affairs, does it concern you that one of your colleagues would issue a memo referring to hatred in the indigenous community directed to you? Are you concerned about that? For not just political reasons.

Ms MARTIN: Mr Chairman, I point out that the Opposition Leader has, obviously, not seen the retraction from the member for Millner.

Ms CARNEY: Yes, that you forced him to write: 'Dear Matty, sign this'.

Ms MARTIN: Mr Chairman, the retraction was ...

Ms CARNEY: Forced.

Ms MARTIN: ... an honest retraction. That is where I would probably leave it. Can I say that my caucus, this government, recognises the challenges we have with Aboriginal Territorians and service delivery. There are a lot of difficult issues to be faced, and it is not always easy for our Aboriginal communities. There are different voices and opinions about what is happening. I have very strong support in my government to do what we are doing.

Ms CARNEY: Chief Minister, is it not the case that your colleagues want you to move aside from this portfolio because, apart from your general very bad handling of it, they and so many other Territorians - indeed, a view echoed by Paul Toohey in his interesting article in *The Bulletin* magazine about you - hold the view that you feel more strongly about the waterfront development than outcomes for indigenous Territorians. How do you respond to that?

Ms MARTIN: It is not the case, Mr Chairman.

Ms CARNEY: Everyone else must be wrong. In relation to your 20-year plan you announced last week, the plan that you have over and above the other plan that this unit had issued, I hope that Indigenous Policy was consulted in the plan for the 20-year plan. Was that the case? Who wrote it?

Ms MARTIN: The 20-year plan is one that we are talking to the other states about. We are putting the fundamentals together. Of course, the Office of Indigenous Policy is clearly involved in this, as other agencies of government are. We have a chief executive task force that meets every six weeks. Those chief executives are very keenly involved in this, and we will be working with other states. What I want is agreement next month in Canberra with the other Premiers, Chief Minister and Prime Minister, that this is an important issue for Australia to tackle. If we get agreement - and I am hoping the Prime Minister will buy

into this as it is very important - we will then spend the time between the July COAG, the Council of Australian Governments, and the next one early next year to actually flesh that plan out.

This is a national plan. It is a different plan to the one that we had purely for the Territory, which is the *Agenda for Action*. Every single agency across government has a real focus on delivering in our regional areas and creating jobs in those tough, remote areas of the Territory which have not seen those jobs in the past. That is our challenge.

Ms CARNEY: Chief Minister, you have referred to the action plan which you said was a Territory-specific plan; the *Agenda for Action*. If the action plan was that, what on earth is the 20-year plan? Is it not Territory specific, nor a plan for action? I know none of us have seen the detail and, no doubt, you and your office will continue to make it up as you go along. However, when you meet with the Prime Minister and pitch this plan to him, how different will it be from the very document you held up and which is in front of Mr Tyrrell called the action plan?

Ms MARTIN: The other states that have Aboriginal populations similar in their demographics to us also have plans. The Queenslanders, Western Australians, and South Australians particularly, are working strategically and I am sure their plans are, in substance, not a lot different from ours. The idea of a generational plan is to say, as a nation, we will make a difference in 20 years, and we will really target the outcomes for Aboriginal Australians. It is not rocket science. Whether you look at educational levels, health or job opportunities, and things like incarceration rates, it is obvious right across Australia that we need to really make some substantial change. What I am staying to the other states, territories and Prime Minister is that it is time to do this as a nation. Each state has their own plans to what they are doing, but I believe it is time to say as a nation: 'Let us make substantial change'.

It is all very well for the Opposition Leader to be cynical and critical of this. I would have thought she would have joined with the words that she has spoken over, particularly, the last few weeks.

Ms CARNEY: We have not seen your plan. No one has.

Ms MARTIN: I would have thought that, in concept, the CLP opposition would have joined us and said: 'Yes, this is a terrific idea ...

Ms CARNEY: We have not seen the detail.

Ms MARTIN: Mr Chairman, I am getting very strong feedback ...

Ms CARNEY: You are getting very strong feedback from the likes of Matthew Bonson.

Mr CHAIRMAN: Leader of the Opposition!

Ms MARTIN: I am getting very strong feedback from across the Territory that this is great; it is about time for a national plan for what we do to reach Aboriginal outcomes.

Ms CARNEY: With recent events, Chief Minister, you might be heading to Canberra sooner than you think. Perhaps a federal seat is in the offing. Who wrote the 20-year plan – the plan of the plan that you were talking about?

Ms MARTIN: I answer questions, and yet I do not think the Opposition Leader is listening.

Ms CARNEY: Yes, I am.

Ms MARTIN: What I am saying is we are formulating the basics of that plan; we are talking to the other states. We will have a framework for that by the time I go to COAG in Canberra at the end of next month.

Ms CARNEY: So, you do not even have a framework for it? You have been gallivanting around the Northern Territory saying: 'At last, I have a plan'. Are you saying you do not actually have a plan, Chief Minister? Have you misled Territorians on this front as well as your caucus?

Ms MARTIN: I have articulated what this plan is going to do. I have talked about fleshing it out between July and next February if we can get agreement. However, we have to talk to the other states. If this is going to be a national plan, there is no point in saying this is the Territory's demand but we are not

talking. We are talking to the other states, and we will have the framework of such a plan by the time I go to COAG next month.

Ms CARNEY: Chief Minister, do you accept - whether it be from your colleagues or not - that your 20-year plan, so called, is a disingenuous attempt to restore what little credibility you have left, and that it is intended to dig your way out of the political hole you dug for yourself?

Mr CHAIRMAN: I am not too sure if that ...

Ms MARTIN: Mr Chairman, I will simply say no.

Ms CARNEY: Okay. Thank you, Mr Chairman. In the interest of time – so many things to talk about, so little time – I will end it there for this output.

Mr CHAIRMAN: Do any other members have questions?

Mrs BRAHAM: Yes, thank you, Mr Chairman. I have to make comment that I am surprised you allowed so many questions of irrelevance to the budget. Mine, of course, will be direct.

Mr CHAIRMAN: Thank you for your concern.

Mrs BRAHAM: Chief Minister, how many staff are in the Indigenous Policy Unit?

Ms MARTIN: Nine, I think. Nine.

Mrs BRAHAM: Could you tell me how many of those staff are Aboriginal?

Ms MARTIN: Two.

Mrs BRAHAM: Two out of nine. It is better than I thought it was. Could you tell me, Chief Minister, the town camp consultancy – I believe the report is completed. What did the consultancy cost?

Ms MARTIN: It was a task force.

Mrs BRAHAM: You had a consultant.

Ms MARTIN: I will refer this to Neil Westbury, as director. I just say also that it was a task force chaired by the Office of Indigenous Policy, but carried by Mr McAdam and his agency.

Mrs BRAHAM: But you did hire a consultant to write the report?

Mr WESTBURY: The report was drafted by the chair and members of the task force, and there was a writer engaged to assist with editing the report. That is correct.

Mrs BRAHAM: How much did it cost?

Mr WESTBURY: I will have to take that on notice. Those costs have been met by Mr McAdam's department.

Mrs BRAHAM: Okay. I will ask Mr McAdam.

Ms MARTIN: Could I suggest that?

Mrs BRAHAM: Okay. Is there anything included in the budget as a result of those task force recommendations?

Ms MARTIN: Those task force recommendations have not yet come to Cabinet – but very shortly – very shortly.

Mrs BRAHAM: So, there is nothing in the budget?

Ms MARTIN: But I can say that - when was it, a month ago? – the federal minister and I made announcements in Alice Springs that there would be \$30m - \$20m from the federal government and \$10m

from the Territory government - to start the important process of moving town camps from the edge of Alice Springs to part of suburban Alice.

Mrs BRAHAM: If I recall, that money was only infrastructure money.

Ms MARTIN: That money was, importantly, infrastructure money. We are still talking to the federal government about the dollars that are needed to lift the standards in those areas with lighting, kerbs, roads and the other things, and we will continue with that discussion.

Mrs BRAHAM: Chief Minister, do you give the Lhere Artepe Association funding at all?

Mr WESTBURY: Not through our department, Chief Minister. That question should be directed to the Department of Business, Economic and Regional Development.

Ms MARTIN: We do give them funding, but it is properly directed to minister Henderson.

Mrs BRAHAM: Minister Henderson?

Ms MARTIN: Yes.

Mrs BRAHAM: Chief Minister, what would you say was your most successful activity that has come out of your Indigenous Policy Unit?

Ms MARTIN: There are a number of successful initiatives. One of the most important is that relationship with the Commonwealth that we have, where the Prime Minister might find the overarching agreement on indigenous affairs – the bilateral. There are a lot of changes to how we work with the Commonwealth that are happening under that; and important ones to governance. You are aware, as a former Local Government Minister, of the importance of changes to governance in our very small communities. There are the changes in housing, in arts. There are other schedules being developed and it takes a lot of work. The work of the Indigenous Policy working with the agencies that are directly affected by the bilaterals under that schedule have been very important.

The other praise I would make of the Office of Indigenous Policy was the extraordinary work they did in finding a workable solution to the fact that so many of our parks and reserves were not properly gazetted. That has been an enormous saving to Territorians in dollars, and a terrific outcome for Aboriginal Territorians.

Mrs BRAHAM: Chief Minister, how does your Office of Indigenous Policy coordinate the activities of other departments? Does a representative in each of the other departments meet?

Ms MARTIN: I refer that to the director, Mr Westbury.

Mr WESTBURY: We do it in two chief ways. The first one is the chief executives task force on Indigenous Affairs that the Chief Minister described earlier. We provide the secretariat to that task force, which means that all the work we are doing in negotiations with our counterparts in the Commonwealth are cleared through that task force so that there is a consistent approach in relation to the bilateral negotiations across all agencies, which is important.

We also do it by virtue of a regular meeting with the Commonwealth every three months to review the bilateral arrangements under the overarching agreement. All our agencies are represented as issues come on the table that relate to their portfolios. The other way we do it is by way of working on specific schedules. For example, even as late as today, we had a meeting this morning with the Commonwealth and a range of our agencies that we are coordinating with - NRETA, Natural Resources, DPIFM, and our colleagues in DEET - where we are developing a schedule in relation to Aboriginal land and sea ranger programs. We are trying to pull together a coherent, consistent approach to the funding of those land and sea ranger programs across both governments. We got sign-off at officer level today on the way forward there.

Therefore, our job is to not second-guess our agencies. They come to the table. We are there to support the coordinating side, and then we put together a common agreement between us and the Commonwealth on key issues.

Mrs BRAHAM: Who usually initiates the activities?

Mr WESTBURY: They can be initiated in a number of ways; sometimes by the agency itself. For instance, the Department of Employment, Education and Training approached us about exploring ways we might look at negotiating a schedule with the federal government to do a number of enhancements around indigenous education. We worked with them in talking with the Commonwealth about how we might advance that, and they have been doing all the work in developing their thinking about what a schedule might look like.

Otherwise, we might have the Commonwealth raise with us that they have some specific initiatives that they would like to run with, and we initiate the contact with our agencies to identify what those initiatives might be and how we might cooperate together.

Similarly, in other arrangements you can have ministers who might indicate there is a particular priority in an area through the Cabinet process that they want to see pursued. Again, we take that up and initiate that at officer level.

Of course, the other way is that Aboriginal organisations themselves might come to us. For instance, the Northern and Central Land Councils came to us about the sea and land ranger programs, saying there were all these difficulties around the coordination of all these different inputs, and asked if we could do it in a better way. That was something initiated from the ground. There is a range of ways in which this can happen.

Mrs BRAHAM: Does this particular unit have a role to play in improving the level of employment for Aboriginal people in the public service?

Ms MARTIN: That one is something we deal with within the Office of the Public Service Commissioner. There are strategies across government for increasing the number of Aboriginal employees. However, I do not think specifically the Office of Indigenous Policy has, apart from having two employees yourselves ...

Mr WESTBURY: Yes, we do not have a direct role in relation to that strategy.

Ms MARTIN: No, that is the strategy across the public sector.

Mrs BRAHAM: Mr Chairman, that is all my questions and you will be pleased to know I am also swapping with the member for Nelson, and that I am going.

Mr CHAIRMAN: Are there any further questions for that output?

Dr LIM: Mr Chairman, I refer the question to the Chief Minister. The Office of Indigenous Policy, as it says here, is to help or enable the effective indigenous governance and capacity building. In what way do you undertake that function?

Ms MARTIN: I defer again to Neil Westbury.

Mr WESTBURY: The principal way in which we have been trying to advance that strategic objective is through the regional authority's bilateral, under the overarching agreement that was negotiated with the Commonwealth. As part of one of the initial agreements reached under the overarching agreement and signed off by the Prime Minister and the Chief Minister last year, this commits both governments to boosting and improving governance and capacity building within Aboriginal communities, consistent with the Stronger Regions, Stronger Futures strategy, and where the Commonwealth will commit an extra \$1.6m towards the employment of development coordinators out in communities who are employed and supervised by our Local Government department, and also funds towards capacity developing in funding a range of programs in that area. We are constantly in meetings with the Commonwealth.

There is a steering group that oversees the implementation of that agreement, which we coordinate from the NT side. Principally, it is administered by the Department of Housing and Local Government and Sport and, on the Commonwealth side, the Office of Indigenous Policy Coordination. That is an area which we are currently looking at further, of how we might enhance initiatives in that area. It is certainly an area which is one of the more important agreements, because it is the first time in the history of the Territory since self-government that there is actual consensus between the Commonwealth and the Territory about what is the best form to advance governance arrangements out on the ground, particularly in respect of the *Local Government Act*. That is an important opportunity that we are seeking to seize the opportunity with.

Dr LIM: How effective has this program been? How do you measure the effectiveness? How do you measure the success of the capacity building that you undertake?

Ms MARTIN: Again, I refer you to Mr Westbury.

Mr WESTBURY: Currently, under the overarching agreement, there is a commitment to review the schedules and the outcomes agreement every 12 months. That is currently under way. There is a detailed evaluation occurring at each of the schedules, and the achievements and outcomes achieved under each, which will involve both governments and also, as part of the signatory agreement, the Department of the Prime Minister will also be engaged. We are looking at each program and have agreed to an evaluation program in order to look at all the schedules and see how it is ...

Dr LIM: Have you been able to identify any communities or community governments that are at risk and need more propping up, or need more capacity building or more support in any other form?

Mr WESTBURY: Chief Minister, that is probably more a question that should be directed to the relevant department rather than me. It is not our job in terms of this exercise to be second-guessing that department about its efforts in this area.

Ms MARTIN: If you talk to minister McAdam, who has direct carriage of that, he will give you a very clear idea of his views of the governance of many of our communities.

Dr LIM: Thank you very much for that. I thought if the Office of Indigenous Policy was to provide effective indigenous government or enabling effective indigenous government and capacity building, you need to know which councils require capacity building and which ones do not. You must have done some analysis as to where you go, because you have an office of nine members. You are not going to go through 66 communities in a year.

Ms MARTIN: Within Local Government there are community development officers whose task it is to work with those community councils in their governance, and that is something we are strongly supporting them on. As we explained the function of the Office of Indigenous Policy, we are working with the Commonwealth, but the office works very specifically with the agency involved and, in this case, with Local Government.

Dr LIM: Local Government assesses each council that you need to go to and you go to that. Is that what you are saying?

Mr WESTBURY: They certainly play the primary role in providing advice, which is matched by the view presented by the Commonwealth, then there is consensus sought about whether committee development coordinators have been placed, in this instance, and where the investment is to be made. That is done on a joint basis.

Dr LIM: I am sure you have seen the program on *Four Corners*,. What role, then, does the Office of Indigenous Policy have to play with communities such as Imanpa?

Ms MARTIN: Neil Westbury, I refer to you.

Mr WESTBURY: We have no direct role in the day-to-day servicing and support of that community. Our responsibility relates to the overall policy settings as to how governments address issues in relation to a number of communities, including Imanpa.

Dr LIM: It sounds to me that you are producing policy and producing motherhood statements about how you would like to see indigenous communities develop, but do not seem to be able to provide a safety net of any form at all for indigenous communities when they need your help.

Mr CHAIRMAN: Is that a question?

Dr LIM: Yes, I am asking for a comment on that.

Mr CHAIRMAN: Is the question posed, or ...

Ms MARTIN: The Stronger Regions policy looks at the way and in which format we have local government across the Territory. We have been talking about regional authorities. While we are talking

with communities about larger groupings, Local Government is also looking at the individual councils and their governance and sustainability. It is a matter of walking and chewing gum. Indigenous policy is keenly involved in that broader issue of where we go in the future. Local Government is involved, but also involved in individual and governance issues and their sustainability, while they are doing that.

Mr CHAIRMAN: Member for Greatorex, have you finished your line of questioning?

Dr LIM: What I was driving to was that Matty Bonson was particularly concerned about the Labor government not looking actively towards addressing social disadvantage among his people. I am trying to work out in my mind how the Office of Indigenous Policy is working towards that. I do not see it. Can you explain to me how you are doing it, to address or to counter what Matty has accused the government of not doing - which is not addressing social disadvantages among the indigenous people?

Ms MARTIN: In the area of Local Government, we have a policy that is looking to create larger areas of governance. That is something we believe is a way that we will overcome the vulnerabilities of small councils that we saw like Imanpa. That policy has been in place for about three years. It was something the CLP was also pursuing and, probably, you as the Local Government Minister. During your time the Tiwi local government was established. We are working with communities, and that is part of what Indigenous Policy does – work with local government. It is an important part of long-term sustainable change.

Dr LIM: Mr Chairman, the Chief Minister referred to the initiatives the CLP undertook to get Tiwi together under single government. Is it not true that the current government policy is, in fact, to move away from that altogether and create bigger regions than what was initially planned to do?

Ms MARTIN: That is a question appropriately put to the Local Government Minister, who has carriage of this policy specifically.

Mr CHAIRMAN: Are there any further questions in the output?

Ms McCARTHY: Yes.

Mr CHAIRMAN: You go last. You are here as a local member.

Mr WOOD: She was a member of the PAC.

Mr CHAIRMAN: No, that was the last one.

Mr WOOD: No, she is the local member. I do not mind Ms McCarthy going. I could not let the Chairman get away with murder.

Mr CHAIRMAN: It is very high on my agenda.

Ms McCARTHY: Through the Chair to Mr Westbury: you spoke earlier in the piece about no reductions being in the budget and a particular position that goes across two departments. Can you just clarify what that position is?

Mr WESTBURY: That position is the one that is focused on working on private communities including Wadeye, Galiwinku, Mutitjulu, and Groote Eylandt.

Ms McCARTHY: What would you call that position?

Mr WESTBURY: That is a senior policy advisor.

Ms McCARTHY: Chief Minister, when will the task force recommendations go to Cabinet about the Alice Springs town camps that were referred to?

Ms MARTIN: Very shortly.

Mr CHAIRMAN: No further questions, member for Arnhem?

Ms McCARTHY: Yes, just two more. One of the most successful initiatives that was outlined by you, Chief Minister, was the relationship with the Commonwealth on the overarching agreements. I was wondering if you could describe the relationship between the Northern Territory and Commonwealth governments, given the events of recent weeks regarding Aboriginal affairs?

Ms MARTIN: Having a positive relationship with the Commonwealth government is very important, and it was one of the very things I went to Canberra to talk to the Prime Minister about. The relationship I have with the Prime Minister and the agreement we reached, which was the first in Australia on the overarching agreement, is a very important one to maintain and to nurture. I also have a pretty good relationship with the Minister for Indigenous Affairs but, if he is going to do things like verbal the Territory and our Police Commissioner, I am not going to put up with it. While he might have been a bit offended when I called him out, and said: 'You cannot make statements about paedophile rings in the Territory and say that you have told the Police Commissioner and say that is fact; it was not'. It is a robust relationship but we do talk, and we have talked recently.

Ms McCARTHY: The review that occurs every 12 months regarding the overarching agreement, is that a review which is made public?

Ms MARTIN: I refer that to Neil?

Ms CARNEY: You do not know?

Mr WESTBURY: The review is provided for under the overarching agreement. I am not clear in my own mind, to be frank, whether it is a public document or not. I would take it that it probably would be, but I just cannot say, I am sorry. I do not have the overarching agreement with me. I will have to take it on notice, I am sorry.

Ms MARTIN: We will let you know about that.

Mr CHAIRMAN: Would you please restate that question, member for Arnhem?

Ms McCARTHY: The 12-monthly review of the overarching agreement between the Northern Territory and Commonwealth governments: is that review made public?

Mr CHAIRMAN: Chief Minister, do you take the question on notice?

Ms MARTIN: My view is, and Neil was not sure, but I think the work we are doing with the Commonwealth should be public, and so I give you the commitment to have that done.

Mr CHAIRMAN: For the purposes of Hansard, I will allocate that question ...

Ms MARTIN: No, no, I am saying we will.

Mr CHAIRMAN: You will?

Ms MARTIN: Yes. We have done with the question on notice bit.

Mr CHAIRMAN: Are there any further questions in regards to this output?

Mr KNIGHT: I have one question on indigenous education, probably the most foundational issue out there. This unit coordinates things; how does it help in regard to the government producing better indigenous education?

Ms MARTIN: The task for education very much sits with the Education minister. If you look at some of the outcomes we are getting in that area, the department and the minister have made great strides in Aboriginal education. I do not think we, in terms of Indigenous Policy – Neil, have any ...?

Mr WESTBURY: Our only involvement, Chief Minister, is coordinating with our Education department with the Commonwealth's about the negotiation of a schedule in respect of indigenous education. That is where our primary role comes in. It is just a coordinating, supportive role. The main carriage of the work is within Employment, Education and Training and, on the Commonwealth side, of course, with DEST - Education, Science and Training.

Mr WOOD: Chief Minister, your department deals in policy and one of the areas Aboriginal people have struggled with is governance. One of the areas which has caused major problems with what they are governing is defining the difference between indigenous governance and local government governance. What is your understanding of the two?

Ms MARTIN: From my point of view, that is a question better directed towards the Minister for Local Government. Regarding governance, the Office of Indigenous Policy is doing some broad work, but in ministerial carriage, that is very much a question for the Minister for Local Government.

Mr WOOD: On page 36 in the budget paper, your Indigenous Policy Unit gives advice on indigenous affairs including 'enabling effective indigenous governance and capacity building to develop sustainable communities'. I believe your department is saying that they know what indigenous governance is. I want to know what your department thinks the difference of local government governance is. It is not just a matter for local government. If you are the ones driving the policy, then you must have an idea what you think is indigenous governance compared to what local government governance is?

Ms MARTIN: Mr Westbury gave a quite detailed description of what we are doing in governance, and I do not think you were here at the time. I am very happy to ask him to do it again.

Mr WOOD: Make it a brief one.

Ms MARTIN: Yes, a brief one. Mr Wood, we have been through that particular issue.

Mr CHAIRMAN: I remind members, particularly those that join during session, that time is marching on and it does appear ...

Mr WOOD: I will read *Hansard*, Mr Chairman ...

Mr CHAIRMAN: ... we are going to be ...

Mr WOOD: If the question has been answered earlier, I will read *Hansard*.

Mr CHAIRMAN: Are there any further questions in regard to that output? That being the case, that concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – TRADE AND MAJOR PROJECTS

Output 2.1 – Trade and Major Projects

Mr CHAIRMAN: The committee will now proceed to Output 2.0, Trade and Major Projects, Output 2.1, Trade and Major Projects. I believe we have a new member to join the committee.

Ms MARTIN: Yes. I am joined by Dave Malone, who is the Executive Director, Trade and Major Projects.

Mr CHAIRMAN: Any questions, Leader of the Opposition?

Ms CARNEY: Hello, Mr Malone. I am going to disappoint you, I am afraid. My colleague, the member for Blain, asked a great many questions of the Treasurer this afternoon in relation to the waterfront, notwithstanding my colleague's dissatisfaction with some of the answers he obtained. We also have an opportunity to question minister Burns about this on Thursday, I think. Because we only have the sheer pleasure of the Chief Minister's company for four-and-a-half hours, we have the need to prioritise. I certainly would not like you to leave thinking we are not interested in the waterfront. We are deeply interested, as well as Asian Relations and Trade. However, insofar as the waterfront is a major project, I do not propose to ask you any questions because of our very obvious time constraints.

Mr CHAIRMAN: Does any other member have questions?

Mr WOOD: Yes.

Ms MARTIN: You do not have any on the waterfront?

Members interjecting.

Ms MARTIN: We have a waterfront corporation, that is it!

Ms CARNEY: Basically, the waterfront is on with you. My apologies. We have been here for so long, anyway.

Mr CHAIRMAN: I ask you to please forgive the Leader of the Opposition for that error, and I allow her to continue with questions.

Ms CARNEY: We are not usually cross-eyed relatively early at 9.45 pm. My apologies to you both. In any event – you do not have any, or do you have some?

Mr MILLS: There are a lot of things I would like to ask but, in the interests of time, knowing that Tourism did not get a proper run last year, I would say - I am not sure where we are ...

Mr CHAIRMAN: I am a bit lost now. Is the shadow going to ask any questions?

Ms MARTIN: I have a feeling not.

Mr WOOD: I will ask some questions. Chief Minister, in your 2004-05 annual report ...

Ms MARTIN: Are you working on 2004-05 rather than 2005-06?

Mr WOOD: Because you have not produced a 2005-06 annual report yet, Chief Minister, they do not come out until four months later.

Ms MARTIN: Oh, I thought you were working on the budget papers.

Mr WOOD: No, no, I am a bit ...

Ms MARTIN: Sorry, that is my confusion. That is okay.

Mr WOOD: There were some 2350 people employed on construction at Wickham Point LNG plant. The LNG plant is basically completed. What has happened to the 2350 people and how many of those tradespersons have been retained locally?

Ms MARTIN: We actually do not have those people on our books. They were employed by Bechtel. There certainly were some discussions between Bechtel and Alcan about tradespeople who finished working on the gas plant whose skills could be needed at Alcan. I believe there was some transfer of workers to the Alcan G3 project. A number came from interstate; I am assuming that some of them returned to Queensland. A lot of local people returned to other work in the community. There is a lot of construction work at the moment, and I know from Darwin builders particularly, they would be very grateful to have those workers back from building the gas plant. It is a question that is better placed going to someone like Bechtel.

Mr WOOD: The reason I asked that, of course, was when Bechtel was starting up there were a lot of questions in parliament regarding where we were going to get construction workers, and how many were going to be skilled from local industry. There were a lot of complaints from some businesses that, because Bechtel was offering higher wages, they were losing quite a number of their workers. Now, all of a sudden, all that is gone and we do not seem to have the same concern as to what has happened to all those workers. We had a concern about where we would get them.

Mr CHAIRMAN: Member for Nelson, do you have a question?

Ms MARTIN: Mr Chairman, I might get Dave Malone to contribute. However, one of the things we did when there were those issues about whether our local people had the skills to work on the gas plant, is that we put accelerated courses in place. From government's point of view, we assisted local people to get work on the gas plant. We were very keen that those who came from interstate might look at purchasing homes in the market, and a number of them did. I cannot give you how many, but a number, instead of doing the fly-in/fly-out, brought their families here and purchased homes. We did work actively.

However, in what happens with the end of that project, I can say that some did go to Alcan and some have returned to work in other parts of the industry here in Darwin. Maybe, David, do you have anything further to add? Dave Malone.

Mr MALONE: Dave Malone. Just a small addition is that 45% of the workforce through the life of the project were Territorians. The 2350 was the peak number. When you look at labour on construction projects, a key number is actually average workforce rather than the peak. We believe that there are a certain number of people who returned to the industry in the same capacity as when they left but, also, that

people went onto projects such as those the Chief Minister mentioned. However, construction is such a volatile industry it is almost impossible to follow where people may actually go.

What we do know is that, each time that we look at one of these large projects, we have then shown the capacity to deliver them. There are currently 1700 people working at Alcan, for example. While they have their shortages from time to time, the Territory again has demonstrated a capacity to deliver these large projects.

Mr WOOD: Chief Minister, there was a plan last year to have a \$33m helium plant at Wickham Point. I gather that development is not going ahead. Is that correct?

Ms MARTIN: No, I understand it is scheduled to begin next year.

Mr MALONE: Next year.

Ms MARTIN: In 2007.

Mr WOOD: I was doing a tour of Wickham Point recently, and was informed, because of the price of steel, that construction was not going ahead. That is why I asked the question. This is the helium plant.

Ms MARTIN: Not according to my information. Dave Malone.

Mr MALONE: The last advice that we had was that they were reviewing the project as a result of ConocoPhillips' intention to build a second train on the existing site, and the problems that would, in terms of encroachment onto what BOCE were looking to do. As well, another company is looking to take over BOCE, and the advice they provided to us was they had yet to provide the project sanction, but they were still moving forward. That is the last advice that we have received from the company.

Mr WOOD: How far down the track of planning is the \$250m to compensate the refinery at East Arm?

Ms MARTIN: I refer to Mr Malone.

Mr MALONE: It is \$450m.

Mr WOOD: It has gone up since you wrote the book?

Mr MALONE: Yes, it is the nature of construction. However, at this stage, they have just received their final guidelines to commence the environmental impact studies, and they are doing their preliminary engineering work in scoping up the technologies associated with the plant. That work will take approximately 12 months. All things going well, there is an expectation that construction could commence mid-Dry Season next year. That does need to get through all the registry hurdles associated with a project like that. It is really at the stage of pre-feasibility.

Mr WOOD: Is it correct that the condensate plant will produce a large amount of hydrogen, which the company is talking about using for a power plant? Has the government had any discussions with the company as to whether they could use some of that hydrogen for their public transport system?

Ms MARTIN: Mr Chairman, I refer that to Dave Malone.

Mr MALONE: The project is still in the technology scoping stage. There are a lot of different discussions going on about potential opportunities associated with the plant. One of those is the generation of power for the Northern Territory grid. My understanding is that the proponents have spoken, in a general sense, to Power and Water, but they need to firm up their technology before they are in a position to actually say that they will generate power, at what cost, and what sort of volumes.

Mr WOOD: Chief Minister, I heard your comments about nuclear waste facilities. As much as I believe that is ideology and witchcraft all mixed up together, because I do not think a lot of what you said is based on any science, I will ask the question ...

Mr CHAIRMAN: Is that a question or a statement?

Mr WOOD: I do not make too many statements, but I thought I would put that one in. Chief Minister, you say in the budget you are broadening the economic base. If that is the case, will you support more than one uranium mine in the Northern Territory?

Mr KNIGHT: What does that have to do with the budget?

Mr WOOD: We are talking about major projects and broadening the economic base. If you had more than one uranium mine, you would be broadening the economic base.

Ms MARTIN: Mr Chairman, what I consistently say about broadening our economic base and energy sources - and I am sorry that the member was not there at SEAOCC yesterday morning, and I outlined how we would deal with gas and certainly ...

Mr Wood interjecting.

Mr CHAIRMAN: Member for Nelson, will you just let the Chief Minister finish, please?

Ms MARTIN: ... and the opportunities we have from gas and downstreaming, I believe that there will be opportunities in the Territory, and that has been my very strong mind.

Mr WOOD: Through you, Mr Chairman, the reason I do not get to SEAOCC is because it is a very intensive forum to go to. I am going to - excuse me ...

Mr CHAIRMAN: Member for Nelson, one of your constant criticisms of the Estimates Committee hearing is the lack of time you have to interrogate the budget documents. Time and again, every year, we hear this complaint from you ...

Mr WOOD: Actually, I have ...

Mr CHAIRMAN: No, let me finish.

Mr WOOD: No, you are wasting time.

Mr CHAIRMAN: No, let me finish because you are complaining constantly ...

Mr WOOD: No, you are wasting our time.

Mr CHAIRMAN: ... about it. Deal with the questions, please.

Mr WOOD: Thank you, Mr Chairman. No, I have no further questions in that section.

Mr CHAIRMAN: Are there any further questions for Output Group 2.1? That being the case, that concludes consideration for Output Group 2.0.

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 for Executive, Ministers and Leader of the Opposition. Are there any questions?

Ms CARNEY: Thank you, Mr Chairman. Chief Minister, the budget for this area has increased significantly since you came to office - I think \$4m or so is significant - in 2001-02, for providing assistance to government as well as the Leader of the Opposition. About \$15m was allocated. It has gone up over the years of your government - \$14m, \$17m and now it is up to \$19m. Can you explain what has been the reason for the increase over a relatively short period of time?

Ms MARTIN: I am just needing to find those documents. Part of the reason for that increase - and it is one that is certainly shared by the Opposition Leader - is the high cost of employment and of operational areas to do with government. Five years ago, we had seven ministers. Decisions have been made in that time to increase the number of ministers, and probably each time you increase a minister you look at \$1m. Therefore, there have been increases. However, if you are going to do like with like in terms of the last CLP budgets for this particular area, we are not that far out. If you take the CPI increases and other things, and nine ministers compared with nine, it is pretty much on a par in staffing on the fifth floor - we are just about

the same as the Burke administration. Both with staffing and the operations of the fifth floor and these areas of government, we are keeping it relatively efficient.

Ms CARNEY: In 2005-06, the budget was \$17.7m. There has been a \$2.7m jump to this year's budget of \$19m. Is your answer still the same, by way of explanation, as to why that has gone up, really quite significantly in one budget, from one budget to another?

Ms MARTIN: In the original 2005-06 budget, it was \$17.79m. There was a revised budget for 2005-06, which was \$18.95m. One of the major reasons there was an increased ministry, being about \$1m-worth. We have seen some minor adjustments from that 2005-06 revised estimate to the 2006-07 budget, which is not a significant increase.

Ms CARNEY: The budgetary allocation for 2005-06 was \$17.7m. The estimate was \$18.9m. In other words, a blow-out. Then it seems as though you have corrected it by allocating, essentially, yourselves an extra \$2.7m. Is that not the case?

Ms MARTIN: No, the case is that I do not know where the \$2.7m is, and it is not a blow-out. When you put an additional ministry on – which we did put a ninth ministry on - you have to fund it.

Ms CARNEY: Yes, but the blow-out in budget 2005-06 \$17.7m; budget 2006-07 ...

Ms MARTIN: But that revised estimate had that extra ministry in it.

Ms CARNEY: Well, the estimate was an extra \$1.2m, so the estimate for the 2005-06 budget was an overspend of \$1.2m.

Ms MARTIN: There was increased corporate overheads which include the Opposition Leader's Office as well, and ...

Ms CARNEY: All \$850 000 of it.

Ms MARTIN: But there was. In terms of percentages, yours was the most significant increase of any office.

Ms CARNEY: We will come to that, don't you worry.

Ms MARTIN: A most significant increase. In terms of ...

Ms CARNEY: You cannot say that we were responsible for the ...

Ms MARTIN: To use emotional terms like blow-out – it was not the case. It certainly was not the case. We increased the ministry and, therefore, those costs of an additional minister had to be met. They were identified in the budget and in the budget papers.

Ms CARNEY: I am perplexed at the Chief Minister's reference to the Leader of the Opposition's budget. We have heard - and I will come to the figures shortly - that there has been a significant increase to ministerial budgets and not the Leader of the Opposition's budget. Why did you say what you did in relation to the last budget?

Ms MARTIN: I can get the Opposition Leader that figure of how much the increase was to her budget at the end of last financial year. However, if you look at the 2005-06 numbers for individual offices, any increase this year, it is very small - very small.

Ms CARNEY: We can come back to that later, time permitting. I do not regard any event about a \$2.7m increase from one budget to another as quite small. I am sure Territorians would be interested to hear you refer to that as quite small. Meantime, I need to ask you some questions about staffing on the fifth floor. How many staff currently – right now – are employed on the fifth floor of Parliament House?

Ms MARTIN: There are currently 83 staff employed on the fifth floor.

Ms CARNEY: Is that 83?

Ms MARTIN: That includes your office and the staff member employed by the Independents.

Ms CARNEY: Okay. How many are employed in your Alice Springs office, known as the Office of Central Australia?

Ms MARTIN: It is five or six. Five, I think. Five or six, but I can get you that exactly. I just do not have that breakdown right here.

Mr CHAIRMAN: Do you want to take that as a question on notice?

Ms CARNEY: No, I am across the road, I can count them as they go in, thanks, Mr Chairman. The Chief Minister should swing by. Chief Minister, do you have in table form ...

Ms MARTIN: I can give you all their names. I am just not quite sure of each one's employment status and I would not like to actually say that here in estimates.

Ms CARNEY: The question was how many did you have, and you did not know the answer in any event. Do you have, in a table form, details of how many staff are employed here as well as Alice Springs and what their levels are? Yes, I will ask that question.

Ms MARTIN: We have 83. There are 83.

Ms CARNEY: Do you have any tabled form as to their levels as well?

Mr CHAIRMAN: By classification.

Ms CARNEY: Thank you. By classification? I have a hunch that in previous years, you may have and that you tabled them. If I am mistaken, please say so but, in the interests of time, if you have them and you table them, that would be of assistance.

Ms MARTIN: In the total ministerial office, can I just say that there are six staff in the Office of Central Australia.

Ms CARNEY: Six?

Ms MARTIN: Six. Total ministerial officers, the positions are one ECO4, one ECO ...

Ms CARNEY: Sorry. Where is this for? Total ministerial officers here or Alice Springs, are you talking about?

Ms MARTIN: Across the board.

Ms CARNEY: Across the board?

Ms MARTIN: One ECO3, two ECO2s, 10 ECO1s, one EO3, two EO2s, nine EO1s, 17 AO8s, five AO7s, seven AO6s, two AO5s, 22 AO4s, two AO3s and one AO1.

Ms CARNEY: Thank you. Do you want to table that information or does it have ...

Ms MARTIN: No. We have given you the information that you asked for.

Ms CARNEY: Can you also advise whether you have any departmental staff in any ministerial offices on the fifth floor.

Ms MARTIN: As at 31 May, there were seven departmental liaison officers.

Ms CARNEY: Can you tell me what salaries component of the line item recorded in these budget papers include the salaries of departmental staff in ministers' offices?

Ms MARTIN: They are paid by the departments.

Ms CARNEY: They are seconded and ...

Ms MARTIN: Yes.

Ms CARNEY: All right. Are salary costs provided anywhere specifically in these budget papers about staff in your office?

Ms MARTIN: Salary costs? Specifically, just salaries?

Ms CARNEY: Let us say employee expenses.

Ms MARTIN: There is a line item, as is always there, in support to executive, ministers and Leader of the Opposition.

Ms CARNEY: Clearly, I am referring to your annual report which lists at page 100 - that is the 2004-05 annual report - all of the costs including employee expenses and operating expenses. What is the difference – employee expenses? For Territorians to work out how much and your ministers, including my office - all six of us - are costing them, they cannot really work that out from the budget papers. If they want to see it minister by minister, they need to go the annual report. Correct?

Ms MARTIN: Yes.

Ms CARNEY: Does your Communications and Marketing Unit release any information about how much it is costing Territorians to employ staff members to government ministers?

Ms MARTIN: The department's marketing communications?

Ms CARNEY: Yes.

Ms MARTIN: It is departmental employment and that is separate to ministerial employment.

Ms CARNEY: Do the salary costs on page 34 of Budget Paper No – well, I will rephrase that. It might include salary costs, but an average person would not be able to work out from the information on page 35 what was salary and what was operating expenses, would they?

Ms MARTIN: That is why we have estimates and annual reports. I have been 11 years in this parliament, and I stood in the parliament asking questions in different estimates processes of CLP ministers who said: 'Why you are asking me that question? You can find it in an annual report'. It was a fairly tough line, but it was always pointed out that the budget paper has certain broad activity in it and the annual report will give you those specifics.

Ms CARNEY: How many staff were employed as media advisors or otherwise engaged in marketing or communication activities for government ministers on the fifth floor?

Ms MARTIN: Each minister but one has a media advisor. One was shared between two ministers so that means eight, and there is an overall media coordinator.

Ms CARNEY: The overall media coordinator, was that position known as Director of Communications, Mr Ross.

Ms MARTIN: Yes.

Ms CARNEY: Okay. Is there a Deputy Director of Communications?

Ms MARTIN: No.

Ms CARNEY: You have eight media advisors and a Director of Communications. What does the person in that position do?

Ms MARTIN: Sorry, which position?

Ms CARNEY: The Director of Communications, Mr Ross.

Ms MARTIN: The Director of Communications coordinates the media advisors for each different office.

Ms CARNEY: What does that mean? What? He coordinates them in the parking area? What do you mean? Explain to us. What does he do?

Ms MARTIN: Regarding media for ministers, what we want is a coherent strategy for a week, two weeks or a month. Each office will work to their ministers but there is needed a coordinated approach. It can be as simple as saying everyone decides to come out on a Tuesday and make an announcement. That is the role of the coordinator of media – and a lot more things as well, but that is one of the fundamental activities.

Ms CARNEY: Thank you. Does the Director of Communications have any staff working directly to him?

Ms MARTIN: He might have a half position in administration.

Ms CARNEY: Okay. Pretty much everyone has a media advisor, although one shares. The Director of Communications has, you think, half a staff member working to him. You also have a Communications and Marketing Unit in the Department of the Chief Minister which last year spent \$1.9 m promoting you and your activities. Are there any other extra bits that Territorians are paying for in order to assist you with defining and refining your political message on a daily basis?

Ms MARTIN: That is the extent of our media advisors. They are very important; it is important that Territorians know what the ministers are doing on behalf of Territorians. It is effective and not extravagant communications. It probably replicates very much what the CLP had when they were in office.

Ms CARNEY: I do not know. With respect, I am not fussed about what was said then. I am interested in what is here now for this budget and how much Territorians are going to pay for all of these people to make you look better. Chief Minister, how many government departments have media units?

Ms MARTIN: I cannot give you that answer. I can tell you that the Department of the Chief Minister has a Marketing and Promotions Unit for across government. That question probably will have to be asked of each minister. Essentially, as I understand it, each department would have a media unit - a small marketing and promotional unit.

Ms CARNEY: Okay, a marketing unit for each department. I agree, I believe they are in each department. Some have between 3 and 5 staff members in them. Would you agree?

Ms MARTIN: I cannot give you those numbers. That is a question you will have to ask individual ministers.

Ms CARNEY: Does it follow that the cost of these media units in each department will be paid for by that specific department rather than be paid for by the Department of the Chief Minister?

Ms MARTIN: No, they are paid for by those departments.

Ms CARNEY: All right. Do those media units transcribe interviews ...

Ms MARTIN: We have a media monitoring unit ...

Ms CARNEY: ... in your government departments?

Ms MARTIN: ... that does that transcription.

Ms CARNEY: Okay, so the media monitoring unit is upstairs on the fifth floor.

Ms MARTIN: Yes, exactly as it was with the CLP.

Ms CARNEY: Inside the - well look ...

Ms MARTIN: In fact, with some of the same personnel.

Mr WOOD: You wanted to get rid of it.

Ms CARNEY: Chief Minister, when the CLP came into government, I was about 13 years old, so I really do not need or desire lectures from you or smart comments about the CLP. This estimates process is as ...

Ms MARTIN: The member for Greatorex might have told you.

Ms CARNEY: ... you well know, is about your ...

Ms MARTIN: ... because he was a minister in the last government.

Ms CARNEY: ... budget, Chief Minister.

Ms MARTIN: Yes.

Ms CARNEY: Thank you, Chief Minister. The media monitoring unit in your office – is that where all of the media interviews are transcribed - yes or no?

Mr CHAIRMAN: Answer that if you like, Chief Minister.

Ms MARTIN: A number of those media interviews are transcribed.

Ms CARNEY: Where are the others transcribed?

Ms MARTIN: Some of the media services are used, but I would have to ...

Ms CARNEY: Like Rehame, for instance?

Ms MARTIN: Rehame and other ones like it. As I understand it, Rehame, but maybe not only Rehame. I cannot give you those details accurately because I do not have them with me. I can take that on notice ...

Ms CARNEY: Okay, I will ask the question on notice.

Ms MARTIN: I would not like to give the Leader of the Opposition any inaccurate information.

A member: Of course not.

Question on Notice

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

Ms CARNEY: Can the Chief Minister provide details of who types up all media interviews used by government, specifically including any outsourcing to media monitoring agencies such as Rehame?

Mr CHAIRMAN: Do you accept that question on notice Chief Minister?

Ms MARTIN: I do.

Mr CHAIRMAN: For the purposes of Hansard, I allocate that question No 3.5.

Ms CARNEY: Thank you. Chief Minister, is it the case that in the media units inside all of these government departments, they type up interviews done by you or your colleagues?

Ms MARTIN: Mr Chairman, I do not have any detailed knowledge of what the other department's media units do. I know what my Marketing and Promotions Unit does, but I do not know what those other specific units do.

Ms CARNEY: You have in your office a bloke who is the Director of Communications. You have all of these communication units communicating with marketing media units in departments, and you do not know what they do?

Ms MARTIN: I know broadly what they do, but specifics of that you would have to address to each minister.

Ms CARNEY: Do you know what yours does in the Department of Chief Minister? Do they transcribe interviews?

Ms MARTIN: No, they do not transcribe interviews. We have had some detailed discussions about what our Marketing and Promotions Unit does.

Ms CARNEY: Okay. I am asking you as there is a concern that the public service is being abused by you and your ministers in such a way that public servants are being asked - and they do not like it - to perform what are political functions. Hence my questions about these media units and what they are doing. Are you not concerned that public servants themselves - those close to these activities, some of them in these units - feel very uncomfortable with the work they are doing which is pandering to your political aspirations which, I note with interest, probably came to something of an end late this afternoon ...

Mr CHAIRMAN: That is a terribly long preamble ...

Ms CARNEY: It is.

Mr CHAIRMAN: ... Leader of the Opposition.

Ms MARTIN: The question is premised on a lot of supposition that has no basis in fact ...

Ms CARNEY: You have not heard these concerns?

Mr CHAIRMAN: Let her finish.

Ms MARTIN: Departments do the work to promote what departments are doing. They, of course, work with ministerial officers and ministers but, quite properly, they do the activities that departments should do. In Tourism NT, a lot of effort is spent in that agency working on promotions in tourism, in communicating what tourism is doing in marketing. That is the task for Tourism NT.

Ms CARNEY: Okay. In relation to the Director of Communications in your office, your media people, government media people, media marketing units inside the department, and the communications unit inside the Chief Minister's Department, can we turn to what is called the Ministerial Support Unit. Can you tell us what the Ministerial Support Unit is, who pays for it and does it come out of your office?

Ms MARTIN: The Ministerial Support Unit is things like the Media Monitoring Unit. It is about the Community Liaison Unit. It is parts of support to ministers that work across all ministers. It used to be identified as part of the Office of Chief Minister's budget, and it has been separated to show that it is a separate item that works across the different ministers' offices.

Ms CARNEY: How much money does the Ministerial Support Unit have, in the last financial year?

Ms MARTIN: The employee expenses are about \$1.2m, and operating expenses for the coming year, \$214 000.

Ms CARNEY: Where is it? Where is the Ministerial Support Unit? Is it up in your office? Is it run out of your office?

Ms MARTIN: Yes, it is on the fifth floor.

Ms CARNEY: Does it come out of ...

Ms MARTIN: But it is not a new thing. Previously, it was always considered part of the Office of the Chief Minister broadly.

Ms CARNEY: Fine, but does it come out of your budgetary allocation? For instance, in your annual report, page 100, your budget there was \$4.883m. So, it comes out of that one there?

Ms MARTIN: Yes. We split it to identify the specific support that I have as a minister, and then the support that operates across all ministers; for example, the media monitoring.

Ms CARNEY: Does the Ministerial Support Unit produce material such as brochures, leaflets, things that could commonly be called political propaganda? Does it do that sort of thing? You know what I am talking about.

Ms MARTIN: No, I am not sure what you are talking about.

Ms CARNEY: What does the Ministerial Support Unit produce, or do they just sit around typing up interviews? Surely not, with a budget in excess of \$1.4m?

Ms MARTIN: No, no. I referred to the media monitoring that is separate to a lot of the work that is done with working with Protocol about events, about community liaison. There is work that is done in working with our community broadly. There are a lot of activities that happen in that Ministerial Support Unit.

Ms CARNEY: When you say community liaison, what does that mean?

Ms MARTIN: Community liaison is working with different community groups. It is knowing what happens in those community groups; it is keeping those contacts alive and well.

Ms CARNEY: How many staff are employed in the Ministerial Support Unit?

Ms MARTIN: There are 10 staff and two casual AO3s.

Ms CARNEY: That 10, is that included in the figure you gave me for the staff before?

Ms MARTIN: Certainly.

Ms CARNEY: Do the 10 people who work in your Ministerial Support Unit also help Labor backbenchers?

Ms MARTIN: In what way?

Ms CARNEY: Any way but, since you are pressing me, for instance helping them design and publish their very glossy brochures - and here is but a sample. These are all templated. Of course, you would expect that we have them for other Labor members. There is a certain sameness to these newsletters. I am wondering whether, with taxpayer money, your Ministerial Support Unit would be assisting government backbenchers with their newsletters?

Ms MARTIN: As a caucus, most of us have the same kind of format for our newsletters. From the member for Fannie Bay's point of view, I have had a different newsletter for 10 years, but made an agreement that we would all change to a similar shell. If there is an issue that members would like to have in their newsletters, sometimes the detail of that will be provided by a minister's office, quite appropriately. Then, from an electorate office, the member will then construct that in their own newsletter. The newsletters are produced in electorate offices, but supported by ministers. If the member for Port Darwin wants to have something about the waterfront, my office will certainly give her the details of how to do that.

Ms CARNEY: So, the Ministerial Support Unit does or does not do the design and layout of all of the backbenchers' newsletters?

Ms MARTIN: No. That is done by the individual member.

Ms CARNEY: Okay. Does the Ministerial Support Unit publish documents? If so, what sort of documents?

Ms MARTIN: It can produce letters, but not publish documents as such. For example, if somebody has a birthday, we would send them a letter and that would come from the Community Liaison Unit. If somebody has a wedding anniversary, that will come similarly.

Ms CARNEY: When you say 'we', does it come from the relevant minister, or does it come from Clare Martin, Chief Minister?

Ms MARTIN: Myself.

Ms CARNEY: While it assists other ministers, you are the one who writes the birthday letters? Correct?

Ms MARTIN: In this case, that is what it could do for me.

Ms CARNEY: I did not think you had much in common with one of my federal colleagues but, clearly, you do, and I am sure you will be delighted to hear it. If you could just bear with me. Why is the Ministerial

Support Unit, that cost Territorians \$1.4m last year, not included in the ministerial expenditure in the annual report? Is there a reason for that?

Ms MARTIN: There has been a change of treatment, as I said, because it was included in the budget for the Office of the Chief Minister. Now we have separated it as a separate line item. That is all. If you put the two together you will get that sum in the annual report. It is a change of treatment.

Ms CARNEY: Do the media marketing units in other departments produce documents, leaders and so on, as well or in addition to Ministerial Support Unit?

Ms MARTIN: I cannot answer for other departments, but I can answer, for example, for Tourism NT, which I hope is relevant to this output, Mr Chairman. There will be letters written by my agency for me as minister to sign. Much of the documentation that supports me as the Minister for Tourism comes from my agency – quite appropriately.

Ms CARNEY: You said that the employee expenses for the Ministerial Support Unit was \$1.2m. You also said that it had 10 people. Could you outline how much each person is being paid and what their level is?

Ms MARTIN: I cannot give the levels of those. I gave the broad levels right across the fifth floor – or the ministerial offices. I will have to take that question on notice.

Ms CARNEY: Thank you.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, Leader of the Opposition, could you please re-state that question?

Ms CARNEY: Chief Minister, in an earlier answer you said that the Ministerial Support Unit costs \$1.2m in employee expenses and that it employed 10 people. Can you provide details of the level each employee is employed at?

Mr CHAIRMAN: Will you take that question on notice?

Ms MARTIN: Of course I will, Mr Chairman.

Mr CHAIRMAN: For the purposes of Hansard, I allocate that question No 3.6.

Ms CARNEY: Thank you.

Mr CHAIRMAN: Please continue.

Ms CARNEY: Chief Minister, we have communication units inside the departments, 83 ministerial staff, which includes media advisors and those who work in this entity called the Ministerial Support Unit. You have a Director of Communications; there are media units inside most departments which, of course, would not do anything contrary to the government's interest. The total allocation for the ministerial expenditure in this current budget is \$19m. The Leader of the Opposition's budget is \$850 000. Any chance of an increase?

Ms MARTIN: It is very interesting because the Opposition Leader rails constantly about the expenditure from this government and, when she gets half an opportunity, says: 'How about some for me?' It is a little inconsistent.

Ms CARNEY: I will take that as a no. Chief Minister, you are aware that the cost of my travel as the member for Araluen to parliamentary sittings has traditionally been paid by the Legislative Assembly. That is going to change on 1 January and my travel for sittings, estimated this morning at about \$50 000 per year will come out of my budget - that is, the Leader of the Opposition's budget - thereby limiting the capacity of the Leader of the Opposition's Office to perform its function. Will your department provide the Leader of the Opposition's Office with additional funding so there is no negative impact on my office and I am not limited in the performance in my role as Leader of the Opposition?

Ms MARTIN: Mr Chairman, I am very happy to sit down or have my department sit down with the Opposition Leader and work out a reasonable arrangement on that.

Ms CARNEY: Thank you. Chief Minister ...

Ms MARTIN: I point out that, while we are talking about the numbers for the support of ministerial offices in this output, these numbers include Protocol and the Cabinet Office. Therefore, when the Opposition Leader says we are talking about a significant sum of money, we are talking about a number of other functions that support government. There is no doubt about it, Protocol spends a bit of money.

Ms CARNEY: However, in the annual report at page 100, where it lists your total expenses - Hon C Martin at \$4.883m, Syd Stirling at \$1.213m and so on - Protocol is not included in those figures?

Ms MARTIN: I am just talking about the total number across this output.

Ms CARNEY: Nice try. Chief Minister, after coming to government, you created the Office of Central Australia which, as an Alice Springs resident, I thought then, and I still think, is a good idea.

Ms MARTIN: It used to exist before we came to government.

Ms CARNEY: No, not ...

Ms MARTIN: Oh, it did absolutely.

Dr LIM: But you did not call it ...

Ms CARNEY: Hang on. Chief Minister, with respect it did not. It was not called the Office of Central Australia. It did not have five or six staff in it. Let me refresh your memory. It was called the Office of the Chief Minister and it had one person in it, plus an admin. However, I was paying you a compliment. I was saying I think the Office of Central Australia is really good. It is really good because it demonstrates to the people of Alice Springs – whether they believe it or not is another thing – that you think you should have some staff there. As an Alice Springs resident I applaud that. I appreciate the long preamble and my question is: do I assume that the establishment of that office by you was a recognition by you and your ministers that it would assist you, particularly as Chief Minister, in the performance of your functions for the people of Alice Springs?

Ms MARTIN: It certainly was to work with the people of Alice Springs and Central Australia to try to move through that divide of most ministers being Darwin based, which is a fact of life, and to try and get those working as ministerial officers to work in the same way as a ministerial officer would work in Darwin here in the fifth floor.

Ms CARNEY: Therefore, the six people you have in the office assist you as Chief Minister performing your functions?

Ms MARTIN: And the other ministers.

Ms CARNEY: Sure, and the other ministers. Okay. Chief Minister, given that I, as leader, live in Alice Springs, you would not be surprised to learn I perform a number of my functions as Leader of the Opposition when I am there. Those functions cannot be performed by my electorate officer. Given that you have established and provided funding for the Office of Central Australia, will you provide my office with additional funds so I can employ one person to assist me perform my function as Leader of the Opposition in Alice Springs?

Ms MARTIN: The Opposition Leader gets an allocation to run her office and she can put those members of her office anywhere she likes; therefore, she could have one in her electorate office in Alice Springs if that was appropriate.

Ms CARNEY: All right. So I have \$850 000. You are going to take \$50 000 because the Assembly will not pay for my travel to get to parliament. We have about six staff and you reckon I said that I should get one of my staff members to go to Alice Springs.

Ms MARTIN: No. Leader of the Opposition, I said we would discuss it. We do not have to discuss it with you if you are going to be smart.

Ms CARNEY: Okay.

Ms MARTIN: Sorry, Mr Chairman. The Opposition Leader does not want the department to discuss this travel to parliament with her?

Ms CARNEY: I certainly do.

Ms MARTIN: Is that what the smart remark meant?

Ms CARNEY: No, do not be silly; that is quite absurd. I am simply saying that your answer, 'Well, you get someone from your office up here' is less than satisfactory and certainly not in the spirit of good democracy, as you rallied for and begged for when you were in opposition. My, how things change!

Mr CHAIRMAN: Is that a question, Leader of the Opposition?

Ms CARNEY: Thank you, Mr Chairman. I will ask a question. I have a document here, Chief Minister, that is for your assistance. Mr Secretary, would you be good enough to pass this to the Chief Minister? It is a document with a lot of pages and I am sure it would make your life easier if I gave it to you. Chief Minister, this is a document that refers to your spending. In fact, we have documents that include all ministerial spending in such detail that they are not included in ...

Mr CHAIRMAN: Leader of the Opposition, is that coming from the Estimates Committee? Can I ask what is the source document for this information?

Ms CARNEY: Back of a truck, Mr Chairman.

Mr CHAIRMAN: Are you presenting it from the Estimates Committee? I would be keen to know, as Chairman, just where this document came from.

Ms CARNEY: The opposition, of course, receives information from all sorts of sources like journalists. This arrived at my office ...

Mr CHAIRMAN: Did this come from journalists, then? I am keen to know, as Chairman, where this information ...

Dr LIM: Just like the government says ...

Mr CHAIRMAN: No. We are having information presented to the Chief Minister ...

Dr LIM: For the Chief Minister to look at.

Ms MARTIN: It does not have years; it does not have anything.

Mr CHAIRMAN: I wish to know, as Chairman, what it is. You can proceed. You can put any amount of figures out there, but if we do not know what they are, what are we talking about? Where did they come from and what is the basis?

Ms CARNEY: Let me tell you, I do not think, with the greatest of respect, you are entitled to ask me that question. The Chief Minister well knows what this document is. This is a document from Treasury that lists your spending from July last year up to March this year. Correct?

Ms MARTIN: No, because it does not have any years on it and I cannot – no, no.

Ms CARNEY: Chief Minister, have a look at it.

Ms MARTIN: You are handing me a document that does not have years on it and I cannot give it any credibility. Mr Chairman is absolutely right. I am happy, if you want to talk – we are here in estimates ...

Ms CARNEY: Chief Minister, are you seriously saying that this is a fake?

Ms MARTIN: ... and if you want to ask questions about expenditure in areas of travel, Protocol, whatever, then ask those questions. However, I am not going to give any credibility to a document that does not even have a date on it.

Ms CARNEY: Absolutely, I do. Absolutely, I do. Chief Minister, is it the case that you have exceeded your budgetary allocation in relation to general functions for this financial year significantly? That is one question. I want to put this on notice because I know that you know the currency of this document ...

Ms MARTIN: No. If you ask me questions about what we have expended on ...

Ms CARNEY: ... and any suggestion by you that it is not current is a lie.

Ms MARTIN: Please, Mr Chairman.

Mr CHAIRMAN: Would you retract that statement, please?

Ms CARNEY: I will withdraw it, retract it, Mr Chairman and refer to it as untruth.

Mr CHAIRMAN: Leader of the Opposition ...

Members interjecting.

Ms MARTIN: You have not asked me. Can I say, Mr Chairman, I have not been asked about expenditures in these areas. We have the Opposition Leader accusing me, without asking me any questions about expenditure and to hear any answer that I had, of lying about it. This is incredibly far-fetched.

Members interjecting.

Mr CHAIRMAN: What you are trying to do is ask an unsatisfactory line of questioning.

Ms CARNEY: You are suggesting that this document is not accurate. You have it in front of you, which is why I gave it to you. You know what that document is but you do ...

Ms MARTIN: No, no. I am just saying to you that you have handed me a document that has no years on it. No, I do not see documents like that.

Mr WOOD: A point of order!

Mr CHAIRMAN: Yes?

Mr WOOD: We are discussing a document that the PAC itself has not seen. Can that document be tabled, please?

Ms MARTIN: Can I say, Mr Chairman, if the Opposition Leader wants to ask about expenditure, this is what estimates is about.

Ms CARNEY: Yes, it is.

Ms MARTIN: So, let us have those questions.

Ms CARNEY: Okay. Chief Minister, in the last financial year – no, you can do this without this document. In the last financial year, you have spent the money of Territorians for repeated functions; that is, general functions and non-departmental functions - costs vary. However, do you accept that you alone, Chief Minister, based on these documents, seem to be spending something in the order of \$50 000 per month for functions? Is that justifiable?

Ms MARTIN: Can I clarify if the Opposition Leader is talking about Protocol events? Can I just clarify this?

Mr CHAIRMAN: Can you clarify this please, Leader of the Opposition?

Ms CARNEY: Thank you. The answer is no. It is under Hon C Martin; it is your budgetary allocation.

Mr CHAIRMAN: I do not believe we are referring to that document.

Ms MARTIN: No, we are not.

Ms CARNEY: Well, the answer to your question is no.

Mr CHAIRMAN: On the basis of this document that no one has seen, can you ...

Ms CARNEY: Forget about the document. My question is, nevertheless, relevant despite your heightened desires to slip away from it.

Ms MARTIN: In which area? I am happy for you to talk about what expenditure we have had, but I am not going to work with odd documentation that the Opposition Leader has simply thrown across the table.

Mr CHAIRMAN: We need not go to strange lines of questioning, Leader of the Opposition.

Ms CARNEY: It is very relevant, Mr Chairman, because this is ...

Mr CHAIRMAN: Well ...

Ms CARNEY: Please let me finish.

Mr CHAIRMAN: Well, stick to the budget documents ...

Ms CARNEY: It is a budget document, Mr Chairman. The Budget Paper No 3 at page 34 gives that figure of how much in 2005-06 has been spent on Support to Executive, Ministers, and Leader of the Opposition. That estimate on page 34 is \$18.945m. I could stop there, Mr Chairman, but I have a sneaking suspicion that the people of the Northern Territory would like to know how much the Chief Minister is spending on functions.

With the aid of this document, which the Chief Minister does not accept, I know that it appears as though the Chief Minister is spending something in the order of \$50 000 per month on functions. Chief Minister, are you or are you not spending that amount of money?

Ms MARTIN: No, I am not spending \$50 000 a month on ...

Ms CARNEY: You are not spending that amount of money? Okay. Chief Minister, my next question ...

Ms MARTIN: I can give the Opposition Leader details of what was spent through Protocol, and I am happy to do that if I am asked that particular question. I am happy to explain the situation we faced in the last financial year - very happy to if I get a question about it. However, to think you are being accused of lying in expenditure that has no public basis to what we are talking about, it is impossible to answer, Mr Chairman.

Mr CHAIRMAN: In all fairness, Chief Minister, the Leader of the Opposition did withdraw that statement about lying. However, it is very difficult to answer these sorts of questions, I agree.

Ms CARNEY: Chief Minister, are you aware that the Treasury allocates your spending and lists it in a very detailed form which includes employee expenses, general functions, employee allowances, recreational leave, communications budget, document production budget, legal expenses, library services, marketing and promotion, etcetera. Are you aware that that is what Treasury does in relation to the money you spent during the year?

Ms MARTIN: Treasury has the task of coordinating that. If you would like to ask me about Protocol expenditure or hospitality expenditure ...

Ms CARNEY: No, I would not actually. I just want to talk about your expenditure.

Ms MARTIN: No, I have to talk about my expenditure through Protocol.

Ms CARNEY: I am moving away from functions. We will talk about it somewhere else.

Mr CHAIRMAN: Leader of the Opposition ...

Ms CARNEY: Sorry.

Mr CHAIRMAN: The Chief Minister has the call. If you want her to respond to that question, she ...

Ms CARNEY: You cannot ask the question and then answer it. I am saying no, I do not want to know about Protocol, thank you, I want to ask some more questions about your expenditure.

Mr CHAIRMAN: Leader of the Opposition, I remind you that it is getting towards 10.45 pm. There is a lot to go. As I said, I am very flexible about the preamble to questions, but now you are getting into statements and virtually badgering. I ask you to actually ...

Ms CARNEY: I do not accept the badgering, because the Chief Minister is becoming increasingly belligerent.

Ms MARTIN: Mr Chairman, if the Opposition Leader is simply going to say hospitality, I do know what category she is talking about. I do not know what category - and this is being perfectly honest ...

Ms CARNEY: Preamble.

Ms MARTIN: We deal with hospitality issues, with Protocol, and that is how we normally deal with the expenditure here. I am happy to talk about those different areas, but I do not know the way in which Treasury itemises these things. I also do not know against what criteria those numbers are. So, let us just talk about Protocol and what we said.

Ms CARNEY: No, I do not want to talk about Protocol, thanks. I want to ask you some other questions. This is the bit where I ask the questions and you answer them. Chief Minister, I would like to ask you this question, which has nothing whatsoever to do with Protocol: are you aware that your office has spent, from July 2005 to March 2006, monthly in marketing or under the heading Marketing and Promotion, funds at the average rate of about \$5000 per month? If so, what is it and what is it for? Was the marketing and promotion that your office is billing up for \$5000 a month, give or take?

Mr CHAIRMAN: You will have to be a bit more specific with your question, Leader of the Opposition.

Ms CARNEY: Okay. Chief Minister, in July 2005, your office spent, in Marketing and Promotion, \$4128.46.

Mr CHAIRMAN: Where was that published, Leader of the Opposition?

Ms CARNEY: In this paper, Mr Chairman.

Mr CHAIRMAN: This is the paper that no one knows about, Leader of the Opposition?

Ms CARNEY: Chief Minister, is it the case that in – we can go through it slowly, I have 15 more minutes. My question, Chief Minister - this is Territorians' money, it is not yours – are you aware that your office is spending about \$5000 a month just for this thing called Marketing and Promotion ...

Mr CHAIRMAN: Chief Minister, before we proceed any further with this line of questioning, I want to make it clear to *Hansard* that you are quoting from an unsourced document; that this information does not appear in any budget papers that we have here in front of us. As the Chairman, I am very uncomfortable about unsubstantiated figures being bandied around here, and that you are being asked to respond to them, Chief Minister. In light of that, make your call, but you are being asked to ...

Ms MARTIN: Mr Chairman, I could be totally misleading this estimates if I answer questions based on a document that does not have a date on it, that I do not know how these items are actually constructed against what expenditures. I am happy to talk about what we are expending, but not against these items.

Mr CHAIRMAN: Well, I certainly find this an unsatisfactory situation.

Ms MARTIN: I cannot, in all honesty, give an accurate answer, and so it is a pointless exercise.

Ms CARNEY: Chief Minister, I have been asking you questions all night based on bits of paper I have had in this folder. I am now going to ask you a question - for my own purposes since you have rejected this

for your purposes - about communications. Chief Minister, is it the case that, in July last year, your office spent \$20 153.37 on communications? If so, what were the communications?

Mr CHAIRMAN: May I ask where you are quoting this figure from, Leader of the Opposition?

Ms CARNEY: Yes, my documents, Mr Chairman. It is in accordance with every other question we have asked in this Estimates Committee all day.

Mr CHAIRMAN: Is it from a budget paper, or is it from an annual report?

Ms CARNEY: It is from a piece of paper in my folder ...

Ms MARTIN: It could be a telephone bill, for heaven's sake!

Ms CARNEY: Well, answer the question.

Mr CHAIRMAN: Leader of the Opposition!

Ms CARNEY: Is it the case?

Ms MARTIN: I have no idea.

Ms CARNEY: You do not even know what you are spending with Territorians' money? You poor dill!

Mr CHAIRMAN: Leader of the Opposition, I remind you of Standing Order 51 – 'No member may converse aloud or make noise or ...

Mr KNIGHT: A point of order, Mr Chairman! I would like the Leader of the Opposition to withdraw the comment about the Chief Minister.

Mr CHAIRMAN: What was the comment?

Mr KNIGHT: I believe she called the Chief Minister a dill.

Ms CARNEY: I did call her a dill, and I withdraw the reference to dill.

Mr CHAIRMAN: Thank you, member for Daly. Could we please get a little order? We have 12 minutes, and it would be wonderful to get this thing back on track. We have enjoyed four hours, nearly, of quite convivial conversation. However, it seems to have lost its way a bit.

Ms MARTIN: Mr Chairman, this looks as though it is from GAS. Under the GAS system, it could be telephone calls in the communications. I have no idea; I have never worked the GAS system. I do not even know if this is a current download from that. However, in how things are itemised, I am not sure what the Opposition Leader is talking about. Therefore, I am not in a position to give even any sense of an answer on this. The document should be discredited and dismissed from this estimates.

Mr CHAIRMAN: This document does not belong to the Estimates Committee, Chief Minister. It is not part of the estimates documentation ...

Members interjecting.

Mr CHAIRMAN: What you are dealing with, Chief Minister, is a set of figures that the Leader of the Opposition is plucking out of the air, and you and everyone else should treat these figures as such.

Dr LIM: Speaking to the point of order, Mr Chairman. You sought for the paper to be tabled. It has been tabled, therefore, it has to be accepted by the committee. What the committee does with the paper thereafter ...

Mr CHAIRMAN: There is no point of order.

Dr LIM: What? There is no point of order? We cannot have the ...

Mr CHAIRMAN: There is no point of order.

Dr LIM: Is it tabled? Is it tabled or not?

Mr CHAIRMAN: It is a tabled document. It is nothing for the Estimates Committee.

Dr LIM: It is a tabled document. Good.

Ms CARNEY: Chief Minister, in relation to your expenditure, how much do you or your office spend on entertainment or hospitality per month?

Ms MARTIN: Over the period of the last financial year – let me get the right figure here - the total of ministerial offices was \$149 453 on hospitality; the government ministers in total was \$133 504; and the Opposition Leader was \$15 949. The Independent members were zero.

Ms CARNEY: Chief Minister, you have referred to other ministerial offices. My question was about you and your office.

Ms MARTIN: My office over that period of time, on hospitality, spent \$32 435.

Ms CARNEY: \$32 000?

Ms MARTIN: And \$435.

Ms CARNEY: When you hold functions, there are, of course, general functions which are paid for and come out of Protocol - things like, I would imagine, the Supercars, Territory Day celebrations, that sort of thing. They would be pretty stock standard. Do you organise any other functions that have a budgetary implication for your office, over and above the obvious ones?

Ms MARTIN: Do I personally?

Ms CARNEY: Yes.

Ms MARTIN: Not big ticket items. Maybe I would have a few people on the verandah for drinks - very low key. I know other ministers do that as well. It is not a formal Protocol function, but it would be using the verandah at ministerial office for people from an industry group. I know I have joined the Education minister for ones for teachers. Those kind of events are held, and that sum is then included in the ministerial offices of \$149 453. I believe the Opposition Leader does this kind of thing.

Ms CARNEY: Sorry?

Ms MARTIN: The Opposition Leader does the same thing.

Ms CARNEY: We have people over.

Ms MARTIN: Exactly.

Ms CARNEY: Can you remember whether, in July last year which, of course, was after the election, you had a few people over, and whether it would have cost something in the vicinity of \$9000, to have those few people over in that very low-key event. Did you have a function for that figure - which cost you \$9000?

Ms MARTIN: Personally - and I am very happy to check - mostly my functions are Protocol ones. I do a fair amount of Protocol events. Very rarely do I have drinks on the verandah. I tend to be spending a lot of my time going to other events outside the parliament. The Jingili preschool annual dance, which I went to last Friday night, was just delightful.

Mr CHAIRMAN: Did you lead the high life there?

Ms MARTIN: I did.

Ms CARNEY: Chief Minister, can you indicate whether – I just want to get back to communications. We have talked a lot about communications today. We have talked about the communications unit inside the department and the Director of Communications in your office - the word has come up a lot. Does your office have allocations for communications? You said earlier that you did not know whether communications were telephones or whatever.

Ms MARTIN: GAS does accumulate those kind of costs under those headings like communication. I am just saying this document is rubbish.

Ms CARNEY: Oh, well, I am sure a lot of people will be very interested to hear you say that. In fact, they are probably listening now. Do you know what your monthly expenditure would be for communications just from your office?

Ms MARTIN: Communications for what – telephones?

Ms CARNEY: Well, I do not know. What else could it be for? Telephones.

Mr CHAIRMAN: Well, do you mean telephones ...

Ms MARTIN: These are the kind of ...

Ms CARNEY: I am thinking that it could have been staff ...

Ms MARTIN: I have no idea of what the ...

Ms CARNEY: Could it be ...

Ms MARTIN: ... telephone bill is in my office. If the Opposition Leader would like to ask me a specific question about that, I am happy to get the information. However, it is probably a bit tricky to actually identify, I suspect.

Ms CARNEY: Just one tick. We have also talked about marketing and promotion. Do you think there would be a separate line item for marketing, or is there any way of tracking what could be called marketing and promotion from your office, other than just coming up with a total figure that is contained in your annual report at page 100? It has your name there, \$4.883m. Is it not the case that you would have monthly figures of marketing and promotion?

Ms MARTIN: You mean marketing and communications like these ...

Ms CARNEY: Well, similar to that - probably not as good as that ...

Ms MARTIN: ... which totally breach the guidelines. Look at that – CLP. It is supposed to be CLP Opposition - direct breach of guidelines here ...

Ms CARNEY: You have misunderstood ...

Ms MARTIN: What kind of communication? Is it that kind of communication, Opposition Leader?

Ms CARNEY: Anyway - yes right. No, no, no, no, you misunderstood. I asked the ...

Mr CHAIRMAN: Let the Chief Minister answer, please.

Ms MARTIN: Is it that kind of communication, Opposition Leader? You know the guidelines for this.

Ms CARNEY: You have been wanting to do it all day, so you ...

Ms MARTIN: Taxpayers pay for this and you directly breach guidelines by using CLP rather than CLP Opposition ...

Ms CARNEY: A point of order, Mr Chairman ...

Ms MARTIN: We have an Opposition Leader who ...

Ms CARNEY: A point of order, Mr Chairman! My question ...

Ms MARTIN: ... is breaching her own guidelines, breaching the guidelines.

Mr CHAIRMAN: One moment please, Chief Minister.

Ms CARNEY: Thank you, Mr Chairman.

Mr CHAIRMAN: Yes.

Ms CARNEY: My point of order is this: my question was very specific to the Chief Minister. How much does she spend on marketing and promotion in her office? The question is not about my office, it is about yours. It is about your \$4.883m. I ask her to answer the question ...

Mr CHAIRMAN: Leader of the Opposition, there is no point of order ...

Ms CARNEY: Mr Chairman, that is what I thought ...

Ms MARTIN: I can give an overall figure, Mr Chairman ...

Mr CHAIRMAN: The Chief Minister can answer it.

Ms CARNEY: Thank you.

Ms MARTIN: ... for marketing and promotions. Marketing and promotions across all the ministerial offices to May 31 was \$160 549. The ministers in total were \$121 759, and the Opposition Leader was \$38 790.

Ms CARNEY: Okay, thank you. You talked about ministers. Can I ask what was your budget or spending, given that we ...

Ms MARTIN: Marketing and promotions, my budget, my expenditure was \$77 725.

Ms CARNEY: That is from July 2005, anticipated to two week's time?

Ms MARTIN: To 31 May.

Ms CARNEY: 31 May, okay, all right. Chief Minister, you talk ...

Ms MARTIN: I just make the point that - does that include the Cabinet office secretariat?

Mr TYRRELL: No.

Ms MARTIN: Yes. A lot of that expenditure, Mr Chairman, from my office includes things like death notices. It probably includes a lot of what we do in the *NT News* which is doing support advertisements for advertorials. My office also had ministerial recruitment ads come into that budget. Part of the nuclear dump work came out of that marketing and promotion. There is support for V8 Supercars. There is a whole range of things that come into that sum of \$77 000.

Ms CARNEY: I just lost a document, but I will not be long. Chief Minister, when you employed your staff - and we have talked about how many you have employed and what they are employed at, and about the ministerial support unit and how those employee expenses for those 10 people amounts to about \$1.2m - employees get salaries. There are also those who get allowances. What other allowances do your staff get?

Ms MARTIN: Travel allowance – to be accurate, I would have to take that one on notice. The terms of the employment of staff on the fifth floor are dealt with by people who have expertise in that.

Ms CARNEY: Sure.

Question on Notice

Mr CHAIRMAN: For the purposes of Hansard, could you please re-state that question?

Ms CARNEY: Yes. Chief Minister, in addition to the salaries you pay your staff, what other allowances do they receive?

Mr CHAIRMAN: Chief Minister, will you take that question on notice?

Ms MARTIN: Yes.

Mr CHAIRMAN: For the purposes of Hansard, I allocate that question No 3.7.

Ms CARNEY: Mr Chairman, if I may – and I note that time is against us; I have a few seconds left – the paper I referred to earlier is a tabled paper. Because it was tabled it is, therefore, a paper for consideration of the committee. I ask that the committee consider it as part of its deliberations in due course. Thank you for your attendance.

Mr CHAIRMAN: We will probably talk about it in the committee, Leader of the Opposition.

Ms MARTIN: Mr Chairman, can I just say that I am extraordinarily disappointed that we have run out of time to do Tourism.

Ms CARNEY: So am I.

Ms MARTIN: Tourism employs the most Territorians ...

Ms CARNEY: Give us more time and we will do it. Mr Chairman, the Chief Minister's time has run out.

Ms MARTIN: Fifteen percent of our workforce is in tourism. It is one of our biggest economic generators and we are doing a lot of exciting work ...

Ms CARNEY: A point of order please, Mr Chairman! My point of order is that the time has expired. If you are going to commit more time, then I would be grateful if I could ask some more questions ...

Mr CHAIRMAN: Leader of the Opposition, I do believe the time has expired. I am not so ignorant as to cut someone off mid-sentence. I believe we can all have a little grace and latitude to let someone finish their sentence.

Ms CARNEY: A speech, Mr Chairman.

Ms MARTIN: I am just saying on behalf of the shadow Tourism minister, who I am sure had some very important questions to ask ...

Ms CARNEY: Well, they have not asked you to step down from that one, have they?

Ms MARTIN: I am very disappointed we did not get to Tourism; one of the biggest economic drivers in the Territory.

Mr CHAIRMAN: Thank you, Chief Minister. On behalf of the committee, I would like to thank the Chief Minister for her attendance and all officers who have provided advice to the Chief Minister today.

Ms MARTIN: Thank you, Mr Chairman. Thank you, committee.

The committee suspended.
