

**Dr BURNS (Chairman):** Good morning ladies and gentlemen, it is 11 am by my clock, and it is coming up to eleven on the clock on the wall, so I would like to declare open this meeting of the Estimates Committee of the Legislative Assembly of the Northern Territory on Tuesday, 17 September 2002. I extend a warm welcome to everybody present. I intend to make some preliminary comments of a formal nature and also outline the basic procedures for the conduct of these public hearings.

I would like to table a copy of the resolution of the Legislative Assembly dated 20 August 2002, which refers to this committee the schedule of the Appropriation Bill 2002-03 and related budget documents. The role of the committee is to now examine and report on the estimates of proposed expenditure contained in that bill. This order effectively uses the current Public Accounts Committee members as the core membership of the Estimates Committee.

I also table the minutes of the meeting of the Public Accounts Committee dated 12 September 2002, which records the appointment of the member for Sanderson, Mr Len Kiely, as a Deputy Chair of the committee in accordance with paragraph 7 of the terms of reference.

I also advise that representatives of the media are present and are able to report and rebroadcast proceedings of this hearing, in accordance with the resolution of the committee. That is a first, that the media will be here to record and rebroadcast the proceedings of this particular Estimates Committee.

By way of background, I record the significance of this meeting, which constitutes the first hearings of the first Estimates Committee of the Legislative Assembly of the Northern Territory. Most of you would be aware that the process was a long standing policy of the new government, which has been implemented after discussion and debate in the Legislative Assembly, and following an inquiry and report of the Public Accounts Committee. I should also point out that the conduct of the Estimates Committee process in respect of this year's Appropriation Bill will be subject to review by the Public Accounts Committee. This review will include any recommendations for proposed changes to the administration and procedures of the Estimates Committee process for report back to the Legislative Assembly by the first sittings in 2003. This reporting time frame is for the purposes of implementing any proposed changes in time for next year's Appropriation Bill and Estimates Committee process, which will occur in May and June 2003.

I will now outline some of the procedures for members of the Legislative Assembly, and for members of the public. This will be a brief outline of the conduct of the procedures for these hearings. In accordance with the resolution of the Assembly, particulars of proposed expenditure contained in the Appropriation Bill will be considered on an output group by output group basis, followed by an output by output basis. In accordance with the resolution of the Estimates Committee, the order of consideration will be in accordance with the schedule of ministers' appearance, which is being published for members and, I believe, will also be available to media and members of the public. Over the next three days of public hearings, we will work through this document as the agenda for the committee.

It should be noted that, to allow questions to be addressed to ministers with principle administrative responsibilities for particular portfolio areas, it has been necessary to introduce the schedule, which does vary somewhat with the schedule to the Appropriation Bill and the listing of agencies in Budget Paper No 3. This variation has been agreed to by all parties.

Questions involving more than one output group across agencies will be asked first in respect of each agency, and then consideration will proceed on an output by output basis. You should also note that the questions as listed are numbered, but they do not always appear to be in a sequential order. This is because the questions were initially numbered during processing, and then subsequently allocated to various portfolio areas. It is proposed that questions be asked in the following order: written questions, followed by relevant supplementary questions, and then other oral questions that relate directly to the output under consideration. In accordance with the resolution of the committee, I propose to invite shadow ministers to ask their written questions first, followed by supplementary questions flowing from the written ones. I will then invite members of the committee, and then other

members of the Legislative Assembly, to follow with questions in accordance with the above arrangements.

Procedures for dealing with questions on notice are contained in the manual for members of the Legislative Assembly; copies of which have been distributed throughout the room.

It is proposed that there will be suspensions at appropriate time for meal breaks as agreed to by the committee. We will aim to be breaking between 12 noon and 12.30 pm for lunch and 6.30 pm and 7 pm for dinner. The duration of the break will be for one hour. These arrangements may be varied with the agreement and consent of the committee.

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

Identification of Witnesses: for the purposes of the efficient recording of *Hansard*, I would request that ministers introduce those officials who are accompanying them at these hearings - I guess ministers and the Speaker in this case. Where a minister may refer a question to an officer, that the officer clearly identify themselves at that time for the *Hansard* record. I also request that all members asking written questions identify the questions by quoting the registered number. This is very important for the secretary so that, at the end of the proceedings, we can see which questions have been asked and which questions have not. I will be insisting on that; it is very essential to our process. This will enable the committee secretariat to trace any outstanding written questions during the hearings process.

Before we proceed to the first portfolio unit, the Department of the Legislative Assembly, I would like to extend my personal thanks, the thanks of the committee and, I am sure, all members of the Legislative Assembly, to those people who have facilitated these first hearings of the Estimates Committee. In particular, I wish to extend my thanks to officers of Treasury, the Public Accounts Committee and the Legislative Assembly secretariat, ministerial officers and others who have greatly assisted in the planning and preparation of these hearings.

The committee will now proceed with the consideration of estimates of proposed expenditure for the department of Legislative Assembly in accordance with the schedule. I welcome Madam Speaker. Before we proceed Madam Speaker, I believe the member for Nelson has a question.

**Mr WOOD:** Yes, Mr Chairman. Will all written questions will be read into *Hansard*?

**Mr CHAIRMAN:** I think you are aware of the answer to that, member for Nelson; that there may be cases at the end of an output area where written questions have not been asked. The committee secretariat will ascertain what those unanswered written questions are, and the written answers to those will go into *Hansard*.

**Mr WOOD:** I feel that no matter what questions have not been asked, that they should all be read into *Hansard*, because that is what this process is all about.

**Mr CHAIRMAN:** Well, that is really up to the people who have asked the questions, member for Nelson. So, all we can do is take note of what you have said. I would like to proceed with the hearings now, with the Speaker and members of the staff of the Legislative Assembly.

I welcome Madam Speaker, and invite you and the officials accompanying you to make an opening statement on behalf of the Department of Legislative Assembly. Before you do, Madam Speaker, I should tell members of the press and others here that each minister will be asked to make an opening

statement. It is the prerogative of the minister whether they do so or not. I now invite the Speaker to make an opening statement if you desire.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**Madam SPEAKER:** Mr Chairman, yes, I would like to introduce the Clerk of the Legislative Assembly, Ian McNeill; the Deputy Clerk, Mr David Horton; and the Director of Corporate Services, Ms Vicki Long.

I take this opportunity to make an opening statement, and I thank you for the opportunity to do so on this rather historic occasion. I cannot recall when a Speaker has been invited to join in a budget debate such as this, so I certainly look forward to it.

There are a number of points that I would like to address, and I believe are relevant to the process of examination of the proposed expenditure by the Legislative Assembly. I consider it is necessary for members to appreciate the difference, in many respects, between the operation of a government agency and the Department of the Legislative Assembly, although the Assembly operates within the framework of the public sector financial management.

The department is a demand driven organisation - driven by the needs of our members, and the volume of Assembly and committee business. Bearing this in mind, early in the year, the department conducted a baseline budget review to establish its funding requirements to meet its stated outcomes. This review was carried out in close consultation with Treasury officials and established a benchmark for the financial year 2002-03, and the outer years up to 2004-05 with variations. It is important to note that the review identified that almost 60% of the department's allocation was deemed as non-discretionary expenditure. This amount is essentially administrative funding that comprises members' salaries and entitlements. An argument was put forward during the review to also recognise some of the high variable costs associated with the operation of this Parliament House, such as energy and airconditioning, on the basis that this expenditure was also linked to the operations of the Assembly and building usage and, therefore, should be considered a demand driven activity and, in our opinion, should be subsequently non-discretionary. Unfortunately, this argument was not accepted, therefore such expenditure remains classified as discretionary.

Overall, our bottom line figure identified in the baseline review was \$13.9m. The amount was a required increase of \$1.4m on the previous year. The increase approved for this year was \$0.9m, a shortfall of \$0.5m, providing a baseline of \$15.982m for operating expenses - a figure which now includes \$885 000 of R and M funding – I wish. In broad terms, using the \$15.982m and the 60:40 ratio of discretionary:non-discretionary, about \$8.4m is non-discretionary, leaving a balance of about \$7.4m of discretionary operating costs.

In preparation for the financial year 2002-03 expenditure, the department has developed a portfolio budget statement flowing from Budget Paper No 3, which will be circulated to all members. I should add that this statement is our first attempt to plan and report under the new framework of accrual accounting and output reporting. However, it sets the framework that will provide a logical flow for ongoing departmental planning and the production of the department's annual report in 2003. Further, it will allow us to benchmark against other jurisdictions. I believe it is an important step forward in the administration of the department, and I commend the staff for this business-like approach.

Over time, it is considered that output costing details will become more accurate as the new accounting system collects and collates data to outputs. Whilst the department, through sound management policies and fiscal accountability, will strive to maintain expenditure within the budget allocation, there are potential external factors that may mitigate against this objective. It is important that these potential impacts to the allocation are recognised early in the budget cycle. The ones that I will detail include the possible increased activity of the Assembly committees. Whilst the distribution of this year's committee budget allocation has now been agreed to between myself and the three committee chairman, any changes to program, new references, or the appointment of additional committees would need to take into account appropriate allocation of resources, noting that further funding is not likely to be available from within the departmental operating expenses.

Second, although allocation has been set aside for the conduct of the regional sittings in Alice Springs, the experience we have gained from other similar sittings would indicate these budgeted costs are likely to increase as planning progresses. The department is conscious of this issue and is seeking to limit expenditure wherever possible. Close liaison between this department, the Chief Minister's Department and the Office of the Chief Minister will be necessary in coming months so that resources are appropriately applied and coordinated.

Finally, I draw the attention of the committee to the issue of the maintenance of this Parliament House building. This building has now been operational for eight years. To date, the building has required relatively low levels of maintenance. As with most similar facilities, it is expected that key plant and machinery areas will increase in maintenance requirements and, in some cases, will require replacement. Such items, for example, as the token ring cabling, have already been identified as potential for near term replacement. In order to the address and manage the longer term and high cost aspects of Parliament House maintenance, the department this financial year will develop a total asset maintenance management plan which will identify where and when the peaks of maintenance costs are likely to occur in the future so that financial allocations can be planned. At present, it is not expected the current allocation for maintenance and services will sustain longer term demands without detriment to the appearance and operation of this building. It is assessed that the appropriation for the financial year 2002-03 is adequate if the current plans and outcomes are maintained. I stress 'if'.

Where it is necessary to reduce expenditure, appropriate impact or hurt statements will be developed and presented as an ongoing debt reduction, strategy and to ensure appropriate management of resources. The department has established a working group to identify and evaluate savings across the department.

In summary, the recent baseline budget review has clearly established the discretionary and non-discretionary elements of the allocation with a 60:40 ratio. The department's planning and desired outcomes have been based on this ratio, but it is acknowledged that there may be factors that, without supplementation, may affect the delivery of planned outcomes.

As the Speaker, the opportunity to participate in this review is most welcome. However, in line with the government's election mandate, I believe, in the longer term, we should seek to separate the parliamentary appropriation from other government portfolios as is the case in some other jurisdictions. That would permit the parliament to determine its own budget and manage its own affairs through a separate, all party commission chaired by the Speaker. I urge all members to consider this approach. Thank you, Mr Chairman.

**Mr CHAIRMAN:** Thank you, Madam Speaker. Before we move on to the written questions, are there any questions arising from the statement that the Speaker has made?

**Mr BURKE:** Mr Chairman, I pick up on the last comment Madam Speaker made. Do I understand from that comment that, notwithstanding that it is a demand driven budget in many respects, there are still issues that impact upon your budget that are not driven by the demands on the Assembly *per se*, but may come from the Chief Minister's Office?

**Madam SPEAKER:** Not necessarily from the Chief Minister's Office, but there are, obviously, areas that will impact on us which are out of our control and which we are hoping to predict at the moment by outlining those three areas I went through.

**Mr BURKE:** Can you give us an example?

**Madam SPEAKER:** Well, we talked about this building and the age of the building and the fact that, if we have to replace the airconditioning unit; if we have additional committees that are referred to us by government, we will need top-up funding; and there are, of course, one-off things like functions that

are held - if we blow the budget on how many are actually held within the House. There are variables that we have no control over and they obviously will impact upon our budget.

**Mr CHAIRMAN:** Are there any more questions arising out of the Speaker's opening statement?

Well, there being no further questions on that, the committee will now proceed to consider the whole-of-agency questions as they relate to the particulars of the estimates of proposed expenditure for the Legislative Assembly. I refer members to Output 00.03. I think most of the written questions in there are asked by the member for Brennan, so I will let him state the question he wishes to start with and move on from there.

#### **Involves More Than One Output Group**

**Mr BURKE:** Madam Speaker, as you are aware, the questions have changed in their sequence almost on a daily basis. I attempted to re-order my questions in line with the schedule this morning, but I will preface each question with the registration number and, hopefully, they remain in order. Question 8: detail the cash difference to the Legislative Assembly budget for 2001-02 and 2002-03?

**Madam SPEAKER:** The cash figure for 2001-02 was \$13.016m, and the figure for 2002-03 is \$14.363m. These figures exclude the accrual components and the capital appropriation and there is a difference of \$1.347m. For that, you can refer to page 31 of Budget Paper No 3.

**Mr BURKE:** In terms of that answer, if I refer you to the Treasurer's Annual Financial Statement for 2000-01 - sorry, we are talking about 2001-02, actual expenditure. Okay. I accept that.

**Question 27:** how much was spent on consulting services in 2001-02? Detail the individual contracts, that is who were they awarded to, at what cost and for what reason. How much is estimated to be spent on consulting services in 2002-03. How much has been expended so far this financial year? Detail the individual contracts, that is who were they awarded to, at what cost, and for what reason.

**Madam SPEAKER:** The amount spent on consulting services in 2001-02 was \$37 655. This was spent on the following categories of advice: constitutional advice for the Legal and Constitutional Committee and the Public Accounts Committee, layout of the annual report, conduct of a grievance investigation, and CPA conference facilitation.

Planned expenditure for 2002-03 is \$34 000 in the following areas: constitutional advice, again to the Legal and Constitutional Committee, layout of the annual report, and building management technical specification. There is no expenditure to date on consultancies this financial year, but I will table the details of the consultancy services provided during 2001-02.

**Mr BURKE:** Question 31: explain the difference in estimates of agency revenue between 2001-02 and 2002-03, and what are the sources of that revenue?

**Madam SPEAKER:** In 2001-02, the estimated revenue was \$142 000, which included \$100 000 for the closure of an advance account. The 2002-03 agency revenue of \$42000 would be obtained through charges for the use of function facilities, media rooms and the cafe area.

**Mr BURKE:** Question 36: could you provide a table listing how much the agency actually expended in 2001-02 by activity and output, in terms comparable with the figures used in the mini-budget? In terms comparable with the mini-budget, detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency, in terms comparable with those used in the mini-budget, translate to figures using an accrual accounting methods.

**Madam SPEAKER:** Yes, I am presenting a table that answers the first part of the question relating to the 2001-02 mini-budget in actuals. However, due to the revised output structure for the agency and the fact the agency has moved to accrual accounting in 2002-03, it is not possible at this stage to

provide a meaningful comparative analysis using 2002-03 budget papers. I am advised that Treasury will provide a statement on behalf of all government agencies in respect of the development of the accrual budget. We have given you the information from last year, but at this stage cannot provide that.

**Dr LIM:** Mr Chairman, may I add a question following on from the principal question?

I would assume that, with accrual accounting, in fact, Treasury is able to isolate what is accrued and what is cash, and even to this short 3 months that we have been in accrual accounting since the start of the financial year, there should be some indicative figures. Are they not able to produce them?

**Madam SPEAKER:** We haven't those figures at the moment, but I believe Treasury will address that particular question.

**Mr BURKE:** Do you think you have the figures available?

**Madam SPEAKER:** We do not have the figures available at this stage. We have the budget for this year.

**Mr BURKE:** But you know what you have spent in cash terms. That was the previous question: how much did you spend in cash terms and how much is allocated?

**Madam SPEAKER:** For this couple of months in this financial year, you are referring to?

**Mr BURKE:** Yes, for the year.

**Madam SPEAKER:** We have given you the ones we spent for last year, but you are saying for these 3 months, this financial year, is that what you are referring to?

**Mr BURKE:** I said: how much the agency actually expended in 2001-02 by activity in terms comparable with the figures used in the mini-budget? Can you provide that?

**Madam SPEAKER:** That is the statement that says the 2001-02 May budget, the 2001-02 mini-budget, and the 2001-02 actuals, and there is a variation there.

**Mr BURKE:** That is in cash terms?

**Madam SPEAKER:** Yes. Sorry, I might not have been clear in what I was saying.

**Dr LIM:** If I can follow through again, Mr Chairman. Madam Speaker, you said the Legislative Assembly spent \$13.016m in 2001-02. The mini-budget allocated to you \$12.331m. This would appear to be an overspend of some \$700 000, so what was the overspend on, and did you get the additional funds from government?

**Madam SPEAKER:** This table shows you that we actually got a variation of \$886 000 to cover those and, if I recall, it was the new committee reference - the Substance Abuse, as you recall we had to do that - and the other one was the election of new members, and the upgrades and costs of transition of them into their offices. We will deal with that later on.

**Dr LIM:** Transition of the new members into their offices.

**Madam SPEAKER:** Yes, and into the parliament.

**Mr BURKE:** I am waiting. Have you answered that?

**Madam SPEAKER:** We were going to say, did you want us – I thought we had that in a further question ...

**Mr BURKE:** Yes, there is.

**Madam SPEAKER:** Otherwise, we could have provided that to you.

**Mr BURKE:** Question 40: how many people are employed by the agency by output and activity? How many are employed on a full-time, part-time, casual and contract basis? How many were employed by the agency on 29 August 2001 on full-time, part-time, casual and contract basis? How many were employed by the agency on full-time, part-time, casual or contract basis when the public service was restructured in November last year? How many were employed by agency on a full-time, part-time, casual or contract basis for the last pay period in August?

**Madam SPEAKER:** By output, the agency employs a total of 35 staff. Staffing is as follows: Assembly services, 20; members' and client services, 10; and building management, five. The agent currently employs 29 full-time staff, five contract officers, one part-time employee and 15 casual part-time staff utilised during sittings and all the committee hearings.

As at 29 August 2001, the agency had 31 full-time staff, six contract officers, 20 casual staff and one part-time employee. Following the restructure of the public service in November, the agency had 24 full-time employees, six contract staff, 18 casual staff and one part-time employee. As we have just completed the last pay period in August, the figures remain the same as question 2: 29 full-time staff, five contract officers, 15 casual staff and one part-time. Additionally, of course, the department also employs 25 full-time electorate officers, and the department is actually funded for 27 full-time electorate officers to provide electorate office relief.

**Mr BURKE:** I assume you meant 85. Budget Paper No 3, page 31, refers to a staffing figure of 85. I assume you meant 85, not 35?

**Madam SPEAKER:** This is billed for salaries, so you include the 25 electorate officers and 25 members as well, on our payroll.

**Mr BURKE:** Well, I am basically asking if your table essentially refers to that figure of 85?

**Madam SPEAKER:** Yes, we are saying there is 35 full-time staff, 25 electorate officers and 25 members. So it makes 85.

**Mr CHAIRMAN:** I think the member for Nelson has a supplementary?

**Mr WOOD:** Yes, thank you, Mr Chairman. Madam Speaker, my supplementary question is about the May invasion of the Assembly by protestors. What additional security measures - for example, perhaps increased staff - have been put in place and what is the increased cost to the department?

**Mr CHAIRMAN:** Member for Nelson, I would have thought that that might have been an oral question. It does not seem to arise directly from ...

**Madam SPEAKER:** Happy to answer it though, Mr Chairman. Since that most regrettable day, one additional Chubb security officer is on duty in the Main Hall during the sitting days. In addition, as you will notice, the main doors to the Chamber now remain locked once proceedings commence. As an additional precaution, subject to police advice on potential problems, we can, at short notice, limit the access to the open public galleries. Lifts two and five are now placed on secure mode and, therefore, only card access is available. At this stage, the only cost incurred has been the additional Chubb staff at an additional \$11 500 per annum. In the longer term, consideration is being given to placing

additional surveillance cameras in the Main Hall to offset the Chubb staff requirement - an estimated cost for this is \$72 000. Investigation is also taking place to install a blue card reader at the door of the Sub-Table Office.

Since that event, considerable staff time and subsequent cost has been expended with a number of court actions and the necessity to act as witnesses. Reviewing and keeping in mind the increased security, I have attempted to maintain a sensible balance that is not overly restrictive for the public, yet provides an appropriate level of safety to members with a satisfactory response time to potential incidents. It is still an on going issue.

**Mr CHAIRMAN:** Member for Macdonnell, I assume this is a supplementary?

**Mr ELFERINK:** A very quick one, Mr Chairman. My question relates to comments that Madam Speaker made about the committee process. How much was set aside for the Constitutional Legal Affairs Committee 2001-02? How much of the mini-budget; and how much is available to that same committee this year?

**Madam SPEAKER:** Can we get back to you with that on notice? We have a broad figure in answer to some of the other questions ...

**Mr ELFERINK:** Sure. I am just aware that it is a substantial cut, and I would like to get it on the record.

**Madam SPEAKER:** Yes, we can do that.

**Mr BURKE:** Question 44: what was the repairs and maintenance budget for the agency for 2001-02, expended on their behalf by the Department of Infrastructure, Planning and Environment, or its predecessor?

**Madam SPEAKER:** The repairs and maintenance budget for the Legislative Assembly for 2001-02 was \$535 219, of which \$524 462 was spent in the financial year.

**Mr BURKE:** So I deduce from that, Madam Speaker, you have had a significant increase in repairs and maintenance, \$300 000-odd?

**Madam SPEAKER:** The 2002-03 allocation is \$797 000, with the program delivery fee \$87 000. So yes, we have \$884 000 allocated for this year. Can I make comment that the program delivery fee that we have included in our budget this year was not included in previous years, as the money was with Transport and Works. That is right, isn't it? Yes, so it is provided as a separate item in this year's budget allocation.

**Mr BURKE:** Can I assume that you could itemise what the additional is for? Seeing the government was so stringent in its allocation.

**Madam SPEAKER:** Can we get back to you with that? Take it on notice?

**Mr BURKE:** Thank you.

**Mr REED:** Just a supplementary there, Madam Speaker. In terms of the amount for contract services, the \$87 000 I think it was, do you have any discretionary ability in regard to that if, for example, it is underspent? Can you redirect it to the overall program?

**Madam SPEAKER:** It is part of the non-discretionary part of the budget.



The administrative fee that we give to Transport and Works; the management fee; that program delivery of \$87 000. Can anyone answer that?

**Mr HORTON:** David Horton, Deputy Clerk. My understanding is that it is a management fee imposed by the Construction Agency for their costings. That money can only be utilised in the R and M allocation; it cannot be redirected.

**Mr REED:** Through you, Mr Chairman, it is allocated to the department, but you have no discretion in relation to its expenditure? So, is it automatically passed on to the Construction Agency or to the management group?

**Mr HORTON:** I do not know, I am afraid.

**Madam SPEAKER:** I am sorry, you have caught us there. It is my understanding that Transport and Infrastructure carry out the repairs and maintenance for us as needed, as necessary, and this is the management fee part of this allocation that we have to provide to them to provide us with that service.

**Mr REED:** Thank you for that, Madam Speaker. In terms of where I was coming from, if it is a true and open allocation in that particular requirement, if the scope of works, for example, were to change, you may need less funding for that particular component of it, in which case you would accrue savings. Under a normal budgeting process, I would have thought that if you were judicious enough to accrue some savings, then that would have been paid, if you like, in terms of being able to re-divert that to an area of your priority. But it seems the allocation is just a paper figure that you automatically have to pass on to the management agency.

**Madam SPEAKER:** It is a forecast figure. Deputy Clerk?

**Mr HORTON:** That could be a variable, it is a forecast figure. That would obviously vary depending on the amount of R and M work that is actually carried out.

**Mr REED:** So it is, in effect, a paper figure with little meaning or no ability for you to achieve some savings in that area?

**Madam SPEAKER:** Well, I would hope it would be part of the discretionary area; that if we do not require as much as we have allocated for repairs and maintenance, as you say, perhaps we can retrieve that.

**Mr REED:** Would you be able to clarify that for me at some time? Can I put that question on notice then, Mr Chairman?

**Mr CHAIRMAN:** Well, it is up to Madam Speaker to take it on notice.

**Madam SPEAKER:** Yes, I am happy to take that on notice. It will clarify it for me as well.

**Mr REED:** Thank you.

**Mr BURKE:** Question 49: detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures.

**Madam SPEAKER:** I table the schedule of inter-agency transfers. Figures have been provided by extracting transactions posted through the ledger transfer method of payment. Do you want me to list the transfers that we are tabling, the ones from the areas?

**Mr BURKE:** I will accept those.

**Madam SPEAKER:** You will accept it as it is?

**Mr BURKE:** Yes. Question 52: how much of the agency's revenue can be attributed to inter-agency transfers, and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

**Madam SPEAKER:** In 2001-02 agency revenue, intra-agency transfer represented 3% or \$6750 of agency revenue for the 2001-02 financial year. The \$6750 was received from the Office of the Commissioner for Public Employment for apprentices employed in the agency during that financial year.

In 2001-02 agency purchase of goods and services - I have interpreted this question to be similar to question 49 requesting details of inter-agency transfers. In question 49, I referred to all agency operating expenses transacted by inter-agency transfers, and I have tabled that information there for you.

For the purposes of this question, I deal only with the purchase of goods and services and this does not include the payment of payroll tax included in personnel expenses. The purchase of goods and services through inter-agency transfers is represented by 18% of other operational costs of \$569 657. The areas are: information technology, motor vehicle fleet, printing, staff training and landscaping contract.

**Mr REED:** Mr Chairman, a question to you. It may already be in place, but I wonder if some arrangement can be provided for the tabled documents to be copied and provided to us at the time of tabling, rather than us having to wait.

**Mr CHAIRMAN:** I think the secretary is arranging that.

**Dr LIM:** Mr Chairman, if I may add to that comment, I believe that all tabled papers are to be presented to the secretary. If 30 copies were presented to the secretariat at the time of tabling so that copies can be made readily available; it appears to me that only single copies have been tabled. That is a problem. The committee's instruction was that 30 copies of tabled documents were to be presented to all persons attending the hearing.

**Mr CHAIRMAN:** Ten copies.

**Dr LIM:** Yes, 10 copies, and that should be done. Perhaps those listening to the broadcast now should be aware that that is what has to be done.

**Mr CHAIRMAN:** Good point, member for Greatorex.

**Madam SPEAKER:** Mr Chairman, we did, in fact, table 10 copies of those papers.

**Mr CHAIRMAN:** Thank you, Madam Speaker.

**Madam SPEAKER:** They have been given to the secretary.

**Mr CHAIRMAN:** Possibly if there are other tabled papers in the course of the hearing, Madam Speaker, a member of the secretariat could get the remaining ones and make 10 copies while we are waiting. If we could proceed while that is being arranged. I take the member for Greatorex's point, and also the member for Katherine that other agencies appearing here should bring along those 10 copies of tabled papers to facilitate the process. We will put that on the record. But if we could proceed with questions, please.

**Dr LIM:** If I may ask a supplementary on question 52, Mr Chairman. Madam Speaker, I suppose this question relates to both 44 and 49, when we talk about inter-agency transfers. You spoke about the apprentices or students placed with the Assembly and transferred from the Office of the Commissioner for Public Employment. The allocation is transferred to you, so you receive it as income or revenue. The Office of the Commissioner for Public Employment has that money as well, so there is double accounting there. There is money in the Office of the Commissioner for Public Employment, and there is money for the same bodies in your budget as well. So, it appears that the budget has now been inflated by that allocation for the apprentices, both in the Office of the Commissioner for Public Employment and in the Legislative Assembly. Is that right?

**Madam SPEAKER:** I can only speak for us. I cannot speak, obviously, for the Office of the Commissioner for Public Employment. It is my understanding that that money is transferred to us for those apprentices. So, your question might be better asked of the Office of the Commissioner for Public Employment.

**Dr LIM:** I do not know whether you see my point: that Treasury has allocated a certain amount of money for the apprentices. It is allocated within the Office of Public Employment, and now it as an inter-agency transfer allocated to you also, so that same amount of money is allocated twice. Am I right in that?

**Madam SPEAKER:** The money I am referring to is last financial year, 2001-02. I do not think there is an allocation for the apprenticeship this year, is there? By calendar year? It is calendar year. You would have to ask Treasury if there has been a double allocation, because I am only referring to our allocation.

**Mr REED:** To seek clarification on this, Madam Speaker, does your department actually receive an allocation in relation to the global amounts for inter-agency transfers, and then you allocate it to the respective agencies for the services that you receive from them, or is this just a paper transfer in that, the amount appears in your books, but Treasury actually allocates it to the agency, from which you provide the service?

**Madam SPEAKER:** Sorry, we are just getting a little advice here. Perhaps I could ask the Director of Corporate Services to answer that question, Mr Chairman.

**Ms LONG:** Vicki Long, Director of Corporate Services. These are treated as expenses in our budget, just like any other expense would be. The difference is, it is a transfer from another agency as opposed to a private organisation.

**Mr REED:** So cash for the amount, and when you receive a service, you pay that department for that service as if it were a private operation, for example?

**Ms LONG:** That is correct.

**Mr REED:** So you do actually receive the cash?

**Ms LONG:** It is part of our allocation.

**Madam SPEAKER:** Cash for services.

**Mr BURKE:** Question 57: as part of the government's deficit reduction strategy, it was announced in the mini-budget that:

*A budget improvement target of an average 4%, with the exception of the functions of hospitals, health and community services, schools, police and emergency services and custodial services,*

*which were expected to deliver a cut of 25% of the average level, was to be imposed for the mini-budget and future budgets.*

What budget improvement target did the agency have in 2001-02? How much did that amount to, and was it achieved in total and by output and activity? What is the budget improvement target for the agency in 2002-03? What is the total amount, and what is it by activity and output? Is the cash relating to the budget improvement cut included in the agency's budget and, if so, how is it treated in the 2001-02 and 2002-03 figures?

**Madam SPEAKER:** The budget improvement target for the agency for 2001-02 was \$356 000. It was targetted at official departmental staff travel, consultancies, document production, advertising, marketing and promotion, and increased efficiencies in administrative procedures. Of this amount, savings of \$348 000 were achieved. While the original specified targets were largely met - not totally met - additional costs, though, were then incurred by new committee references and by the costs of the transition to a new government resulting in the need for additional funding.

So, although we made some savings, we also incurred additional costs. Therefore, additional funding was provided to the department for 2002-03 based on the acknowledgement that member and electorate office costs are established by the Remuneration Tribunal determination and the Speaker's Determinations and, therefore, administered funds are non-discretionary in nature. A Cabinet submission for \$1.4m was submitted for baseline funding and increased costs. The amount of \$900 000 was approved as additional funding - I think I mentioned this in my opening address.

Further cutbacks to agency operating expenses will be required to meet the predicted shortfall of \$500 000 and will, therefore, constitute the agency debt reduction target for 2002-03. These have been identified in the areas of administrative efficiencies and reduced costs for building management administration. However, I also mentioned in an earlier statement, my concern that the maintenance of Parliament House itself is, obviously, going to be an ongoing problem for us. Whether we can identify efficiencies in that area, we are not sure.

**Mr BURKE:** So, Madam Speaker, in real terms, the efficiency target of 4% was not met, notwithstanding your efforts?

**Madam SPEAKER:** It was met in the areas we targetted but, in the non-discretionary areas of committees and member services, we had additional costs ...

**Mr BURKE:** Yes, but I am saying from a ...

**Madam SPEAKER:** ... so we went down in one way and up in others.

**Mr BURKE:** ... whole-of-government perspective, in terms of the efficiency for your agency of 4%, it was not achieved?

**Madam SPEAKER:** That is right. I guess you could say that.

**Mr CHAIRMAN:** I believe the member for Drysdale has a supplementary question.

**Mr DUNHAM:** Yes, the shortfall of \$0.5m. We are a quarter of the way through the financial year and I heard you mention then a couple of initiatives you are going to try to undertake to find those efficiencies. Are you confident that you will be able to remain in allocation and still maintain the effective operation of the parliament, this year?

**Madam SPEAKER:** This year? As I mentioned, we are very much a demand driven organisation operating with a budget that is largely non-discretionary. So, whilst we have established a number of mechanisms to minimise expenditure where appropriate, some of the discretionary expenditure is

driven by external factors and, in our budgeting process, we have attempted to forecast the areas that contain variables, and where we have previous data and information. I guess the areas would be where we do not have a lot of control over - simple as that. When we are in a demand driven organisation such as the Legislative Assembly, we have to respond to members' needs and to running this parliament.

Power usage is something that continues to be of concern. The airconditioning for the building is a high energy user which, as you will be aware, is temperature controlled. Therefore, any demand for increase in cooling has a proportional energy cost. Of course, the airconditioner is timed to shut down in work spaces at a given time, but extended sitting hours and whatever ... May I say that we are part of the Greenhouse Australian Project in which we now participate, but obviously power usage is one of those costs that, perhaps, are not always easy to control.

Cleaning areas was one of the areas we have done. A building like this with multiple users requires a fairly high standard of presentation of cleanliness. In this respect, we have reviewed the cleaning schedule so they accord with commercial standards for public building and office space and then, this year, we have identified recurring savings without any detriment to the building users. I can perhaps give you an example of my office. When I am not there, obviously it does not need to be cleaned on a daily or weekly basis, so there are savings that we can identify that way.

Similarly, we have reviewed the grounds maintenance contract arrangements and with the revised management arrangements we will also make some savings. Essentially, across the department we have, and will continue to review, work practices to ensure appropriate allocation of resources, sound management and fiscal responsibility. This is, at the moment, occurring at all levels and the newly implemented quality management group, consisting of senior and junior staff members, have developed an ongoing program to identify savings and efficiencies so that funds can be better utilised in the high priority use areas.

Overall, I would say we are fairly responsible in what we do but, obviously, the unpredictable expenditure that we may have - and I have also mentioned committees and the Alice Springs sittings in my previous statement that are a little bit unpredictable at the moment - may mean that it will be difficult for us to stay within our budget allocation.

**Mr DUNHAM:** Should we be revisiting the decision to go to Alice Springs? If you have been cut by \$0.5m and you have difficulty finding those discretionary items, is this a matter for parliament to reconsider some of its costs?

**Madam SPEAKER:** I would hope not, member for Drysdale.

**Mr Reed:** Katherine is closer.

**Mr CHAIRMAN:** I believe the member for Katherine has a supplementary question.

**Mr REED:** Yes, thank you, Mr Chairman. In the budget improvement strategy and its application in the mini-budget, it was foreshadowed in the mini-budget that there would be further budget improvement strategies in 2002-03. How were those further budget improvement strategies applied in 2002-03? Were they applied to the extent that it was foreshadowed in the mini-budget?

**Madam SPEAKER:** Well, I think I have said they have been identified in the areas of administrative effectiveness, efficiency and reduced costs for building management administration.

**Mr REED:** Did it comply, though, with what was foreshadowed in the mini-budget, or were there variations?

**Madam SPEAKER:** Well, are we talking about this financial year or last financial year?

**Mr REED:** This financial year. The mini-budget foreshadowed further reductions this year as the budget improvement strategy. Were those budget improvement strategies, as foreshadowed, put in place? I suppose the next question is how; that is to say, were you given the money and you had to give it back? Or was it just taken off the top in terms of the assessment of your budget?

**Madam SPEAKER:** If you recall I said we did a baseline beginning with Treasury and it was identified then that we were underfunded for the services that we had to provide, and that we did get - although we went through the exercise of reducing the expenditure in the mini-budget - we then had to have a top-up to meet those unforeseen circumstances that occurred after the election. At the moment, our budget that we have been given for this year is still that \$0.5m less than we had requested under our baseline budget review. So, obviously, we are going to have to try to contain our expenditure within what we have.

**Mr REED:** And is part of that shortfall a result of the budgeting previous strategy that was foreshadowed in the mini-budget?

**Madam SPEAKER:** I am not sure. Can you answer that, Ian?

**Mr McNEILL:** Ian McNeill, Clerk. It would be fairest to say that the outcome of the budget Cabinet deliberations, while having in mind that we had bid for that amount that was the agreed baseline budget figure between us and Treasury officials, was not allocated to the extent of \$0.5m - which we effectively treated as an imposed budget reduction process. While it is not in line with the flow from last year's budget to mini-budget, to the current year's budget, that is the way we treated it, and are approaching it in that context.

**Mr REED:** On that basis, Madam Speaker, it appears that you have been dealt with somewhat harshly in that the mini-budget foreshadowed a certain level of reduction for the budget improvement strategy but has, in fact, achieved a greater level of saving - if you like to call it a saving.

**Madam SPEAKER:** Well, we went through the process of having a baseline review. We thought we had established a better feeling with Treasury of what we would need to fund the department for the year. As the Clerk said, we did not receive as much. So I guess we are going to have to be very prudent. However, of course, as in all areas, if we do find that we have additional costs that we cannot cope with, we will have to go back to Cabinet and ask for additional funding.

**Mr BURKE:** Could I, for my own clarification, Madam Speaker, understand, I hope, what you are saying; and that is that you have received a \$0.5m cut on what you wanted in the budget.

**Madam SPEAKER:** For this year?

**Mr BURKE:** Yes.

**Madam SPEAKER:** Yes.

**Mr BURKE:** Is there any reflection in the budget papers for the Assembly that demonstrates where that 4% is ongoing, in terms of the appropriation to the department, or not? That is, is the allocation that the budget paper shows the true allocation, or are you expected to reduce that by 4% in this financial year as part of the ongoing strategy?

**Madam SPEAKER:** Not to my knowledge. What we have in the budget papers is what we have been allocated.

**Mr BURKE:** Well, therefore, am I to understand that for across agencies there is no budget reduction strategy for this 2002-03?

**Madam SPEAKER:** I think we have said that we indicated that we had been underfunded in the past and that we went for an increase in funding. We did get an increase in funding from the last financial year, and that is what we have, that is what we work with.

**Mr BURKE:** I am not trying to labour the point ...

**Madam SPEAKER:** No, no, I am trying to clarify ...

**Mr BURKE:** It just seems to me that on one hand, there seems to be a clear indication that the deficit reduction strategy is still in place and, by the mini-budget comments, it is in place for 2002-03 financial year. I assume that is the case across all departments yet, your understanding is that you have no deficit reduction strategy of 4% in place for your agency in this financial year?

**Madam SPEAKER:** If we had our way we would have additional funding.

**Mr BURKE:** That is right, I understand all that. That is why we think you have been harshly dealt with. You are confident that the allocation you have been given by government does not include efforts by you to further reduce that by 4%, notwithstanding your success or otherwise?

**Madam SPEAKER:** We will have to say no at this stage. We have an increased allocation and we will work within that. Does any other staff member want to make a comment on that?

**Mr McNEILL:** It may be more valid to address the issue of whether the 4% is imposed across the board to Treasury. It may well be factored into the allocation - our global allocation - in any event. But it was not clearly identified as a single liner or one-off item in the budget papers.

**Mr BURKE:** Question 67: what has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency? Is there a continuing cost or a need for more staff?

**Madam SPEAKER:** The change to accrual accounting and the Working for Outcomes model, to date, has been achieved through the use of existing resources, specifically an employee who has financial knowledge to assist in the move to accrual accounting. She has been able to assist us with that and, of course, we have also had training and coordination provided by Treasury and DCIS at no cost to the agency. We have now identified the need for a Chief Financial Officer at an AO8 level to make sure we monitor what is happening. This will be offset against an AO7 position in another area which we have abolished - so limited cost.

**Mr BURKE:** Question 71, which, Madam Speaker, I know you have answered in part but I would like to give the opportunity to sum up your financial circumstances for the year by asking: does the data published for your agency in the budget papers differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the budget papers were compiled? Where there is any material difference, is there any supporting advice issued by the Treasury or the Treasurer's office with regards to the differences and the nature of that advice? Where there is a difference, did the agency undertake to advise their minister prior to the budget being delivered that these differences existed?

**Madam SPEAKER:** Certainly, in regard to your first question, the budget papers were prepared in close consultation with officers from NT Treasury, and reflect the best estimates available at the time the budget papers were compiled. Was there any material difference ...

**Mr DUNHAM:** I thought you said you discussed them with Treasury and you thought you had agreement but, when the final figure came through, it was \$500 000 less than what ...

**Madam SPEAKER:** No. We worked through with Treasury - this was the figure that was determined that we would need, but our allocation was \$0.5m less.

**Mr CHAIRMAN:** Could you proceed, please, Madam Speaker? I know that the member for Drysdale asked a supplementary there, but I would prefer it if we could get your answer out of the way for these fairly complex questions, and then the supplementary to flow after that.

**Madam SPEAKER:** My understanding is that, for the next two areas that you refer to, it is not really applicable - not applicable.

**Mr BURKE:** The real question there - and I accept your answer; I will pose it to other agencies and to Treasury - is this issue of the 4% continuing deficit reduction strategy. Is that implied, in fact, or gone, in terms of the budget allocation?

**Madam SPEAKER:** I think we have answered that.

**Mr BURKE:** Question 102: could you explain what the entry 'Expenses relating to prior year receipts' means, or in the case of some agencies – I am not quite sure whether yours is prior year receipts? Detail what the amounts listed against this entry are for both 2001-02 and 2002-03

**Madam SPEAKER:** Agencies, I guess, will often receive revenue close to the end of the financial year, but will not spend against that revenue until the following year. The appropriation is not required for these expenses as the prior year's revenue is still in the agency's operating account and should be utilised for this purpose. Therefore, the item 'Expenses relating to prior year receipts' identifies the amounts available for use from the operating account and reduces the requirement for appropriation. The opening balance for 2001-02 was \$111 000. The opening balance for 2002-03 is \$133 000.

**Mr BURKE:** So they are expenses that you have received funding for that are yet to be paid and, essentially, is a carry over?

**Madam SPEAKER:** Essentially a carry over, that is my understanding. Yes, it is an allocation that has been carried over to the next financial year.

**Mr BALDWIN:** So to clarify that a little further, that is an underspend for that year, is that right? On your budget allocation, that is the cash left over, the cash that you have underspent.

**Madam SPEAKER:** That is right, and that starts as our opening balance for the next financial year, so it is a carry over figure.

**Mr BALDWIN:** A carry over from an underspend?

**Madam SPEAKER:** Yes.

**Mr REED:** In your initial answer, Madam Speaker, you indicated that they were receipts received from the previous year. From what sources would those receipts have come from and, further, if they were receipts, how then are they presented as monies not expended?

**Madam SPEAKER:** It is my understanding – sorry about this ...

**Mr CHAIRMAN:** It is quite in order for you to confer with officers, Madam Speaker.

**Madam SPEAKER:** We were debating whether it is receipt allocation that we are referring to with regard to your question.



**Mr BURKE:** We are not being tricky, Madam Speaker, it is a matter of understanding the terminology in accrual accounting terms, and what it really means, in fact ...

**Madam SPEAKER:** Yes. Okay, so what we are saying is: this was an allocation that we received from Treasury at that time, and it is put in our ledger as revenue that we have received. Is that the way it is? Yes, so it is a receipt, it is not additional monies.

**Mr REED:** To try and clarify a little, it may well have just been a part of your global allocation for the year. A commitment may have been made in the form of the issue of an order for the purchase of a goods or service, but that was not delivered by the end of the financial year, so because the commitment had been made, the cash had been held over. So it is a carry over in the real sense, is that correct?

**Madam SPEAKER:** That is my understanding, that it is committed funds, I suppose - committed funds that you carry over to the next financial year.

**Mr REED:** It seems that you have been burdened with a very cumbersome system of being able to explain it - not your fault.

**Mr BURKE:** Is that part of your budget overspend for that particular year, which is then carried over as an underspend?

**Madam SPEAKER:** Part of our budget overspend?

**Mr BURKE:** Well, because you said you had exceeded your budget allocation. You have expenses that are yet to be paid for, which is part, I assume, of your overspend for the previous year, but yet carried over as an underspend for next year?

**Madam SPEAKER:** That would be, yes.

**Mr BURKE:** Question 109: detail how much your agency will pay in state taxes and fees in 2002-03, and how much they paid in 2001-02.

**Madam SPEAKER:** The main state tax paid by this agency is payroll tax, and for 2002-03 is estimated at \$522 000. Motor vehicle leases would include an amount of stamp duty. Data is not readily available within this agency at the moment. Duty will be paid by NT Fleet to NT Treasury on behalf of the agency and, I guess NT Fleet will respond to that question. The state tax paid in 2001-02 was \$516 286.

**Mr REED:** That is the total of Territory taxes?

**Madam SPEAKER:** That is the state tax paid.

**Mr REED:** Could I have that figure again? Sorry.

**Madam SPEAKER:** State tax - well this is for 2001-02 - \$516 286.

**Dr LIM:** This is a supplementary to the question that was asked earlier. The budget book says that \$113 000 relates to expenses for the prior year receipts. Then you suggested it was unexpended carry over. This was not spent, but carried over the next year. By referring to the Treasurer's Annual Financial Statement on page 68, it said that Legislative Assembly had an unexpended allocation of \$28 000. So how do we relate those two figures together?

**Madam SPEAKER:** I think we might have to take this on notice, because I do not have that

information with me.

**Mr BALDWIN:** Could I just clarify the state taxes that you have just read out. Payroll tax \$522 000, state taxes, you then went on to \$516 286 ...

**Madam SPEAKER:** The amount of \$522 000 is the estimated amount of payroll tax for 2002-03. The actual state tax paid for 2001-02 is \$516 286.

**Mr BALDWIN:** Is that in the budget books? Can you point to where that ...

**Madam SPEAKER:** I am confused. I ask Vicki Long, the Director of Corporate Services, to answer that.

**Ms LONG:** That is not stated as a separate line item for individual agencies in the budget papers, I understand. But it will be in our own annual report. It will be treated as whole-of-government information.

**Madam SPEAKER:** So, basically, Treasury has a report on the papers.

**Mr REED:** Madam Speaker, it is an amount inclusive of payroll tax of \$516 000-plus. From that last contribution that you made, I take it that this is really just a paper figure that is floating around in your budget. You do not actually get the money to pay the tax. It is just a figure that is determined by Treasury, I assume, and you are told what it is. You never get the money, it is just a paper figure that appears in your books that you never see or have any discretion over, in the amount of tax that you might actually pay, if you receive the money?

**Madam SPEAKER:** I ask Vicki to also answer that one, because I would imagine it was included in the budget figures.

**Ms LONG:** I believe it is part of our internal budget, and the amount paid would be dependant on the number of employees and the level of their entitlements.

**Mr REED:** So, is it part of your global budget? Is it part of the \$15.982m of your budget?

**Ms LONG:** I will have to seek advice. Yes, payroll tax is part of our operational expenses. As I said before, it is based on our expenditure, by percentage, in the personnel budget.

**Mr REED:** Yet, it does not appear in the budget? An amount of \$0.5m, but it does not appear in the budget as a line item? So, where does one find it in the budget book?

**Ms LONG:** I believe it is on page 278.

**Mr REED:** But it is part of your globals, over which you apparently have no discretion. So your global budget of \$15m-plus, in effect, is something in the order of \$0.5m less than that, in what you can actually spend. Is that a correct way of interpreting?

**Madam SPEAKER:** Well, you still have to pay your payroll tax. Can I just suggest, Mr Chairman, that this would be more appropriately answered by Treasury than my department because, obviously, this tax is something that they pay through Treasury.

**Mr CHAIRMAN:** It is really up to members of the opposition to explore it. But what you do say, Madam Speaker, is that it may be more appropriate for Treasury to answer it. I am not going to impede opposition members from asking the question, but it might be more fruitful to direct it to Treasury.

**Mr REED:** Yes, well, that is something we will do, Mr Chairman. However, I do make the point that one does wonder with this budgetary process - with all the real figures and the paper figures and what departments actually get ...

**Mr Kiely:** Is that a question?

**Mr REED:** ... and what they apparently get - how a department knows just precisely how much money they have to spend when the officers, as hard working as they are, have difficulty in explaining it to us. We will pursue it, I suppose, with the Treasury officers.

**Mr BURKE:** Well, the member for Sanderson said: 'Is that a question?' I will ask the question and that is: I assume, Madam Speaker, by your answer, that the agency does not know whether the payroll tax costs are part of their budget or not?

**Madam SPEAKER:** Well, I would have thought it is part of our personnel expenses. It is part of our personnel expenses, as far as I know, but it may not be separated out as tax. It is not separated out, it is a one line item.

**Dr LIM:** With that figure for state taxes, including the total operating expenses, is only for both total operating expenses and output appropriation, is it?

**Madam SPEAKER:** Say that again.

**Dr LIM:** The state taxes you were talking about just now: is it the total operating expenses, or is this the output appropriation only?

**Madam SPEAKER:** What do you mean by 'total'?

**Mr BURKE:** Well, he is saying: is the money left essentially, the total operating expenses. It may be in there somewhere, we do not know. What we are saying is: is it able to be paid out of your output appropriation or not, seeing you say you have not paid it?

**Madam SPEAKER:** The answer is yes.

**Mr REED:** So to get to the line item then, it appears that this \$0.5m-plus of tax is in the line on page 35, employee expenses, \$8.478m 2002-03. You actually have that money; it is sitting somewhere in Treasury; or you do not have it?

**Madam SPEAKER:** It is part of our allocation.

**Mr REED:** So you do have it. So it is in there and it comes out of there and you actually pay the taxes to Treasury?

**Madam SPEAKER:** To Treasury.

**Ms LONG:** it is part of our personnel expenses.

**Mr BURKE:** Question 116: what is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government? Where does this cost or liability appear in the budget papers relating to the agency?

**Madam SPEAKER:** I have been advised that the Treasurer will be answering this question. I do not have that information, so you should direct that to the Treasurer.

**Mr BURKE:** I was advised by the Assembly to direct it to the Speaker, but we will do that, thank you, Madam Speaker.

**Mr REED:** Just on that point, Mr Chairman, I wonder if we can ask the Speaker if the answer is not forthcoming from the Treasurer, if we would be able to put it on notice at this time. In the event that it is answered it will fall off the notice paper and, if it is not, then it can remain on the notice paper and be answered by the Speaker.

**Madam SPEAKER:** I am quite happy for that to happen, Mr Chairman.

**Mr CHAIRMAN:** Thank you, Madam Speaker.

**Mr BURKE:** Question 121: excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation, what has the agency actually got to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

**Madam SPEAKER:** Mr Chairman, I hope we have multiple copies of this. I would like to table the document detailing funds available to the agency to spend on each output for 2001-02. Whilst the amounts are readily available, the output costs nett of these amounts have no real meaning. All agency pay taxes and fees for competitive neutrality and incur cash and non-cash expenses on the same basis as any other service provider. It is considered that these items need to be included to assess the full costs of output.

**Mr BURKE:** So I understand the output allocation appropriation does not change with the exclusion of all those provisions?

**Madam SPEAKER:** The allocation would not change, no.

**Mr BURKE:** I can go into Assembly Services now as part of the overall ...

**Mr CHAIRMAN:** Well, I have to go through a form of words here, member for Brennan. So that concludes - unless there are oral questions. I should call for oral questions.

**Mr MILLS:** In reference, Madam Speaker, to question 67: the cost of going to accrual accounting you said was covered by the abolition of an AO7 position. Could you indicate what that position was?

**Madam SPEAKER:** It was a position, I think, that was Working for Outcomes. Would you like to answer that, David?

**Mr HORTON:** We reorganised the Office of the Clerk to include that particular activity within there and we ...

**Mr MILLS:** The accrual accounting?

**Mr HORTON:** No, we reorganised to include Parliamentary Education and Information Services within the Office of the Clerk and, by doing so, we actually had a position at an AO7 level as a supernumerary. We carried that supernumerary position, who was actually employed working on the Working for Outcomes project.

**Madam SPEAKER:** So we have the body?

**Mr HORTON:** We have the body, and we have the funding for that position.

**Mr CHAIRMAN:** Are there further oral questions?

**Mr REED:** Could I ask is it likely that that person will keep dangling on the string as a supernumerary, or will they become a permanent employee, a full-time employee?

**Madam SPEAKER:** On my staff list it is a supernumerary.

**Mr HORTON:** I think we indicated earlier that we have now created a position as a Finance Officer within the department, so that position will be used as an offset for that. In other words, the cost of that position will be used to offset for a new position.

**Mr CHAIRMAN:** Are there any other oral questions? That concludes consideration of this Output Group 00.03, which is outputs involving more than one output group. The committee will now proceed to Output Group 01.01, which is Assembly Services. Once again, the member for Brennan has asked most of the questions.

### Assembly Services

**Mr BURKE:** Question 13: what was the total cost of the Public Accounts Committee inquiry into the accuracy of the budget data published in the 2001-02 budget papers with respect to both the estimated outcome for 2000-01 and the budget for 2001-02?

**Madam SPEAKER:** The budget was set in December 2002 for a total of \$63 000. Actual expenditure was \$60 257, and I table for your information a detailed list of those expenses incurred. Might I add to the secretariat, I believe 10 copies were provided of all the papers we have tabled to you, so you should have them.

**Mr REED:** If they were included in this lot, that is fine. They were, were they? Yes, we got them in advance. Thank you.

**Mr BURKE:** I assume from that, that any consultancy advice with regards to that committee that may have been provided to the Department of the Chief Minister is held separately in that budget allocation? Or was it all encompassed in yours?

**Madam SPEAKER:** No, that was included in that overall figure.

**Mr BURKE:** It is all included there?

**Mr McNEILL:** Mr Chairman, the consultancy figure was for the support of the committee. Any other consultancies involved in any other departments would have to be questions for those departments.

**Madam SPEAKER:** Are we referring to that consultant that worked with the Public Accounts Committee on that particular reference?

**Mr BURKE:** There is an inequity here. The Speaker has just said that this is a demand driven budget. A demand which came on the Assembly was a committee that was put in place - I would have thought at much expense. It seems to me \$60 000 total for that committee is a conservative figure if there were consultancies provided to the government which, in turn, provided information for ministers or others as part of their deliberations in that committee. Now, is that all encompassed in the budget or not?

**Madam SPEAKER:** No, what we are referring to is that the consultant who worked to the PAC - you know who I am referring to - we are not talking about any consultancies of the government.

**Mr BURKE:** So are you aware of any consultancies that are provided in order to provide the

government and ministers with advice?

**Madam SPEAKER:** Not our agency. We did not have anything to do with that. We only employed that one consultant to work with the PAC.

**Dr LIM:** Madam Speaker, as a member of the committee, I was not aware of this either. However, on 28 February this year, legal advice from De Silva Hebron for Mr Kiely costing \$3864.74 is entered in this sheet that you have tabled. As a member of the committee, I was not aware that this legal advice had been sought by a member of the committee. Could you table the advice, and could you table the cause of the advice?

**Madam SPEAKER:** As a member of the committee perhaps you should refer that back to the committee because we do not have that ...

**Dr LIM:** Well, as a member of the committee, Madam Speaker, I am not even aware that this had happened.

**Madam SPEAKER:** Well, then I suggest that you go back to the committee and ask.

**Dr LIM:** It seems most unusual and irregular, I suggest to you.

**Madam SPEAKER:** But that is committee business.

**Dr LIM:** But you pay the bill, but you do not know for what.

**Madam SPEAKER:** It was part of that committee budget allocation.

**Dr LIM:** I will pursue that with the committee at a later stage, Madam Speaker, but this is most irregular.

**Mr DUNHAM:** A point of order, Mr Chairman! Madam Speaker, the certifying officer, on paying an account, would surely be aware that there was some capacity authorised to pay that account. My colleague is merely seeking whether, on the payment of that account through your finance cell, there was some correspondence from the Public Accounts Committee authorising the payment of that bill. That is a matter for the Legislative Assembly, not for the PAC.

**Madam SPEAKER:** Well, I am not sure. I would have thought the committee had control of their budget.

The Clerk has suggested that we do take that on notice and find out what information we can for you on that particular cost.

**Mr BURKE:** Question 16: what is the estimated cost of the sittings in Alice Springs, and what is the breakdown of those costs, including but not inclusive of, the hire of the Chamber and offices suitably fitted out, including Hansard requirements; travel, accommodation, and TA for MLAs and Legislative Assembly staff; travel, accommodation and TA for ministerial staff; and Leader of the Opposition and security staff?

**Madam SPEAKER:** I am assuming that all members will be very supportive of the sittings that will be held in Alice Springs during the period 29 April to 1 May, and planning for this event is certainly under way. A separate cost code has been set up in the Department of Legislative Assembly ledger, with an initial allocation of \$50 000. The arrangement will allow us to capture all relevant departmental expenditure by having this new area allocated. At this stage, the identified costs are as follows: staff travel and accommodation incidentals, \$23 000; the hire of the Alice Springs Convention Centre is \$4800 - which, might I add, is at a reduced cost, they have been very generous; equipment and

materials transfer, \$2000. The *Hansard* staff will, in fact, remain in Darwin during the period, with the Chamber proceedings being transmitted from Alice Springs to Darwin through the government broadcast network. It is intended for the *Daily Hansard* to be retransmitted to Alice Springs electronically, and printed locally to provide the usual standard of service to all members. Security arrangements will be provided by the convention centre security staff, with a backup using local Chubb security staff under the current security contract.

As there will be no additional staff on site in Darwin, then it is expected that this will be cost neutral. Normal arrangements with the NT police will also take place in Alice Springs. In respect of IT, the convention centre has its own local area network which, through a patching process, will allow direct access to the government Wide Area Network. Department of Corporate and Information Services IT staff, along with departmental officers and convention centre staff, are currently reviewing the technical requirements. It is planned for members and staff to use their laptops on-site. Where necessary, desktop equipment, fax machines, and photocopies will be procured from government agencies in Alice Springs. This will involve some cost for the move and change procedure under the current CSC contract. At this stage, the full cost of IT communication support is not known, because they are working on that.

We have had a site inspection conducted which shows the hire of furniture, etcetera, will not be necessary and that appropriately furnished office space will be provided under that high cost which, again I say, was a very, very reasonable deal for us.

In many respects, a number of the costs for Alice Springs will be relatively cost neutral by offsetting the additional costs incurred in Darwin during the sittings for IT and security. In addition, by utilising *Hansard* in Darwin, the production of *Hansard* should be cost neutral. Members will travel to Alice Springs under the normal provision promoted through the RTD and through the Department of Chief Minister, and it is anticipated that costs of members travelling from Darwin to Alice Springs will be offset, in part, by the members not travelling to Darwin. It has not been advised, at this stage, how many ministerial officers will be in attendance, but those costs will be met by the Department of the Chief Minister.

Essentially the main cost drivers for the Department of the Legislative Assembly are the staff and travel accommodation, hire of facility, and the IT communication costs.

**Mr REED:** Madam Speaker, this is a good initiative. Some time has passed since this \$50 000 estimate was made. In addition to that, you have been to Townsville and seen, at first hand, the experience of the Queensland government in conducting a session of parliament outside of Parliament House. Are you satisfied now, with the benefit of that experience, that \$50 000 is enough, or do you think it will be necessary to seek more to make sure that this will be a good event and a full one?

**Madam SPEAKER:** You are probably aware, member for Katherine, that I have circulated a report from Townsville. Yes, to ensure that we have sittings of the quality that we would like to have there, I am quite sure there will be additional cost to this sittings in Alice Springs. However, at this stage, we really do not know exactly what it would be. We are trying very hard to make it as least as possible, but not have the sittings not be a good sittings. The people of Central Australia deserve to have the dignity of parliament down there.

**Mr REED:** Yes, that is not a question, Madam Speaker. I am making sure that it is correct and you have sufficient funding. So it would be your intention then, to seek additional funding to cover those matters arising as a result of your greater experience now?

**Madam SPEAKER:** Well, if we find that there are certain additional costs, we will certainly be seeking them. But we have already started negotiations with some of the department agencies in Alice Springs, and there has been lots of cooperation. I am quite sure many of the small items will be able to be recovered.

We are hoping that the cost neutral will occur by the fact that we will have ministers travelling to Alice Springs and that will come out of the Chief Minister's Department - and their minders also. Whereas, ours is to do with the members who are travelling to Alice Springs now who normally would be staying in Darwin. Did you want to make an additional comment on that?

**Mr HORTON:** I have had a number of discussions and my estimate would be that, probably, the only unknown at this stage is some of the IT and communications. I have spoken to Chief Ministers' and DCIS on this subject, and we are working together on it. I suspect there will be some costs that will be proportioned out across a number of agencies, not just the Legislative Assembly.

**Madam SPEAKER:** If you would like a copy of my report, I would be happy to circulate it.

**Members:** Yes, please, Madam Speaker.

**Dr LIM:** Madam Speaker, may I ask that a copy of that response also be tabled because that gave the detail which will be hard to extract from *Hansard*.

**Madam SPEAKER:** What, the report from Townsville?

**Dr LIM:** No, that report that you have just read out - the response, your response, your answer.

**Madam SPEAKER:** You want this tabled?

**Dr LIM:** Yes, it will be easier to extract from that than from *Hansard*.

**Madam SPEAKER:** I am happy to have that tabled.

**Mr CHAIRMAN:** We might try and make this, the next question, the last before we break.

**Mr BURKE:** Madam Speaker, before we move on, can I ask: can we get an answer to this issue of legal advice from De Silva Hebron for Mr Kiely, before we finish with your area of the appropriation? I find it absolutely astounding that a parliamentary accounts committee could have expended the best part of 5% of its total budget providing legal advice for one member of the committee without any notice or reference or understanding or knowledge by any other member of the committee. I find it absolutely astounding. I am sorry that you are put in the position where you have to answer these questions, but the fact is that it did come out of your own appropriation. Before we finish with the Assembly, I would like to get a fulsome answer on that advice.

**Madam SPEAKER:** Can we say we will get back to the committee today, but maybe after my area has finished. But we will get back to you.

**Mr BURKE:** Well, it seems to me that we will have further questions to ask of you and your knowledge of it Madam Speaker. I think you have been put in a difficult position here and it seems to me that it needs to be provided before we move off your actual appropriation area.

**Madam SPEAKER:** You know I do not have that actual input into committee proceedings. What I am saying is, if I do not have knowledge of that particular item of expenditure, then it is something that the committee should be discussing themselves. We will try to get it.

**Mr BURKE:** Well, it goes to the heart of what you know, Madam Speaker, what monies are being expended from your own department, without any reference to you or actual authorisation by you.

**Dr LIM:** As the 'accountable minister' for the expenditure, there has to be some sort of exchange between yourself and the committee as to how this occurred and how it was expended - if not through



yourself, a mechanism needs to be set up, to be in place for this to be explored in this arena.

**Madam SPEAKER:** The details you are talking about, obviously, I do not get involved in. I get involved in a global manner, you could appreciate that. But we will see if we can get that information.

**Mr CHAIRMAN:** Thank you, Madam Speaker. Well, it being 12.30 pm, I propose that we adjourn until 1.30 pm. When we return, Madam Speaker, we will continue.

Committee suspended.

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**Mr CHAIRMAN:** I believe we are ready to start. Do you have you all your officers with, you Madam Speaker?

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

**Mr CHAIRMAN:** There is no need for me to run through the routine again; we can begin where we left off. Where were we? It was output 01.01 which was Assembly Services. We were somewhere around question 19, but I will leave that to the member for Brennan to take up his questioning.

**Mr BURKE:** Question 19: how much was expended on committees during 2001-02? Please provide details for each committee for that same period. How much is the estimate for committees' expenditure this year, and a break down per committee? Do these figures include the extra allowances paid to various committee Chairs?

**Madam SPEAKER:** Total committee expenditure during 2001-02 was \$368 135 broken up as follows: Public Accounts Committee, \$221 003; Legal and Constitutional Affairs Committee, \$75 111; Substance Abuse Committee, \$69 082; and other committees, \$2939. \$492 000, excluding disbursed corporate overhead costs, has been allocated to the committees for 2002-03 on the following basis: Public Accounts Committee, \$208 000; Legal and Constitutional Affairs Committee. \$47 000; Substance Abuse Committee, \$237 000.

The corporate costs, which in previous years were centralised at department level will, as from this financial year, be distributed across work units resulting in an additional allocation to each of the above committees of \$21 600 over and above what I have just read out. The additional salary of officers payable to the committee Chairs, pursuant to the RTD, is not included in those figures that I read out. This entitlement is funded from Members and Clients, Output 2.

**Mr BURKE:** Could you explain to me how a bill to a committee finds its way for payment?

**Madam SPEAKER:** You are referring to the previous ...

**Mr BURKE:** As one example.

**Madam SPEAKER:** I have some advice on that. Apparently, on 5 December 2002, the Clerk received an inquiry from Mr Len Kiely who is a member of the committee, in respect of the availability of legal advice regarding some of the issues upon which he required advice in relation to his role on the PAC in the course of its present inquiry. In accordance with the arrangements in place for the provision of legal service and advice to the department, Mr Kiely was directed through the Department of Justice to the contracted legal advisors, De Silva Hebron. In early March, the Clerk received a memorandum dated 28 February 2002 from the Department of Justice which advised that the attached Tax Invoice from De Silva Hebron was in compliance with the scale of fees for the service provided. After discussion with the Public Accounts Committee Secretary, the appropriate authorisation for the payment of the account was given, and this was charged against the PAC cost code.

**Mr BURKE:** So is that a normal and acceptable procedure for one individual member to pursue?

**Madam SPEAKER:** All members of the Legislative Assembly would be able to approach the Clerk if they needed legal advice on any matter pertaining to their duties as a member. They can obtain that and the Legislative Assembly receives the bill and puts it against the appropriate appropriation.

**Dr LIM:** That does not come under the RTD. Where, within our standing orders or operating rules is it written that members can seek legal advice at the cost of the Legislative Assembly? It is not in the Remuneration Tribunal Determinations at all, nor in the Speaker's Determination.

**Madam SPEAKER:** I will ask the Clerk to answer that, but it is my understanding that, if it is associated with their role as a member, they can seek some legal advice. Clerk, would you like to expand on that?

**Mr McNEILL:** It has, from time to time, been a practice for that to happen. Members can seek legal advice if it is of a nature relating to their duties as a member, or any particular issue that does require some legal clarification under the terms of the government contractual arrangements. Now that there is no facility for direct legal advice in the government - in the time since that has been contracted out - it has been the practice from time to time that ...

**Dr LIM:** May I pursue the question further, Mr Chairman? Does the Clerk determine whether the nature of the request is appropriate? As pertains a member of parliament, how does the Clerk decide whether this relates to work or relates to a personal matter?

**Mr McNEILL:** In each case I have dealt with of this nature, as long as I am comfortable that there has been a general connection with the duties of the member - and not being a lawyer - I have acceded to a request of that nature.

**Dr LIM:** The duties of a member of parliament are very broad; in fact, any issue could be seen to be related to the duties of a member of parliament.

**Mr McNEILL:** In most cases, I have been able to deal with matters of a procedural or parliamentary related matter, but there are specialist areas which do require expert advice. I have been comfortable, in the past and in this case, that it appeared to require that sort of advice.

**Mr DUNHAM:** With the advice, without having to divulge it, was it relevant to his role on the PAC?

**Mr McNEILL:** It appeared to me at the time, and I was not privy to the briefing or to the actual nature of the final advice.

**Mr DUNHAM:** Because it would appear that, if it was relevant to that particular member's role on the PAC, the other members of the PAC would have had some notion about the difficulty this member had with his continuing role on the PAC, and would certainly have had some concern, I guess, if he could not have sought that advice from yourself.

**Mr McNEILL:** I am not aware of the internal proceedings of the committee. I am not sure ...

**Mr DUNHAM:** I guess it is putting you in a dilemma, isn't it? A person has come to you and said: 'I need nearly \$4000 worth of legal advice ...

**Mr McNEILL:** At that stage that was not ...

**Mr DUNHAM:** Well, that is what has come to pass. They have needed to expend \$4000 worth of

public money on the basis they had a dilemma in that particular committee, they needed some clarification for. They were dissatisfied with the capacity of you to be able to advise them because it was that specialised. Is that how you would describe it?

**Mr McNEILL:** The fact that I was not able to provide the legal advice is true. I was not aware of the quantum of the likely bill. At that time, I understood it may have been something that could have been resolved in a conversational manner.

**Dr LIM:** The Clerk, not being a lawyer, would be surely very reluctant to give legal advice and, hence, would not be able to determine whether legal advice was necessary or not. It is one of those chicken and egg things, isn't it?

**Mr McNEILL:** In respect of the general nature of the inquiry, as I recall, it was evidentiary and related to legal procedural matters. I was comfortable it needed that advice, for which the government has a range of contracts.

**Madam SPEAKER:** Mr Chairman, I feel as though the Clerk has answered the question as fully as he could. I believe it now becomes an internal matter for the PAC if they wish to pursue this further. I do not believe this is a matter that we can answer any further within the review of the budget papers.

**Mr CHAIRMAN:** So, in other words, have you given the assurance that, within the Department of Justice, it is within the appropriate frames of costs, etcetera, and anything else should be pursued through the Public Accounts Committee?

**Madam SPEAKER:** We have been very open with giving you details of the Public Accounts Committee's funding and costs - that is what you requested and we have done that. This question that you are now asking us, the Clerk has answered it to the best of his knowledge. We cannot get any further information on this particular matter, because I certainly do not know the details of the legal advice, and nor should I. It obviously becomes then a matter for the Public Accounts Committee. I am not trying to dodge the issue, but I am saying the Clerk has told you the story.

**Mr CHAIRMAN:** I have questions from the member for Araluen and also the member for Nelson, but I think we should bear in mind the statement by the Speaker. So, if we could have the question from the member for Araluen and then the member for Nelson, please.

**Ms CARNEY:** My question to the Clerk is in relation to ...

**Mr CHAIRMAN:** Just procedurally, you cannot direct your questions directly to the Clerk. It is really the Speaker or the minister's call if they choose to give the question, so to speak, to the their officer.

**Ms CARNEY:** Madam Speaker, through you, are you able to advise when the request came through for legal advice, whether it was represented to you or, indeed, the Clerk, that the other members of the committee were aware of that request?

**Madam SPEAKER:** Could you answer that, Ian? Because at this stage I certainly had no knowledge of the request. However, as I say, you are getting into the details of this matter that I think is not our place, as part of the budget review, to answer. I believe that now has to be referred back to the PAC for that type of question. Would you like to answer that question?

**Mr McNEILL:** At the time, it was not directly presented as a 'on behalf of the committee' type issue. As I understood it, it was in respect of a requirement by the individual member to seek some expert advice on some matters that he had concerns about regarding his role as a member of the committee.

**Ms CARNEY:** I take it from that, that at no stage were you advised not to advise or alert other members of the committee of the request for legal advice?

**Mr McNEILL:** That is true.

**Mr WOOD:** Madam Speaker, if a member came and asked for legal advice, where would it normally go in the budget? Where would this procedure that has occurred now and has been placed in the Public Accounts Committee budget, normally have gone?

**Madam SPEAKER:** I suppose that is put against the PAC costings because it came from a member of the PAC. Normally - Clerk, you might to answer that; where did ...

**Mr McNEILL:** In most cases, similar invoices and memorandums would have been dealt with under the cost codes relating to the Office of the Clerk.

**Mr CHAIRMAN:** I know the member for Drysdale has another question. There are other questions here. I am not trying to hobble the opposition at all, but we do have a lot of business to get through. The Speaker has given an answer, but I will continue, bearing in mind we have a lot of business on the table.

**Mr DUNHAM:** I agree, Mr Chairman, that this is a matter for further pursuit in another place, but there are two issues. First, it seems that you are unaware of what the final bill might have been - and it could possibly have been \$15 000 or \$20 000 that came in. So it seems like it was an open-ended approval in the first place. It seems that there is a lack of control with that particular thing; you have given an open-ended order to a legal company.

The second issue is, I would have assumed that this is an area ...

**Mr CHAIRMAN:** Is this a question, member for Drysdale?

**Mr DUNHAM:** Yes, it is. I am asking whether it is a systemic failure that you have ordered a service without knowing what it was going to cost you. The second issue is: if the advice was such that it required some generic advice to the Public Accounts Committee, does that advice now belong to the parliament, and is it available to all members?

**Madam SPEAKER:** Can I say I did not like the tone of your first question in questioning the manner in which the Clerk's acted, because I believe that he gives due consideration in all things before he does anything, and he did this in good faith. To suggest that he asked for advice that was open-ended and he would not know the result of the final cost was a little out of order. However, I will allow the Clerk - obviously he is itching to answer for himself.

**Mr McNEILL:** I take on board your comment. However, as you would be aware, these matters are administered through the auspices of the Department of Justice, or a minister who contracts on behalf of the whole-of-government. You would reasonably expect that the process involving Department of Justice employees and the contractors, and the attestation by the Department of Justice that it was an appropriate memorandum of fees, is as much as most agencies can deal with from time to time. There is a copy of that advice with the Secretariat of the PAC which I would have provided at the time we had the invoice discussed and cost-coded against the Public Accounts Committee's budget inquiry.

**Mr DUNHAM:** That is available on the records?

**Mr McNEILL:** That is a matter for the committee.

**Madam SPEAKER:** It is up to the committee. I keep saying that ...

**Mr REED:** Madam Speaker, in the process - and this was a service required by a member of the

PAC, hence it is now allotted to their expenditures - is it the normal practice within a committee when goods or a service is required for the committee to approve it, or is it up to a member individually as a member of a particular committee to be able to seek a service and have that approved without the knowledge of other members?

**Madam SPEAKER:** Well I would have thought the delegation went with the Secretary of the PAC, to approve and authorise spending by the PAC. Is that right, Mr Clerk?

**Mr McNEILL:** In this particular case the invoice was returned from the Department of Justice and the secretary and I discussed it. Because it derived from the inquiry, we agreed that it could be cost-coded to the committee. That is the administrative arrangements and financial management arrangements that were put in place.

**Mr REED:** So the accountable officer was approached for a service? The accountable officer then, within the confines of the *Financial Administration Act* and other requirements, undertook to issue an order for a service and that then followed through the normal practices which complied with the *Financial Management Act* and other obligations of an officer?

**Madam SPEAKER:** Yes, yes.

**Mr BURKE:** Well, I am not clear on that because it seems to me - and clarify it for me - was the process that, in this case, Mr Kiely approached the secretary of the committee first, who then referred to you his inquiry, which was subsequently invoiced back to the committee?

**Mr McNEILL:** No, as I understand it he came to see me.

**Mr BURKE:** So would it be normal practice then - and it seems to be most unusual from my point of view - that a committee would have a chair and a secretary, and it would be given a global funding amount to conduct its inquiries which may or may not be exceeded. I would have thought the usual situation would have been that the secretary of the committee, through the committee, would have been approached for such an inquiry. Now, in this case, I am assuming from your answer that it is not unusual that a person, as a member of a committee could, without any reference to the committee, seek separate advice through you?

**Madam SPEAKER:** This is probably one of those instances we have not come across before.

**Mr McNEILL:** Well, it is not a common occurrence.

**Mr BURKE:** I have no argument with the way you acted, Mr Clerk, but I simply say, and the question is: how do these committees operate in terms of expenditure? Is it usual for the committee itself to determine that an inquiry is needed, and that inquiry might require legal advice? Therefore, the proper process would be that the committee would deliberate that concern and, through the secretary, that inquiry would be made using you as its agent, and probably another department. Is that the normal process?

**Mr McNEILL:** In the due process, if it was a cross-committee issue. But I was of the impression that this was a thing that was concerning the individual member.

**Mr BURKE:** So, in this case we have a member not following due process?

**Mr McNEILL:** Well, I was not aware of what the machinations were; or the proceedings of the committee were at the time.

**Mr BURKE:** You were not aware that ...

**Mr CHAIRMAN:** With all respect, member for Brennan, the questions should be directed through the

Speaker ...

**Madam SPEAKER:** Okay, I am happy for ...

**Mr CHAIRMAN:** ... and it is up to the Speaker or the minister to redirect them to the officers. So, if you would just bear that in mind, please.

**Mr BURKE:** I say at the outset that I believe that Madam Speaker and the Clerk have been put in a very difficult situation; I accept that. But, unfortunately, the issue is that the expenditure of the public monies rests, at the end of the day, through their own authorisation. I am simply saying: would you agree, Madam Speaker, that in this particular instance, it is an unusual way for a committee member to obtain advice?

**Madam SPEAKER:** There have been other occasions when members have sought the Clerk's advice on different matters, and the Clerk has sometimes felt he needed some advice himself. In this case, I guess, he was not aware of what actually was going on within the committee process, a member approached him and he, in good faith, approved that legal advice be obtained. You do not always get down to that minute detail of what a committee is doing. I have no idea what happens in your Public Accounts Committee, and nor should I, because it is up to the committee to work that way. I only receive the report. Certainly, when it comes to the accounting of the Public Accounts Committee, I do not have a say in how the committee spends the money. I rely upon the secretary of the committee to be responsible for that funding.

**Mr BURKE:** Well, that is the crux of it. I am surprised, Madam Speaker, that you would quite happily seem to assume responsibility for what, seems to me, to be a member acting in a renegade fashion outside of the confines of the committee.

**Madam SPEAKER:** But you are assuming that I was aware of that.

**Mr BURKE:** I am simply saying that it seems to me that you were not aware of it ...

**Madam SPEAKER:** No.

**Mr BURKE:** ... neither was Mr Clerk aware of the processes within the committee. That is why I am surprised you would take any responsibility for a member acting entirely out of the processes of the committee, without reference to anyone in the committee, and obtaining service to the tune of almost \$4000 which is subsequently billed back to the committee.

**Mr CHAIRMAN:** Member for Brennan ...

**Madam SPEAKER:** Could I just answer that, Mr Chairman? Look, we take these comments on board, we note what you are saying. I do not know whether the Clerk would like to say something in addition to what we have said, but we are well aware – we hear what you are saying.

**Mr BURKE:** Thank you.

**Mr CHAIRMAN:** I would like to say again that we have exhausted this topic, and I would like to see us move on.

**Mr REED:** By way of example, regarding the document that was tabled this morning for PAC budget expenditure, I would have thought in this particular case, as I alluded to before, that it would have been appropriate for the PAC to give approval for this expenditure. It is not a small amount of money; it is nearly \$4000. For example, in determining as to whether or not a consultant - and I will not name the person out of deference to them – was paid similar amounts of money on different occasions, the PAC may well have discussed whether or not it was appropriate to take on that person as a

consultant and approve that that expenditure be pursued.

In that light, I then wonder if – if the process is not in place, as regards all expenditures – it is now necessary to put in place some control mechanism. If these unusual circumstances arise where a particular member of the PAC can have expenditures - presumably at their whim - whereas on other occasions, presumably, the consultancies were approved by the PAC as a whole - but not on this one - is it necessary then for us to - and I am speaking here from the point of view of expenditure, which is a budget related issue, and also as and output because that is what this debate is all about. So, do we now find ourselves in a position where it might be necessary for us to consider more appropriate controls on the expenditure?

**Madam SPEAKER:** I reiterate, we said that we will take these comments on board and certainly reassess the situation. However, I also strongly suggest the PAC discuss the matter and how they particularly want to operate in future.

**Mr REED:** Well, if you are going to assess the situation, it is much appreciated, Madam Speaker.

**Mr CHAIRMAN:** Can we move on?

**Mr BURKE:** Question 77: detail how much was spent on advertising, promotion, dissemination of policy issues and provision of information that included the Speaker's photograph and/or a message from her ...

**Madam SPEAKER:** I am a very unassuming Speaker. There has been no expenditure in this category.

**Mr BURKE:** I do not think the next question is relevant to you. It is part of a generic ...

**Mr REED:** If I could just ask a question on that, Mr Chairman? Madam Speaker, in overall staffing - and I get back to an answer that was provided previously - for the total staffing of 85, 35 of whom were full-time employees, 25 electorate officers and 25 members of parliament: has it been the practice in the past to include members of parliament as staff of the department?

**Madam SPEAKER:** I suppose we are referring to personnel costs. The Clerk will answer that one.

**Mr McNEILL:** The monthly returns published by the OCPD of staffing statistics have, since their implementation, always included members and electorate officers as being counted in as employees of the Department of the Legislative Assembly, whether it is for payroll or related statistical purposes.

**Mr REED:** As a cost?

**Mr McNEILL:** Yes.

**Madam SPEAKER:** But they are not employees.

**Mr CHAIRMAN:** There being no more questions, that concludes the consideration of this output group, which is Assembly Services 01.01. Could the secretary please advise if there are any outstanding written questions and answers that need to be tabled.

**Mr HANLEY:** No outstanding questions, Mr Chairman.

**Mr CHAIRMAN:** Okay, well ...

**Mr DUNHAM:** A point of order, Mr Chairman! I actually handed a question up.

**Mr HANLEY:** Mr Chairman, the process of a question on notice is that the agency is then responsible for providing a reply to that question on notice. It may well not be during this session, and it could be tabled at a later date.

### Members and Clients

**Mr CHAIRMAN:** The committee will now proceed to output 01.02, which is Members and Clients. Once again, the major portion of the written questions are from the member for Brennan, although I see here that the member for Sanderson also has a question.

**Mr BURKE:** Question 4: what is budgeted for IT upgrades in 2002-03 for members' offices? Would you please provide details and time lines.

**Madam SPEAKER:** There are two major upgrades planned for members' offices at the total cost of approximately \$110 000. Of this amount, one-off costs will be \$20 000, and ongoing costs per annum will be \$90 000. The first major upgrade will be the remote network access upgrade, the Virtual Private Network (VPM) – I am looking at the member for Greatorex because I know he understands what I am talking about. This is the replacement of the existing dial-up infrastructure for members' offices, and those people out of Darwin know sometimes how frustrating it is using the dial-up infrastructure.

The VPM allows users to access the Northern Territory government Wide Area Network via any Internet service provider, and by using a variety of broadband connections. Specific advantages of this upgrade include providing access to applications as if the user were located on the server and Local Area Network within the building. It will provide real time and online access to the Legislative Assembly Lotus Notes data bases, including e-mail, and will overcome some of the issues relating to poor telecommunications through the configuration of session reconnection after phone line drop-outs, providing the ability to access from residence, interstate and overseas.

The provision of that VPM service is being driven by the DCIS ITNT Strategic Advice Branch as a whole-of-government project, and is planned to be implemented by the end of the year. A pilot will be undertaken at a number of sites to first approve the solution before it is rolled out onto all sites. A one-off cost for this upgrade is \$14 038, and there is a monthly cost of \$7500.

The second upgrade is the Lotus Notes version 5. This is another whole-of-government project and involves two phases. The first phase is the single domain migration. The current dial-up arrangement for electorate offices had been preventing the Legislative Assembly from moving into the Northern Territory Lotus Notes domain. At present, the Lotus Notes servers used by the agency are owned by the agency. When the VPM project is complete, the agency will be able to migrate to the Northern Territory government Lotus Notes domain and will source services under the eMAG contract. The second phase is the Lotus Notes Client upgrade. When phase 1 is complete, the Lotus Notes Client on everyone's desktop will be upgraded from version 4.6 to version 5. The estimated cost of this upgrade is \$6000.

**Dr LIM:** Following on that question, Madam Speaker; what has been the impact of the department in respect of IT outsourcing and, in particular, the level of service support to members?

**Madam SPEAKER:** I guess it would be remiss of me to not say that the outsourcing has created considerable challenge to management in maintaining appropriate levels of service within the constraints of the contractual agreements. In the past three years, we have moved from a situation where we controlled our own staff - some of you will recall that - which had its own management structure, to a situation where we are often not in proper control of the outcome in meeting the demands presented. A review of the past IT expenditure would show that the operational costs have been relatively consistent, though, with the peaks of expenditure when the department had to make equipment purchases.



Despite containment costs though, it is apparent that there remain high levels of dissatisfaction in the levels of service provided and, in particular, response time to logged problems. Moreover, it is evident that single business case under an umbrella contract does not necessarily meet the requirements of all members who have varying requirements and operating environments. To this end, we are seeking solutions through DCIS to resolve the issue and provide the scope to be more flexible in terms of hardware and software for members, whilst acknowledging the requirements prescribed by the RTD.

The use of IT and communications has obviously expanded rapidly for our members over the last few years. This is most noticeable, as you know, in the Chamber with the use of laptops. Again, we have made special arrangements to provide full support during the sittings, which adds to the standard cost provided in the normal daily situation. Essentially, we are seeking to be flexible for members' requirements; however, in most cases this will involve an increased cost outside the prescribed cost of standard services. I guess, at the moment, we are saying they are relatively consistent with the peaks of expenditure we have had in the past.

**Mr BURKE:** Question 10: how do the new determinations effective 1 September, brought down by the Remuneration Tribunal, impact on the Legislative Assembly 2002-03 budget?

**Madam SPEAKER:** Can I say from the outset that it is probably not possible, at this stage, to make any meaningful estimates of the impact until it is been in operation for 12 months. In addition, the RTD is also programmed for review again in October this year. So the information I can give you does not give us a whole, big, clear picture of what it would cost.

However, in the report, the tribunal indicated that it accepted the reason for the disallowance of Determination No 2 by the Assembly, was the need for constraint in prevailing poor fiscal circumstances. Therefore, the general approach to Determination No 1 of 2002 has not been to increase the salary for office to that determined in 2000.

Variations that have been included in the new determination that will have some impact upon the Assembly are the Darwin rate of travelling allowance. The tribunal has established a daily rate for non-commercial accommodation that equates to the rates applicable to the Northern Territory Public Service employees of \$65 a day, on the basis that the use by members of non-commercial accommodation attracts a rate of travel allowance of one-third of that when commercial accommodation is used. The Darwin rate of TA for commercial accommodation has been increased to \$195.

The electorate allowance has actually been for us, administratively, quite an advantage because the tribunal has added into the electorate allowance: the existing entitlements for office cleaning, previously paid by the department; postage, the air courier bags; and communications including mobile phones, satellite telephone calls, Internet service and facsimile consumables.

There was also an area travel to Yulara by the member for Macdonnell. Although Yulara is located within the member for Macdonnell's electorate, the tribunal has determined that he may be paid the Yulara rate of TA, which is \$220 per overnight stay, when travelling to that located under clause 4.4 of the RTD, which provides for members to claim travel allowance for up to 16 overnight stays when travelling outside of their electorate within Australia. We all appreciate very much that the cost of accommodation in Yulara is probably higher than any other centre.

For overseas travel, the tribunal has posed a monetary ceiling on the amount the government will provide to members undertaking overseas travel, pursuant to clause 9.1 of the RTD. The government contribution will not exceed the cost of one direct Qantas business class return fare from Darwin to London; or two where a member is accompanied by their spouse or partner. The current value of such travel is approximately \$11 500 per person. Accordingly, the maximum payable to a member is \$23 000 inclusive of travelling allowance. Most previous expenditure for this entitlement has been within the range of \$25 000 to \$35 000 for fares, plus \$6700 for TA. So, there is a considerable reduction in that area.

Under the new RTD, members may be paid \$1500 per annum towards the cost of an alternative electoral data base, or continue to use Rolldata. The Department of the Legislative Assembly maintains Rolldata, as it expected the Independent members will continue to use this system, although other members may choose otherwise.

Purchase of vehicles, computer equipment and other assets by former members is an entitlement occurred on a one-off basis, and the provision for members to purchase government owned assets has now been deleted.

Communication: the government will now meet the costs of broadband connection at the members' residence where the facility is readily available. Telstra advise that the connection costs range from approximately \$100 to \$300 per telephone service and includes the provision of a single port modem.

So given all those, as I said, at this stage it is not really possible to make a meaningful estimate, particularly as there may be a review again in October. But they are the variations to the RTD.

**Dr LIM:** Madam Speaker, if I may follow up on Rolldata. Based on the \$1500 per member to purchase their own electronic electoral roll system, if there were 25 members using Rolldata I would say that the combined cost of Rolldata would be about \$37 000 to \$50 000. Are we suggesting that the Rolldata will be maintained just for two members at the exorbitant price that it would cost, whilst the other members would be using other systems at \$1500 each?

**Madam SPEAKER:** I think I might ask the Deputy Clerk for that, because I can see no reason why the two Independent members should not still have access to a roll.

**Dr LIM:** I am not denying them at all.

**Mr HORTON:** David Horton, Deputy Clerk. We have reviewed the situation. At this stage, it is not clear how many members will actually elect to use an alternative system to Rolldata. As stated, with the Independent members we researched whether there was an option, and there does not seem to be a suitable option anywhere in the country. So we have to provide that service to these two members, and possibly others if they elect. The current cost of supporting Rolldata - I think off the top of my head - is about \$12000 a year. At this stage, there is no intention to do any type of recovery from those members who will be using Rolldata. As you are aware, we have had lots of discussions about Rolldata over the years. The bottom line is we will continue to support Rolldata and see how many members, on both sides of government, actually elect to use alternative systems.

**Madam SPEAKER:** And perhaps as the number of Independents increase in the House ...

**Mr BURKE:** Madam Speaker, question 21: mention is made on page 34 of Budget Paper No 3 of a Client Service Agreement. What is that agreement and who are the signatories to it?

**Madam SPEAKER:** I should add that this is a very good initiative by the department. The Client Service Agreement currently being developed by the staff is intended to be a contract between the department and the members, to ensure the standard of services we provide meet their requirements and expectations. Last year, the department conducted a program evaluation of member services and, although the results indicated that members generally rated service standards as good, it was considered the evaluation was somewhat subjective and that there were no quantitative or qualitative performance measures identified for benchmarking.

We are also aware that sometimes members are somewhat dissatisfied with the service available, so we need to provide better service where we can. This is one way that we thought we could identify it. So, in the new reporting structure it is necessary to identify a full range of performance measures so that, where appropriate, actual cost and outcomes can be recognised. As with all service level agreements, we need to be assured that we are meeting our clients' needs in a timely and cost

effective manner. Such things as turn-around times for travel arrangements, processing of members' requests, standard of service - all the type of things that you people would be aware that you expect of us - will form the basis of that agreement. Once the document is finalised, it will be circulated to all members for comment and this document will eventually be signed off by each member and the Speaker, and used as an ongoing reference point for us to gauge the standard of service that the department is actually providing. It is a very good initiative and, certainly, should be applauded.

**Mr KIELY:** Question 256: could the Speaker please detail the cost, globally and listed by former member, to fit-out electorate offices for incoming members following the last Territory election where outgoing members purchased some or all of their office furniture and fittings. Could the Speaker outline any changes that have been introduced to avoid the same sort of expenditure being incurred in the future.

**Madam SPEAKER:** Four former members took up their entitlement to purchase government supplied assets as prescribed by the then existing RTD. Purchases included furniture, office equipment and computer equipment valued for sale by the Australian Valuation Office. The electorates were Millner, Nelson and Nightcliff – has there been an error? Excuse me Mr Chairman. It is only three; I am sorry, I said four. The cost to refurbish the offices and in accordance with the new members were as follows: Millner \$15 634, Nelson \$15 281, Nightcliff \$10 411, a total cost of \$41 326.

The Remuneration Tribunal has addressed this issue in its latest determination by deleting the provision for former members to purchase government owned assets.

**Mr DUNHAM:** Madam Speaker, is it possible to provide details for all offices, given that they were only three. I understand that there were substantial upgrades for some members who stayed on - including myself - who changed offices, and significant money spent on some members who chose to change offices?

**Madam SPEAKER:** Yes. The total expenditure on electorate offices for 2001-02 are as follows: furniture and fittings, \$56 144; equipment, \$63 623; repairs and maintenance, \$42 725; minor new works, \$141 648. So there was a total expenditure on electorate offices last financial year of \$304 150. Does that answer your question?

**Mr WOOD:** Madam Speaker, how much was recovered from the sale of the assets, excluding motor vehicles?

**Madam SPEAKER:** Payments received from the former members were: Millner, \$4835; Nelson, \$8810; Nightcliff, \$13 980, a total of \$27 625. The nett cost to the agency was \$13 701. However, I will say that, in the case of the Nightcliff office, the replacement items were, in most instances, at a lesser value than purchased by the previous member.

**Mr BURKE:** Madam Speaker, you gave global amounts for the costs of those offices. I assume you have the detailed breakdown per office. Could you table that?

**Madam SPEAKER:** The chart I have here shows the equipment expenditure and the furniture and fittings. You wanted a breakdown of each office?

**Mr BURKE:** A number of members changed offices.

**Madam SPEAKER:** I have minor new works. The minor new works for offices: Goyder was \$43 281; Drysdale was \$81 264; Barkly was \$13 798; Casuarina was \$1680; Wanguri was \$1264; Araluen was \$361. So the total for minor new works was \$131 648. There is also a list of repairs and maintenance, but it is broken down into regions.

**Mr DUNHAM:** Basically, Madam Speaker, if we could have the estimated expenditure for operational minor new works for each of those offices for the year past, and proposed works for the year coming.

I am happy to do it on notice.

**Madam SPEAKER:** We will take it on notice and get back to you. I do have some details, but not that sort of advice ...

**Mr CHAIRMAN:** Are there any further questions in this output area?

**Mr BURKE:** Madam Speaker, also on page 34 of Budget Paper No 3 - this is question 6 ...

**Mr CHAIRMAN:** If I could just close off this output, member for Brennan. That concludes consideration of this output group, which is output 1.02 Members and Clients. I do not believe there are any outstanding written questions and answers that need to be tabled. The committee will now proceed to output group 01.03 which is Building Management Services.

#### **Building Management Services**

**Mr BURKE:** Madam Speaker, question 6: on page 34 of Budget Paper No 3, an estimate is made of 2262 function hours for Parliament House for 2002-03. How is this calculated, and what proportion of this figure is likely to be, or has been, functions hosted by the Chief Minister and/or other ministers?

**Madam SPEAKER:** That estimate of 2262 hours is the forecast of total functions based on historical data and the booking information in recent years. It includes all government and non-government functions, meetings and seminars held within the facility. In addition to the duration of the function, total hours also includes preparation and post-function clean-up. In the past, the only records that were maintained were the number of bookings made. However, for support costing and level of effort by departmental staff, this really did not clarify the actual length of time of the function, because it did not include that pre and post preparation and clean-up.

Essentially, the longer the function, there is a proportional increase in the level of support in respect of overtime costs, building usage costs, including power, airconditioning, etcetera. In addition, there can also be increased clean-up costs dependent on the completion time. Therefore, to more accurately reflect this output for this financial year, a calculation has been done on the type and number of functions to determine the information in dollar cost per number of hours support.

In 2001-02, function rooms were booked for a total of 1326 hours, of which 532 hours were booked for functions hosted by the Chief Minister or other ministers. This was lower than in previous years, particularly due to the lower level of functions in the first half of the year due to the election. This represents 41% of the total function hours. So, as you can appreciate, the forecast target for 2002-03 will need to be tested after a period of operation to validate the methodology. The hours for each year previous do not include the setting-up, dismantling and clean-up hours. I can give you previous years: for 2000-01, the total hours were 2270, 932 of these were for ministers; and for 2001-02, 1326, 532 of these were for ministers.

**Mr BURKE:** So, Madam Speaker, how does that 2262 related to a cost per function hour, appear in the budget?

**Madam SPEAKER:** I did have that somewhere. David?

**Mr HORTON:** As stated, the costing of functions in the past has only been done very crudely by adding up the number of functions, and does not represent what the true output cost is. In order to overcome this, there has now been a cost attributed to 'per hour of support' for each function. If you take the cost per hour and multiply it by the predicted or forecast number of hours, you actually come up with a target cost for 2002-03.

**Mr BURKE:** Where does that appear in the budget?

**Madam SPEAKER:** Functions are a sub-output under the Building Management outputs.

**Mr BURKE:** Could I ask for a page, please?

**Mr HORTON:** It is on page 34, under Building Management Services, under performance measures for the 2002-03 estimate.

**Mr BURKE:** Yes, I am on that page. I want to know where it appears in your budget in an allocation, as it appears as an output, or an outcome, in fact. If you are trying to achieve an outcome, you obviously would have budgeted to achieve that outcome.

**Madam SPEAKER:** The Corporate Services Manager will answer that.

**Ms LONG:** The functions are a sub-output that sit under the output Building Management. So, there are four sub-outputs that sit under that, and the costs are allocated at that level. They do not appear in Budget Paper No 3; they are a level below that.

**Mr CHAIRMAN:** Are there further questions? Well, that concludes consideration ...

**Mr DUNHAM:** Yes, I have one, Mr Chairman. I appreciate what you said before about your non-discretionary costs. My question refers to the electricity in this place, which you touched on. I understand you would be about ready to sign a new contract, or have. I am aware of the cost increases from Budget Paper No 6. Will your electricity costs go up - which I assume they will - what percentage increase will it mean for Parliament House, and what plans do you have to reduce energy costs in this building?

**Madam SPEAKER:** Yes, you are quite right. It is understood that there is a difference in translation from the old and the new fee structure. Under the old fee structure, we paid a small supply fee and a tariff of 16.3¢ per kilowatt hour. Under the new structure, we pay 13.32¢ per kilowatt hour for off-peak power, and 26¢ for peak power. Our average cost for the first two months of the new tariff is in the order of 21.5¢ per kilowatt hour. This represents an increase in the order of 25%. There are also ...

**Mr Dunham:** 25%, did you say?

**Madam SPEAKER:** 25%. There are also penalty costs for power factor deviations.

We are aware, with the Wet season approaching and the temperature increase, it is expected that the daily usage will increase at a greater rate than the night time usage, which is off-peak time. It is expected the result will be an increased average tariff, as well as general increase in consumption. This is because the largest amount of our consumption is at the higher rate of 26¢ per kilowatt hour. At present, 55% of our power consumption is peak rates, with that expected to rise to 65% during the hottest months. At this time we will be paying approximately, I would imagine, 28% more than the previous rate. On our consumption of last year of approximately 3.590m kilowatt hours, our power costs will increase from the order of \$585 000 to the order of \$749 000, an increase of \$164 000.

These are estimates, of course, subject to a number of uncontrolled variables, including the weather and the number of functions held within Parliament House. However, we are certainly trying to investigate how we can reduce energy consumption, including a capital works project to perhaps install a load bank to offset dual water production to off-rate hours. I really do not understand that last bit. We have obviously, in the past, also introduced measures to reduce the power whenever we can, such as the timers in lifts and toilets and things like that.

**Mr REED:** Madam Speaker, given those circumstances, is it the department's intention then, to increase the charges to the Department of the Chief Minister, if ministers or the Chief Minister have functions in Parliament House? Will the costs that you apply to the use of the facility reflect the

increased electricity costs?

**Madam SPEAKER:** At the moment we actually charge for cleaning overtime, but do we actually charge for power?

**Mr HORTON:** No, not for power at this stage.

**Madam SPEAKER:** No, I did not think we did.

**Mr HORTON:** No, but if you are looking at true output costs, and in the case of sub-output costs, then we need to consider all costs to get the actual figure and what are the causes.

**Mr REED:** So there is no electricity component in building use for outside groups?

**Madam SPEAKER:** No, not at this stage, is there? No.

**Mr DUNHAM:** Has any consideration been given to aggregating the facilities in the State Square area to negotiate with PowerWater about the ...

**Madam SPEAKER:** Could I ask the building management to explain that ...

**Mr CHAIRMAN:** Well, he will have to come to the table and replace someone.

**Madam SPEAKER:** ... because we have just entered into a new contract. That was a consideration, but it did not actually eventuate. Derek Stafford, the Building Manager could perhaps explain.

**Mr CHAIRMAN:** If you could introduce yourself, please, Derek.

**Mr STAFFORD:** Derek Stafford, Building Manager. The aggregation of contracts was being investigated, and it still is by DCIS because they are looking after the contracts for future power supply. However, as there is only one contractor now, that situation may well have changed.

**Madam SPEAKER:** We did look at it with the Supreme Court but, at this stage, because we had different endings in our contract times ...

**Mr STAFFORD:** There were a couple of things. We were at different groupings as far as the consumption size – we are actually much bigger than the Supreme Court or other users around the area. We were looking at combining with other tranche one users. However, we were the smallest of the tranche one, but bigger than tranche two, so we ended up on our own a bit as contracts came out.

**Mr CHAIRMAN:** Are there further questions on this output area? If not, that concludes consideration of this output group which was, of course 01.03, Building Management Services. I do not believe there are any other outstanding written questions and answers that need to be tabled.

I would like to thank you, Madam Speaker, for the detail that you and the officers have supplied.

Just to explain to the media and the public what the process is: after each minister or, in this case, the Speaker, the committee will retire to the Ormiston Room to compile a very brief report. I hope it will not be any longer than five to 10 minutes for us to do it; we have been making notes. Then, hopefully, we will be reconstitute in here at about 2.40 pm. I call the six members of the Estimates Committee and we can make our report and then move on with the Chief Minister.

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Committee suspended.

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## CHIEF MINISTER

**Mr CHAIRMAN:** Ladies and gentlemen, I am mindful of the time constraints of the committee. I know there are probably a few people still missing, and some coming through. However, I would like to start, we do have a quorum for the Estimates Committee. Having said that, I would like to welcome the Chief Minister, who is going to answer questions about her portfolio units as a whole. So I invite the Chief Minister to introduce the officials accompanying you, and to make an opening statement on behalf of the Auditor-General's office.

### AUDITOR-GENERAL'S OFFICE

**Ms MARTIN:** Mr Chairman, I will not be making a statement on behalf of the Auditor-General's office, but I would like to do one that covers all the agencies I will be dealing with this afternoon, which is Auditor-General, Ombudsman, Department of Chief Minister, the Arts and Museums section of Community Development, Arts, Sport and Cultural Affairs, and also my responsibility as shareholder minister for PowerWater. I will make some brief opening comments.

It is a first for all of us today, and it has been interesting to see the process so far. This is my government's first full budget, and I am proud to have introduced substantially improved processes, both to the budget preparation, presentation and the related parliamentary scrutiny. We have seen part of that already today. The budget also includes additional funding for the government's priority areas - health, education and community safety - as well as providing additional capital works funding, something I believe has been neglected for a number of years.

Specifically, as Chief Minister, a key element of the budget for the Department of Chief Minister is expanding the role of the department to assist and develop in driving key policies across the whole-of-government. That involves the economies of the Office of Territory Development, social policy outcomes, the Social Policy Unit and Community Engagement Division, and indigenous policy through the Indigenous Policy Unit.

Specifically, as Treasurer, we are setting new standards of financial integrity in the Territory, and providing enhanced levels of accountability and transparency. The budget papers we are currently in the process of dealing with through estimates, have been prepared in accordance with external national standards, and allow for comparison and consistent analysis with other jurisdictions. The *Fiscal Integrity and Transparency Act*, which was introduced and passed last November, provides the basis for this improved level of accountability and transparency, and its requirements go beyond those agreed by all governments in the uniform presentation framework agreement. So in the Territory we are not just meeting minimum standards, we are actually going beyond them.

In addition, new budget papers are being produced so that the information is more accessible by the Territory community. I point particularly to the *Building our Community, Regional Highlights* and *Overview* budget papers.

This, as we are dealing with, is an accrual based budget and has substantially increased the information available to parliament, agency managers, commentators and the community, and will lead to improved financial management practices and better resource allocation decisions - as it has in every other state.

Although supported by Labor in opposition for many years, the former government belatedly accepted the need to go to accrual accounting and budgeting. It needs to be acknowledged that the process was started by the previous government. I must say, listening to some of the discussion this morning, I am a little surprised at the nature of some of those questions, considering that the commitment to move to accrual was a CLP one.

There will be continued improvement in accrual practice and data over the next two to three years, and it is likely that this will be faster than has occurred in the other states because the quality of the

Territory's asset and liability data is better than the states at the same period. The budget is based on a new, more appropriate fiscal strategy, which is consistent with the *Fiscal Integrity and Transparency Act* requirements, and continues the commitment to the deficit reduction strategy. It is with some level of pride that we have a new budget presentation which is accruals, and a new process for examining it which is this: an Estimates Committee. I certainly trust all members will use this process constructively in the interest of Territorians, and in their own knowledge and understanding of this budget.

Thank you, Mr Chairman. Now I would like to introduce the man to my right who is our relatively new Auditor-General, Mike Blake.

**Mr CHAIRMAN:** Welcome Mr Blake. The committee will now proceed and consider the whole-of-agency questions as they relate to the particulars of the estimates of the proposed expenditure for the Auditor-General's Office. This is Output 00.03 and, once again, the member for Brennan has asked most of the questions. I would ask him to move through his questions please.

**Involves More Than One Output Group**

**Mr BURKE:** Thank you, Chief Minister, for your opening statement. I am sorry you feel we may be ignorant about the accrual accounting process, but so be it. We are just poor public servants trying to understand this complicated budget. The questions are not only asked on our behalf, but also on behalf of the taxpayers of the Northern Territory whose money you are managing.

Question 30: how much was spent on consulting services in 2001-02? Detail individual contracts; that is, who were they awarded to, at what cost and for what reason? How much is estimated to be spent on consulting services in 2002-03, and how much has being expended so far this financial year? Detail the individual contracts; that is, who were they awarded to, at what cost and for what reason?

**Ms MARTIN:** The Auditor-General responds nil to all those questions because it does not use consultancies.

**Mr BURKE:** You do not use any consultant audit service?

**Ms MARTIN:** I might refer this question to the Auditor-General.

**Mr BLAKE:** Thank you. Mike Blake, Auditor-General. I do not regard them as consultants. My act requires me to appoint authorised auditors and we treat them almost as though they were members of staff. Therefore, we do not regard them as consultants in the definition of the word 'consultant'. They are my auditors.

**Mr BURKE:** Okay, I accept that.

**Mr BLAKE:** I have responded to giving the total value we pay those auditors in another question.

**Mr BURKE:** Okay, that is my point. It is answered in another question.

Question 34: explain the difference in estimates of agency revenue between 2001-02 and 2002-03 and what are the sources of that revenue?

**Ms MARTIN:** Agency revenue is based on the recoverable audits performed by the office. The Northern Territory Auditor-General's Office recovers from agencies the cost of the authorised auditors to perform the requested audits. Types of audits that are recoverable include Commonwealth acquittals and financial statement audits requested by agencies. The level of these receipts vary from year to year based on the audits that the office is requested to do.

**Mr BURKE:** Therefore, do I assume from Budget Paper No 3, page 5, that there will be less audits in 2002-03 than in previous years? Why would that be?



**Ms MARTIN:** Again, I will refer that to the Auditor-General.

**Mr BLAKE:** Yes, the volume of audits varies from year to year, it is not a number that goes up and down or goes up steadily as other budget costs or revenues might do. It depends on what agencies request, and that varies. So we are expecting less audits to be requested next year, or the year that we are in now.

**Mr BURKE:** That is fairly unusual. So you are actually going to budget Cabinet looking for less money for audits?

**Mr CHAIRMAN:** No, you must direct your questions through the Chief Minister, please.

**Ms MARTIN:** And I will refer again to the Auditor-General.

**Mr BURKE:** I have tried to save time.

**Ms MARTIN:** That's fine.

**Mr BLAKE:** The nature of the audits will vary. For example, if the Commonwealth has funded a particular program with an agency, it requires acquittal back to the Commonwealth. It may be required one year and not required the next year. So, it is not a number that I can budget very easily and it is going to be consistently moving over time. We make an estimate at the commencement of the year, that those audits are going to come up next year and, as I say, that can vary. In this case, it is going to be less. Bear in mind that the \$190 000 that is in the budget papers was an estimate set some time ago. We are estimating that; in the recent years it has been about \$130 000, \$140 000 - last year was unusual.

**Mr BURKE:** So, when I posed the same question to the Speaker, she said that she had actually asked for more money and, through negotiation, an agreed figure arrived. Can I assume from the answer that was given, Chief Minister, that the money requested for audits by the Auditor-General was in accordance with his own wishes, and not reduced?

**Ms MARTIN:** If you look at the total operating expenses for the office this year, there is growth money in it.

**Mr BURKE:** Sorry, I didn't - did he get what he asked for, or less?

**Ms MARTIN:** I think you will find that the Auditor-General will be able to do an excellent job for the Territory this year.

**Mr BURKE:** So you refuse to answer my question?

**Ms MARTIN:** No, I am saying that this is ...

**Mr BURKE:** It is a pretty simple question. Did he get what he asked for or less?

**Ms MARTIN:** I am saying that, within this appropriation, the requirements of the *Auditor-General's Act* will be met, and audits will be well done through the Territory.

**Mr BURKE:** I think you will find, Chief Minister, before you butted in, he was nodding that he got what he asked for. But it may not be the case.

**Ms MARTIN:** Let me refer the answer to the Auditor-General.

**Mr BLAKE:** Yes, I got what I asked for.

**Mr BURKE:** Question 43: how many people are employed by the agency by output and activity? How many are employed on a full-time, part-time, casual or contract basis? How many were employed by the agency on 29 August 2001 on a full-time, part-time casual or contract basis? How many were employed by the agency on a full-time, part-time, casual or contract basis when the public service was restructured in November last year? How many were employed by the agency on a full-time, part-time, casual or contract basis for the last pay period in August?

**Ms MARTIN:** Just to make a point here; the restructure did not affect the Auditor-General's office at all. So the answer to one, there are four: one full-time, three contract. Employment at 29 August 2001: one full-time, three contract. In November last year: one full-time, three contract. In the last pay period in August: one full-time, three contract.

**Mr BURKE:** So could I ask again in reference to the first question: these contract people are other than what could be termed 'consultants'? They are not staff, they are not contract people, we are now finding out because there were only a couple mentioned, in terms of who actually conducts audits.

**Ms MARTIN:** I will refer that to the Auditor-General.

**Mr BLAKE:** My full-time staff is myself plus three. I engage a series of audit friends around Darwin to do audit work on my behalf, and we contract manage those firms. I have not ever regarded them as consultants in the true definition of the word 'consultant'. They are working under my mandate for me on an almost full-time basis.

**Mr BURKE:** Thank you. You might help me: eventually we will get to the point where you will outline the degree of services that were provided and their cost, by people who were engaged by contract or whatever.

Chief Minister, question 47: what was the repairs and maintenance budget for the agency for 2001-02 expended on their behalf by the Department of Infrastructure, Planning and Environment or its predecessor?

**Ms MARTIN:** Yes, the budget was \$1000 and the actual expenditure was \$582.

**Mr BURKE:** How does the figure \$3000 in Budget Paper No 3, page 8, correlate with that?

**Ms MARTIN:** Yes, the figure on Budget Paper No 3 is a depreciation and amortisation figure.

**Mr BURKE:** I am sorry; I am in the wrong one. Yes, I accept that. That is the third time I have been buffaloed on that.

Question 51: detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures.

**Ms MARTIN:** The Auditor-General's Office only has inter-agency transfers in regards to the purchase of goods and services. These payments are reported under expenditure, like other purchases of goods and services. During the 2001-02 year, the office purchased goods and services from ITMS, approximately \$1500; the Department of the Chief Minister, approximately \$750; OCPE, approximately \$500; Power and Water Authority, \$2800; and NT Fleet, approximately \$21 500.

**Mr BURKE:** Question 62: what has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency? Are there continuing costs or the need for more staff?

**Ms MARTIN:** There has been no immediate cost to the agency. The agency moved to accrual accounting, I think, seven years ago - a number of years ago - and there have been no needs identified for additional staff at this time. If agencies require their accrual accounts to be audited, it will be at their cost. That is, the authorised auditor's fees are recovered from the requesting agency. If, through Treasurer, we require agency financial statements to be audited, there will be an additional cost involved.

**Mr BURKE:** Is the next question relevant? I just cannot find it in the budget paper: expense relating to prior year receipts.

**Ms MARTIN:** That was the first one, Denis.

**Mr BURKE:** Question 78 - I am not quite sure whether it is relevant to this agency: explain what the entry 'Expenses relating to prior year receipts' means. Detail what the amounts listed against this entry are for, both for 2001-02 and 2002-03.

**Ms MARTIN:** Expenses related to prior year receipts refer to expenses related to audits scheduled for the prior year that were not completed within that time and have been carried forward into the next year. The expenses relating to prior year receipts in 2001-02 were \$49 000, and for 2002-03 were \$79 000. All are audit tasks not completed within the previous year that have been carried forward.

**Mr DUNHAM:** So it is a commitment in one year with expenditure the next. Is that correct?

**Ms MARTIN:** Under the accrual framework, when an expense has actually occurred it is then documented. Therefore, it comes onto the books and that is why it is there in 2001 or 2002. It is then on the books from that time. Then it is completed, so it does not rely on a date. That is the nature of accrual accounting. All those ...

**Dr LIM:** I do understand accrual accounting, having been in private enterprise ...

**Ms MARTIN:** The question was from the member for Drysdale.

**Dr LIM:** Yes. Having been in private enterprise most of my previous life, I do understand accrual accounting. I am trying to work out whether the ministers themselves understand what accrual accounting means. We are looking for a clear explanation from yourself as to what it means when you have, in 2001-02 \$49 000, and 2002-03 \$79000, and what the \$30 000 actually means.

**Ms MARTIN:** What the \$30 000 actually means?

**Dr LIM:** That's right. What does it really mean?

**Mr DUNHAM:** The variation.

**Ms MARTIN:** I might refer this one to the Auditor-General. We will get an expert to give us the best answer.

**Mr BLAKE:** Can I firstly say that the \$30 000 does not mean a thing; it is just a difference between the numbers, and what the Chief Minister said in terms of accrual accounting is broadly correct. In my environment, there is one slight variation to that in that we plan to do a certain number of audits each year, and there can be an occasion - I get funded for that in full - if, for some reason, an audit does not start at all, but the audit still has to be done, then that gets carried forward - or if it is half way through, in which the accrual process applies.

The \$49 000 and the \$79 000 should be taken together. Can I refer you to the cash flow statement on page 10. You will find ...

**Mr CHAIRMAN:** Which budget paper is that, Mr Blake?

**Mr BLAKE:** Page 10 of Budget Paper No 3. I also refer you to the Treasurer's Annual Financial Statement last year. I think you will find under the Auditor-General's section - I have not got it with me - it said we had a carry forward cash position at 1 July 2001 of \$128 000. That was, at that time, unspent money on audits that had still to be conducted. The \$128 000 appears on the bottom of page 10 and, effectively, we have spent that money: \$49 000 in the year that we have just finished, and \$79 000 to be carried forward into next year.

**Dr LIM:** Allow me to address the question again to the Chief Minister. For ease of reference, ideally if the \$79 000 in bold at the bottom of the page appeared at the top of the page, it would be a lot easier to follow.

**Mr BLAKE:** Can I answer that?

**Ms MARTIN:** Yes, I do refer that to the Auditor-General.

**Mr BLAKE:** The convention that has been followed here for the format of the three primary financial statements in the budget papers - the statement of financial performance, position and cash flow statement - is in accordance with accounting standards. You might well be right in that the carry forward figure at the bottom should appear at the top. That is just a convention that standards require.

**Dr LIM:** Well, I was trying to determine whether the ministers do understand their figures.

**Mr BURKE:** With reference to the Treasurer's Annual Financial Statement, the figure that appears, for Auditor-General's Office, in terms of incomplete external audit contracts was \$172 000. It is shown as a minus, which I would imagine that is an overspend, or an underspend?

**Mr BLAKE:** I don't have it in front of me, sorry.

**Ms MARTIN:** You are referring a question about last year's Treasurer's Annual Financial Report?

**Mr BURKE:** I am trying to say that, if you look at the nub of the question - expenses relating to prior year receipts - you have a figure of \$49 000. Now ...

**Ms MARTIN:** Sorry, in which document?

**Mr BURKE:** In Budget Paper No 3, page 5. That \$49 000, logically, should refer to an underspend or an overspend for the previous year, which you essentially answered. Can you refer me to where that does appear in the Treasurer's Annual Financial Statement? I have a book here, page 63, and it does not appear, or it is not easily explained. There is a figure here that says 'incomplete external audit contracts, minus \$172 000'.

**Ms MARTIN:** The Treasurer's Annual Financial Report would relate to the previous year, not to this year that we are dealing with in that figure here. That is 2001-02, the last Treasurer's Annual Financial Report dealt with the previous financial year, so those figures are not related.

**Mr BURKE:** That is the first question then. If we can just get that straight. When you say expenses relating to prior year receipts for the year 2001-02, are you referring to the year 2000-01? Are they or are they not the prior year receipts?

**Ms MARTIN:** I might just refer this to the Auditor-General, but the prior year receipts being referred to here, the \$49 000, are an estimate of the year because they have not been finally audited through the Treasurer's Annual Financial Report, for an estimate for the 2001-02 year. Any Treasurer's Annual Financial Report that you are referring to is for the 2000-01 year.

**Mr BURKE:** All right, let the Auditor-General ...

**Ms MARTIN:** Maybe I might just refer it. If I have that wrong, I will refer it to the Auditor-General.

**Mr BLAKE:** The \$49 000, as I understand it, was an estimate made at that time of expenditure carried forward from the June 2001 financial year end. So, to start at the beginning of this year, at the 2001-02 year, there was \$49 000 carried forward for audits that had not been completed.

**Mr BURKE:** All right, well, accepting that, we have the Treasurer's Annual Financial Statement for the year 2000-01, and the amount that clearly should be carried over as an underspend or an overspend, is \$172 000. This is monies that are referring to incomplete external audit contracts, I assume, money that is yet to be paid. Why does it appear as \$49 000 12 months, almost two years later, as an estimate?

**Ms MARTIN:** I again will refer it to the Auditor-General.

**Mr BLAKE:** I am not familiar with the \$172 000. What I can say to you, though is that, because you have a cash figure on hand at the end of the year it does not mean it automatically gets carried forward. We negotiate with the Under Treasurer for how much of the cash that is sitting in the bank account at the end of the year still needs to be spent in the subsequent year. That is my understanding that, at the end of that year, it was \$128 000, not \$172 000. I do not know where the \$172 000 comes from. \$128 000 I can rationalise as being \$49 000 carried forward into the year that we are in now, and a further saving of \$79 000, which was then carried forward into the year we are going into at the moment.

**Mr BURKE:** Well, can you see where we are coming from, Chief Minister? That is that this accrual accounting system is supposed to be so easily understandable, and you yourselves are having difficulty explaining it to us. I am not saying that to be smart. I am simply saying that if you logically read the way the budget is laid out, it says: 'Expenses relating to prior year receipts'. That, to my mind, is you had work done for you; you have not been able to pay for it, so it is money that is carried forward to next financial year. Was the work done or wasn't it? Was there \$172 000 worth of work, because it says here in your own statement, the attached for 2000-01, you had \$172 000 worth of work you had to pay for. I see here that there is only \$49 000.

**Ms MARTIN:** Mr Chairman, I would like to get the member for Brennan to table the page so that we can actually deal with this.

**Mr BURKE:** Yes, page 63 of the Treasurer's Annual Financial Statement. You might get an officer to get it for you. I am saying that I would have thought that it was basic reference material for us all to have.

**Mr Dunham:** I can loan you mine, Mr Chairman.

**Mr CHAIRMAN:** Thank you, member for Drysdale.

**Mr BURKE:** Can I also say that, Chief Minister, the Auditor-General himself referred to the Treasurer's Annual Financial Statement for the 2000-01 in explanation.

**Ms MARTIN:** Well, we will work through this.

**Mr BURKE:** Very good of you. It affects every agency, you see.

**Ms MARTIN:** I am not pretending that accruals are simple. I would have thought that somebody from the opposition side might have asked for a briefing at one stage ...

**Members** interjecting.

**Mr Burke:** This is the briefing, Chief Minister. No, this is the briefing here.

**Ms MARTIN:** But no, not one. Quite extraordinary, quite extraordinary!

**Mr BURKE:** But this is a briefing here.

**Mr CHAIRMAN:** Order! There is a bit too much cross-talk. We will have one question at a time please.

**Mr BURKE:** It does affect every agency, and it is a question that needs an answer to get a feeling ...

**Mr CHAIRMAN:** Well, we will let the Chief Minister confer with the Auditor-General. I think that is reasonable.

**Ms MARTIN:** We will take that question on notice. That is fine; I do not see why you are looking like that! We will take the question on notice. That is fine.

**Mr Reed:** Thank you. I say good, thank you.

**Ms MARTIN:** That is terrific. Okay, let us move on.

**Mr BURKE:** I accept the fact that you will take it on notice. Can I ask that your other agencies have the answer ready, because it is a generic question to all agencies. We are trying to establish what is the real amount that is in the budget for this year. It seems logical that you would be carrying over to the new budget monies that have yet to be paid for services rendered. Now, I cannot get a simple answer on that. To my mind, that is a pretty simple question.

Question 80: could you detail how much your agency will pay in state taxes and fees in 2002-03, and how much was paid in 2001-02.

**Ms MARTIN:** In 2001-02, taxes and fees were \$38 700 and in 2002-03, \$34 000.

**Mr BURKE:** Question 91: excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation, what has the agency actually got to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

**Ms MARTIN:** Those figures are \$2.344m, to answer the first part of the question. The second part is the same - \$2.344m. The third is \$2.282m.

**Mr BURKE:** Shouldn't that line up as an appropriation figure in the budget papers? That figure you just gave me, why can't I find it?

**Ms MARTIN:** What you have done is ask for excluding provisions for state taxes, fees, repairs and maintenance, depreciation and amortisation, which are part of accruals, so we have done that work. If I take you to the 2002-03 budget line 'total operating expenses \$2.379m' and if you remove state taxes of \$34 000, repairs and maintenance of \$1000 as we referred to before, then you get to that

figure of \$2.344m.

**Mr BURKE:** Do you? I do not think so; not on the answer you gave me before. What page are you on?

**Ms MARTIN:** That is right. Can I take you through it again?

**Mr BURKE:** Well just ...

**Mr CHAIRMAN:** Hold on, the Chief Minister wants to clarify this answer and I think she should be able to.

**Ms MARTIN:** Well, because questions were raised I thought I would do it.

\$2.379m - we are on page 5, we are under budget, we are under 'total operating expenses'. Now what you have asked us to do is to take out taxes and fees, repairs and maintenance, depreciation and amortisation, which if we do: \$34 000 state taxes, I referred to that answer before; \$1000 for repairs and maintenance, I referred to that; and if you do the sums on that and subtract them from \$2.379m, you get \$2.344m.

**Mr BURKE:** Okay. Chief Minister why doesn't that show in the reductions? Why aren't taxes and charges shown? Are they included in some other line item? It says: depreciation and amortisation, agency revenue, expenses related to prior year receipts. It does not include the state taxes and charges.

**Ms MARTIN:** I will get an expert; I will refer this to the Auditor-General.

**Mr BLAKE:** It is because the adjustment for the \$34 000 was included in the parallel costs on page 8 of the budget papers, so the 'employee expenses' of \$577 000 includes the state taxes.

**Mr BURKE:** So the total monies allocated for your department in real terms is \$2.156m, if you exclude all those other areas that were in the question?

**Mr BLAKE:** Yes, but the amount of the outputs that have been appropriated to my office is \$2.156m. I then have my own revenue sources, which is \$144 000; I have cash carried forward from the prior year to meet some costs.

**Mr BURKE:** So what is the true figure you have to spend?

**Ms MARTIN:** The amount is \$2.379m.

**Mr BURKE:** \$2.379m?

**Ms MARTIN:** Yes, \$2.379m. That is the amount. Those taxes will have to be paid, the repairs and maintenance will be done. There is agency revenue and that is part of the accrual components, and the expenses relating to prior year receipts are \$79 000. It all adds up beautifully.

**Mr BURKE:** We will ask the other agencies. But we will take that and do some investigation on it, thank you.

**Ms MARTIN:** Can I say, Mr Chairman, this is the Auditor-General and these figures are really clear. The Auditor-General's Office has been doing accrual accounting for many years now, and these are very simple. We have one output in this agency. This is a really clear statement of what accrual is all about.

**Mr BURKE:** Thank you, Chief Minister, we will struggle along in our inept way.

What is the change to the agency's payroll tax liability ...

**Ms MARTIN:** Sorry, could you tell me what question this is?

**Mr BURKE:** Question 468: what is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government, and where does this cost or liability appear in the budget papers relating to this agency?

**Ms MARTIN:** When I appear before this committee as the Treasurer I will be answering that question for whole-of-government.

**Mr BURKE:** So in your capacity as Treasurer you will find it a simple exercise to answer on behalf of this tiny, little agency?

**Ms MARTIN:** No. I am answering, as Treasurer, later today on behalf of whole-of-government.

**Mr BURKE:** So Chief Minister, you are refusing to answer my question in relation to this agency?

**Ms MARTIN:** No! In about six hours time, I reckon, I will give you a good answer.

**Mr BURKE:** Why can't you do it now?

**Ms MARTIN:** Because I will be answering it as Treasurer.

**Mr CHAIRMAN:** Chief Minister, am I to understand that this is a question that has been asked across agencies and you will be ...

**Ms MARTIN:** This is a question that has been asked across agencies, and I will be answering it as Treasurer.

**Mr BURKE:** Again, Mr Chairman, I simply make the point that it is very hard for the opposition to get to the bottom of what is the actual allocation if we cannot get the answers when we are in the output areas we are trying to investigate. I would have thought that, seeing the Chief Minister has such a wide knowledge of accrual accounting, and this is such an easily understandable balance sheet for such a small agency, it should be a simple process to give me the answer for this agency. However, if you do not want to do it, fine; we will move onto the next one.

**Ms MARTIN:** Can I make the point, Mr Chairman, that in past committee stages of the appropriation debate, similar whole-of-government questions were answered by either the Chief Minister or the Treasurer. That is not something that we are unfamiliar with in this parliament, and I think it is totally appropriate that I answer it as Treasurer.

**Mr REED:** Chief Minister, will the answer that you provide as Treasurer be a global answer, or will you provide separate responses for each agency that relate directly to that agency?

**Ms MARTIN:** They will be separate for each agency. You will get the information that you have requested. I again say that there is some implication from members of the opposition that these figures are false. Let us just take the Auditor-General's figures.

**Mr REED:** No, I think the ...



**Ms MARTIN:** No, I am responding. This is extremely unfortunate. It probably refers to maybe the member for Katherine's previous budget when we saw that the figures were not what they seemed to be. But let me assure you, under the *Fiscal Integrity and Transparency Act*, the bottom lines have not been written by government; they have been written within an incredibly competent agency, and that is Treasury, and coming from agencies.

**Mr REED:** I thank the Chief Minister for that little lecture. If she thinks she is going to intimidate me in this process, she is going to be terribly, terribly disappointed. If the Chief Minister is offended by any implied intonation that she might put in relation to one of our questions, well, so be it. We are here to ask questions on behalf of Territorians and ask questions we will, and we hope that she provides good answers for Territorians.

**Ms MARTIN:** Mr Chairman, I welcome the questions, not the implication I was just dealing with now.

**Mr CHAIRMAN:** Well, if we could stick to the questions rather than statements, we will be a little more productive. The member for Drysdale had a question.

**Mr DUNHAM:** Not on that line.

**Mr BALDWIN:** I might have missed some of the answer that the Chief Minister gave but, on page 5 of Budget Paper No 3, you are saying the 2002-03 budget cash allocation is that figure at the bottom - \$2.156m?

**Ms MARTIN:** I'll refer this to the Auditor-General, and I think that ...

**Mr BLAKE:** Yes, the \$2.156m is the amount that has been appropriated to my agency for this year. But you need to add to that the \$79 000 which is - I suppose in theory I would have had to give back the \$79 000 because I did not spend it, and then have it appropriated to me again. That does not happen here; it is just carried forward - plus the \$2.156m, and then I have some of my own revenue sources which is the \$144 000.

**Mr BALDWIN:** Right, so the same question, then, to the figure there at the bottom of the page under 2001-02 estimate of \$2.082m then applies? That is what you are saying is the cash appropriation?

**Ms MARTIN:** Estimate.

**Mr BALDWIN:** Estimated. It says: 'estimated 2001-02 cash appropriation'.

**Mr BLAKE:** The word 'estimate' is important; it is an estimate at the time these were drawn up, but yes, that is right.

**Mr BALDWIN:** So could you explain to me, then, Chief Minister, or Auditor-General, how that figure then compares back to the mini-budget figure that was \$2.316m in a cash appropriation? There is a difference there of \$234 000. I know one is an estimate, but so is the mini-budget figure. Where is that difference of \$234 000?

**Ms MARTIN:** In global terms, that was a cash framework. Those figures from the cash framework in the mini-budget had been converted to an accrual basis, which is what you see in that estimate there in the budget figures, because ...

**Mr BALDWIN:** Sorry, Chief Minister, I have just confirmed with the Auditor-General that the \$2.082m is the cash allocation.

**Ms MARTIN:** The figures convert from the mini-budget in a cash framework into this, an accrual framework, so that when you are looking at the comparisons between 2001-02 on an estimate, at this stage, with the budget for 2002-03, they are apples and apples, and that is what we have done. As we have said a number of times, the cash framework will be there, accounted for in the Treasurer's Annual Financial Report.

**Mr BALDWIN:** So you are saying to me that there is no correlation between the figure in the mini-budget, that it was appropriated, of \$2.316m, against the figure that is the estimated 2001-02, \$2.082m? There is no correlation?

**Ms MARTIN:** Of course, there is a correlation.

**Mr BALDWIN:** There is a difference there of \$234 000.

**Ms MARTIN:** Of course, there is a correlation.

**Mr BALDWIN:** Okay, well, tell me where the \$234 000 is - the difference. Because they are both cash amounts, aren't they?

**Mr BLAKE:** Can I look at the page you are referring to because I am not sure you are looking at the right lines. I do not have it in front of me, sorry.

**Mr BALDWIN:** Page 5, if you just go to that, it has all the gross outlays ...

**Ms MARTIN:** Mini-budget book page?

**Mr BALDWIN:** Page 5, gross outlays and receipts, just look up Auditor-General. \$2.316m is the figure.

**Mr BLAKE:** If you look at page 17, which gives you the detailed breakdown of that.

**Mr BALDWIN:** Sorry, of?

**Mr BLAKE:** Of the same document. What you are comparing is the gross expenditure. The \$2.316m should be compared with the \$2.324m on page 5 of Budget Paper No 3.

**Mr BALDWIN:** \$2.324m?

**Mr BLAKE:** Yes.

**Mr BALDWIN:** Yes.

**Mr BLAKE:** The \$2.082m that you have referred to should be compared to the \$2.048m, which is the amount that has been appropriated ...

**Mr BALDWIN:** Sorry, just take me through that again.

**Mr BLAKE:** On page 17 of the mini-budget, towards the bottom, there is a consolidated revenue account. Admittedly, that is on a cash basis, whereas the other one is on an accrual basis; but the difference is very small. So you are comparing \$2.048m with \$2.082m.

**Mr BALDWIN:** \$2.082m?

**Mr BLAKE:** \$2.082m, being the output appropriation for the current year.

**Mr BALDWIN:** Okay, that explains it then. Very good. Thank you.

**Mr CHAIRMAN:** The member for Katherine has a question?

**Mr REED:** No, I would be satisfied with the response from the Auditor-General, given that the Chief Minister and Treasurer couldn't give it to us. Thank you, Mr Chairman.

**Dr LIM:** Mr Chairman, a question to the Chief Minister or to the Auditor-General.

**Ms MARTIN:** Which number question is this, sorry?

**Dr LIM:** This is supplementary to the question that has been asked.

**Ms MARTIN:** Which question that was asked?

**Dr LIM:** The question that has just been asked about the change to payroll tax and all the figures, and quoting from the figures.

**Ms MARTIN:** Sorry, which question is that, member for Greatorex?

**Dr LIM:** I am coming to page 5 of the budget, question 460.

**Mr CHAIRMAN:** I think the Chief Minister is asking for which question number, member for Greatorex.

**Ms MARTIN:** Yes. This should be a supplementary to a question.

**Dr LIM:** That is right. We are talking about the figures \$2.082m and \$2.156m now. We keep referring to the \$2.082m figure as the 2001-02 estimate figure. That tells me that the figures have not been audited fully yet. When do you believe that those figures will be audited, and when will it be clear?

**Ms MARTIN:** The Treasurer's Annual Financial Report will be tabled in parliament in November.

**Mr REED:** Does the Chief Minister have those cash outcomes available: the comparisons, year on year, on a cash basis?

**Ms MARTIN:** No. They will be there in the Treasurer's Annual Financial Report, as you would expect those audited figures for the previous year to be there. In the past, you, as Treasurer, would certainly have understood that.

**Mr REED:** That is right, Chief Minister, but I ask the question because - and I will refer you to page V, Budget Paper No 3:  
*2001-02 Estimate - While accrual results for 2001-02 are available on a cash basis, the actual accrual result cannot be finalised until agency audits have been completed ...*

Your budget paper says they are available on a cash basis now; why do we have to wait for the Treasurer's Annual Financial Statement?

**Ms MARTIN:** They are not audited, and they will be in the Treasurer's Annual Financial Report.

**Mr REED:** But they are available. Your document here tells me that they are available; the figures are

available. Yet you tell me you do not have them. Which answer is correct?

**Ms MARTIN:** No, they are not available.

**Mr REED:** Oh, they are not available?

**Ms MARTIN:** They are not available.

**Mr REED:** So this book is in error? This is a printing error?

**Ms MARTIN:** No, they are not available across government. They are not available across government, and they will be in the Treasurer's Annual Financial Report.

**Mr REED:** Well, okay, next question. I ask the Chief Minister if she could explain to me what '2001-02 Estimate - While actual results for 2001-02 are available on a cash basis ...' actually means? What does that mean?

**Ms MARTIN:** Sorry, can I get you to repeat that question?

**Mr REED:** Can I refer you to the book?

**Ms MARTIN:** Yes. Do that, go for it.

**Mr REED:** Well, you will see down the bottom under 'Financial information, 2001-02 Estimate'.

**Ms MARTIN:** Yes.

**Mr REED:** Read on: 'While actual results for 2001-02 are available on a cash basis ...'. In your budget book it tells me they are available, but when I asked you the question, you just told me that they are, in fact, not available. Are the books wrong, or are you wrong?

**Ms MARTIN:** No, they will be available, and they will be available in November.

**Mr REED:** No, no, no. They 'are' available. I refer you to the word 'are' here?

**Ms MARTIN:** They are not audited ...

**Mr REED:** No, but they are available?

**Ms MARTIN:** ... and they will be available ...

**Mr REED:** The book is wrong?

**Ms MARTIN:** They will be available in November.

**Mr Baldwin:** So you can't get them now.

**Mr REED:** I am then led only to the belief that you have misled parliament in the statement in this Budget Paper No 3, the main budget book: 'While actual results for 2001-02 are available on a cash basis ...'. They are, in fact, not available.

**Ms MARTIN:** To respond to the member for Katherine, who is developing a bit of passion about this

one: the preliminary figures are there. They have not been fully checked by Treasury, they have not been audited, and they will be in the Treasurer's Annual Financial Report, and that accounting will be as every previous year. The full accounting for the previous year is in the Treasurer's Annual Financial Report.

**Mr REED:** Yes, thank you, Mr Chairman. I accept that in the past that has been the case. The difference that we have before us today is that you, as Chief Minister of this government and the Treasurer, have made a statement in your budget book that they 'are available' now. It does not say here that they will be available in the Treasurer's Annual Financial Report, some time into the future. It says that they 'are available'. I thank the Chief Minister for advising us that she has, in fact - by virtue of that statement and now backing away from it - misled the parliament. That is a ...

**Mr CHAIRMAN:** Well, that is a very serious allegation, member for Katherine.

**Mr REED:** It is a very serious matter, Mr Chairman. However, given the answer that the Chief Minister and the Treasurer has provided; and the statement in this document that the figures are available; and that she is now telling us that they are, in fact, not available, I ask you to tell me what other conclusion can one draw? I am not sure that we are going to get any further in relation to this argument, but it does demonstrate that we do have a Chief Minister and Treasurer who knows little about for what she is responsible for...

**Mr CHAIRMAN:** Well, I would ask you to just steer away from those sort of statements. We are here to ask questions, not to make speeches, member for Katherine.

**Mr REED:** Well, I will ask the question once again. Is the statement on page V, in Budget Paper No 3, right or wrong, Chief Minister?

**Ms MARTIN:** Mr Chairman, I gave the answer. I think I have given it three times.

**Mr REED:** It is wrong. Thank you.

**Ms MARTIN:** That those are not audited and they will be available in the Treasurer's Annual Financial Report, and ...

**Mr REED:** And that they are not available.

**Ms MARTIN:** They are not available.

**Mr REED:** By virtue of the fact that you cannot produce ...

**Mr CHAIRMAN:** No, no, please do not interrupt. The Chief Minister is responding.

**Ms MARTIN:** The member for Katherine wants to do that, and wants to make a point. But I have very clearly made my point. When it comes to someone who forged budget papers last year, I think it is a pretty poor statement ...

**Dr LIM:** A point of order, Mr Chairman!

**Ms MARTIN:** ... actually, a pretty poor statement.

**Dr LIM:** A point of order.

**Members** interjecting.

**Mr CHAIRMAN:** Well it think our best thing ...

**Mr Reed:** They are not available?

**Ms MARTIN:** They are not audited, they are not available.

**Mr CHAIRMAN:** I ask everyone just to be silent. I think our best thing now is to move on with the questions. Let us have a productive time here in terms of the budget estimates. Member for Brennan, do you have a question?

**Mr BURKE:** It relates to the same question we are on, and also what the member for Katherine has said. I simply emphasise to the Chief Minister that it is very hard to get any understanding of this budget when we have now established that you will not provide the estimates for 2001-02 on a cash basis, because they are not available until they are audited. We have asked a question about payroll tax liability for an agency and we are told that that will not be revealed until you come in as Treasurer. Therefore, we cannot get an understanding of expenses that are required to be paid by an agency - by the agency itself answering them, as to where they appear in the budget - and we also cannot get an answer as to whether or not you have a figure as to what the cash appropriation is.

**Mr CHAIRMAN:** So did you want to move on with a question, member for Brennan?

**Mr BURKE:** I simply make that point. It is very hard to get a clear understanding to sustain or question the heralding of the budget, that all of this money is available for this current year, when we cannot even get a baseline figure as to what is outstanding from a previous year, or allocated on a cash basis.

**Mr REED:** And items in the budget paper too.

**Mr CHAIRMAN:** One person at a time. Can we move on with the questions. We have a whole suite of written questions which forms the basis of this Estimates Committee process. I ask that we proceed. There are many written questions there for us to ask and receive answers to.

**Mr BURKE:** Well, with respect, Mr Chairman, the questions that we are stuck on are the ones that lead us to the other questions. If we cannot get an answer to those initial baseline questions, it gives us very little opportunity to then deduct from those answers as to where we make assumptions as to what the real figures are.

I would refer the Chief Minister to the 2002-03 budget, page 5, for the Auditor-General's Office ...

**Ms MARTIN:** Which question is this?

**Mr CHAIRMAN:** Is this a supplementary question?

**Mr BURKE:** No, question 1964. Rather than just reading the question, I would refer you to the logic of the question. Firstly, there is a figure that appears in expenses relating to the prior year receipts of \$79 000. We have already established that for the previous year, the \$49 000 figure cannot be relied upon because it differs from the Treasurer's Annual Financial Statement, which showed a figure of \$172 000 which you said you cannot answer now, you will answer later.

Can you explain to me what this \$79 000 figure means in terms of what appears to be a carry over of expenses for the budget 2002-03?

**Ms MARTIN:** That is the \$74 000?

**Mr BURKE:** Well, I am getting to what the \$74 000 means. I am asking you, firstly, if you can explain what the \$79 000 means, because that then leads me into the \$74 000 question.

**Mr CHAIRMAN:** You are referring to page 5 of Budget Paper No 3?

**Mr BURKE:** Well, the question says: is the increase, the variation between years, of \$74 000 essentially a reflection of the carry over? However, you cannot tell me what the carry over is for 2001-02. Therefore, I am left with the question whether the carry over of \$79 000 for 2002-03 is a reasonable estimate or a wild figure as well, because we are, on my deduction, about \$130 000 out on 2001-02, and what appears in the Treasurer's Annual Financial Statement and what is in this budget.

**Ms MARTIN:** So your question is, the one that we have here, when you say: does this further mean - I think you are referring back to those two previous questions, I think one is 2 and one is 78?

**Mr BURKE:** I am saying that you have a variation of \$74 000 ...

**Ms MARTIN:** And the answer is no. The carry over does not account for the increase in the office's budget of \$74 000; that the amounts are similar is coincidental. The office incurred recruitment and termination costs in the previous year, 2001-02, which will not be repeated. If these costs are factored out, the office has had a real budget increase.

**Mr BURKE:** Can you, therefore, explain to me if we look at the line expenses relating to prior year receipts - and we can forget 2000-01 for the moment - you have assumed an outstanding expense of \$79 000. I assume that is a saving because you are not going to incur that cost. However, you have only carried forward \$30 000. Can you explain to me how you make those deductions?

**Ms MARTIN:** Well, I refer that to the Auditor-General.

**Mr BLAKE:** The carry forward is \$79 000, not \$30 000. I do not think the \$30 000 is relevant in this discussion. The \$79 000 is the estimate that was made of funds not spent last year being carried forward into the year that we are in now. So, the real issue for me is the line above that. The total operating expenses of the office will go up from \$55 000, which is a real increase for the office when you take into account costs we will not incur this year that we incurred last year.

**Mr BURKE:** Can I approach that in another way? I say this in all good faith, Chief Minister: the line item expenses relating to prior year receipts is a vexed question. What can one understand or not understand in this? You just told me that an item that shows a variation between years of \$30 000 is not relevant. What does it mean? What is it there for? What mumbo jumbo does this accrual accounting actually mean?

**Ms MARTIN:** Before I refer that answer to the Auditor-General, can I just say that accrual accounting was something that you, as a government, committed to.

**Mr BURKE:** Oh, it is our fault. I should have realised it was our fault.

**Ms MARTIN:** No, no. You, as a government, committed to; every other state and territory in this country uses it. We have agencies here that have been using accrual accounting for a number of years. Our GBDs use accrual accounting, the Auditor-General's Office has been using accrual accounting. It is a much more accountable and transparent way of appropriations. It is something that you believed should happen, and put it into process, and it is something that we have carried forward. Now for the specifics of that question, I will refer to the Auditor-General.

**Mr BLAKE:** I am not sure I can tell you any more. The amount of the \$79 000 represents our estimate of the costs that we have incurred late in the June 2002 year, which we have not yet paid; or those

audits that we have not yet started which have to be done, and were commenced subsequent to 30 June. Therefore, the money that had been appropriated to me in cash terms previously had to be carried forward to meet those costs.

**Mr BURKE:** But in giving that answer, that bears no relationship to what you just said for the year before, does it? You said that whilst you might have outstanding expenses, it may not be carried over in full.

**Mr BLAKE:** I do not believe that comparing it to the previous year is relevant because, what was outstanding a year ago in terms of audits complete or audits not complete, has no bearing on what the creditor position might be this year. It is not quite the same. I suppose if I was running a trading organisation where I purchased a fixed amount of creditors every month, therefore, I can calculate my creditors on a regular basis and anticipate them. In the case of my audit work, it fluctuates. It depends on when agencies are ready for audit and on when my contract auditors can do the work. Therefore, it is not an amount that is comparable from period to period, and will fluctuate. I do not think, looking at what it was a year ago compared to what audit is today, is all that relevant.

**Mr BURKE:** Okay, I accept that. Chief Minister, now I have the expert advice of the Auditor-General, could you, Auditor-General - through you, Chief Minister - in simple terms explain to me what expenses relating to prior year receipts means? In simple terms, is it a carry over or is it not a carry over? Is it an overspend, or is it not an overspend?

**Mr BLAKE:** The office was appropriated a certain amount of money, so that is where the word 'receipt' comes. So a receipt was given to me in a year ending - in this case June 2002 - and I did not have to use that money to meet any cost because - I may have incurred a cost, but I had not yet had reason to pay that cost. Or I had not yet even incurred the cost in the sense that the audit had not yet been started. But I had the money in my bank account. So, clearly, for me to be accountable for that money I have to either do the work - and if I do not do the work, I give it back - I do the work and pay the contractor. Does that help?

**Ms CARNEY:** So another way of putting it: is it money in the bank in anticipation of bills coming in for work you expect to be performed?

**Mr BLAKE:** It is either money in anticipation of bills where the work has already been done or, in some cases, the work has not yet started, but when we set the budget 12 months prior to that, we expected that the work would have been done by that time. So, it is a combination of some accrual numbers and, in some cases, work has not yet started.

**Mr BURKE:** So, would it be fair and reasonable to look at this as either an overspend or an underspend which is carried forward in full or in part, depending upon the whims of Treasury?

**Mr BLAKE:** I do not believe it is an underspend or an overspend. It is me, or any other agency like me, being accountable for the money that I have in my bank account and, if Treasury has given me some funds to meet certain costs and I have not yet met those costs, I have to carry the money forward. I declare it and carry it forward.

**Mr BALDWIN:** Auditor-General, in that case if you did not have the cash in hand to carry forward and you actually had a deficit, what would you call that?

**Mr BLAKE:** Then I would have an overrun. I would have spent money I did not have. In this case, that has not happened.

**Mr BALDWIN:** No, but in the case I just put, that is an overspend?

**Mr BLAKE:** Well, again, it depends if it is cash or accrual. If it is cash ...



**Mr BALDWIN:** Let us talk about cash.

**Mr BLAKE:** ... and you have actually paid the money out then, clearly, you have overspent. In accrual terms, you may have committed the expenditure when you did not have the money to pay for it.

**Mr BALDWIN:** So, if we follow that logic, we could describe this as an underspend. We have cash in hand at the end on the time to take forward into next reporting period, so we have actually underspent in the previous period.

**Mr BLAKE:** Underspent, but I think in this case ...

**Mr BALDWIN:** But work is committed.

**Mr BLAKE:** Yes, quite right; the work is committed.

**Mr KIELY:** I was just going to suggest to the Chief Minister that, with the level of interest shown in accrual accounting, perhaps you organise a training course for the opposition.

**Ms MARTIN:** It is a very good question from the member for Sanderson, because I do not make any pretence here that the move from cash framework to accrual is not a complex one, and for those of us who have been used to working in a different framework, that change is difficult. We saw what happened with that change last year, when we moved from 'activity in programs' in the 2000-01 to 'estimated outputs and outcomes' over that year. This same level of questioning happened when we were in opposition. We were simply told: 'No, you cannot have those figures, they do not relate. The ballpark has changed; we are moving to accrual accounting'. Now we are seeing a situation where we have moved to accrual accounting, and we are looking forward. This is a budget. This budget is for 2002-03. This is looking forward, as you would expect, and it is accrual, on accrual figures. When the Treasurer's Annual Financial Report comes out, that will be in the cash framework. The member for Sanderson is perfectly right. We need to have some substantial briefings all round in accrual.

**Mr REED:** Chief Minister, I take up your point. We simply need no more from you than to be able to tell us, in relation to your budget book, that actual results are available on a cash basis, and for you to give them to us. There is no better example of quoting back to you what you tell the parliament and the people of the Northern Territory in your budget book. Why then, don't you expect that they should be surprised that you will not provide that information when you say that those figures 'are' available, not that they 'may be' available some time in the future? It is no good lecturing us, let us get some answers to the questions which are quite legitimate - as offensive as you might find them to be.

**Ms MARTIN:** Well, to respond to the member for Katherine. We have an apples and apples budget here, that looks forward in accrual terms.

**Mr REED:** It is a direct statement, Chief Minister. Figures 'are' available.

**Ms MARTIN:** While the cash basis figures are available for a range of agencies, they have not been finally accounted for. They are not, and they will be in the Treasurer's Annual Financial Report. I say to the members of the opposition, who seem to be doubting that we have figures that are real here: these are real figures, they are accrual figures, and they are more accountable in what they say and demonstrate in their transparency than we have seen before under a cash framework; which is why every place in Australia has moved to it.

**Mr CHAIRMAN:** Can I call members back to the written questions? The points have been made very strongly, and I am mindful of the time and how late the night might get.

**Mr BALDWIN:** It cannot get later than 11.30 pm.

**Mr CHAIRMAN:** Thank you, member for Daly.

**Mr BURKE:** Mr Chairman, perhaps I might direct the next question through the Chief Minister to the member for Sanderson. He might be able to give us a good indication of his ...

**Mr CHAIRMAN:** Well, we know that is not appropriate, member for Brennan.

**Mr BURKE:** Well, if that is the case, maybe he might desist from making stupid remarks.

**Mr CHAIRMAN:** We are not going to get very far if we are going to descend into this stuff, so I would ask everyone if we could move on with the business at hand.

**Ms MARTIN:** Can I ask what the next question is, what number?

**Mr BURKE:** Question 1965: in terms of the payments to employees, which shows a reduction, does that reflect a loss of a position?

**Ms MARTIN:** No, there have been no positions lost, as I indicated before. I refer you to the question about staffing numbers, which was, I think, 128.

**Mr BURKE:** I am really impressed in the reflection of page 8. A payment of \$632 000 reduced to \$577 000, and what is the rationale for that?

**Ms MARTIN:** Sorry, page 8?

**Mr BURKE:** Page 8. Operating expenses, employee expenses.

**Ms MARTIN:** Again, I refer you back to question 124. In 2001-02, the office incurred \$85 724 in termination payments. There was the retirement of one staff member, and our previous Auditor-General ended his seven-year term. There are no expected terminations or resignations in 2002-03, and I think that personnel figure accurately reflects it.

**Mr BURKE:** So that difference - when you say the previous Auditor-General terminated, that figure in part reflects the ...

**Ms MARTIN:** No, he resigned, ended his ...

**Mr BURKE:** ... costs of employing our new Auditor-General?

**Ms MARTIN:** Not as I understand it. It is the retirement of one staff member, and the contractual payout of the previous Auditor-General according to his terms put in place.

**Mr CHAIRMAN:** If there are no more questions on this particular output group, that concludes consideration of this output group which was Output 00.03 that involves more than one output group for the Auditor-General. Could the secretary please advise if there are any outstanding written questions and answers that need to be tabled.

**Mr HANLEY:** Mr Chairman, there are three outstanding questions: questions 39, 51 and 54.

**Mr WOOD:** Are they extra questions through you, Mr Chairman, or ones on this document?

**Mr CHAIRMAN:** No, these are ones with a number that are on here.

**Mr WOOD:** That have not been answered?

**Mr CHAIRMAN:** Have not been asked. They will be answered because, as I said earlier today, the written reply to those questions will be incorporated into *Hansard*.

**Responsible Minister: Chief Minister**  
**Responsible Agency: Auditor-General's Office**

**Question 39:**

**Audits**

Provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget. In terms comparable with the mini-budget detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency, in terms comparable with those used in the mini-budget, translate to figures using accrual accounting methods?

**Answer:**

Actual expenditure in respect of 2001-02 will be provided in the Treasurer's Annual Financial Report and in the Northern Territory Auditor-General's Office Financial Statements.

Information for 2002-03 is not provided in a form consistent with the mini-budget as 2002-03 information is on an accrual basis.

**Responsible Minister: Chief Minister**  
**Responsible Agency: Auditor-General's Office**

**Question 54:**

**Audits**

How much of the agency's revenue can be attributed to inter-agency transfers and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

**Answer:**

\$114 000 of the 2002-03 budgeted revenue of \$144 000 is expected to be from inter-agency transfer.

Approximately \$750 of the purchase of goods and services can be attributed to inter-agency transfers.

**Mr CHAIRMAN:** If I could move then to Output 01.01 named Audits. Once again, the member for Brennan has asked all the questions here, so I hand over to him to proceed through this particular output group.

**Audits**

**Mr BURKE:** Question 2 - although we have explored this, I assume you have a written answer, so I would be interested in hearing it: can you explain what the entry entitled 'Expenses related to prior

year receipts' means? Does it mean that the \$79 000 was originally appropriated in 2001-02 and not used and, therefore, carried over to 2002-03? Does your estimated output appropriation for 2001-02 of \$2.082m include this \$79 000; and if so, why, given that it was not used?

**Ms MARTIN:** The expenses related to prior year receipts refer to expenses related to audits scheduled for the 2001-02 year that were not completed - as we have discussed - within that time, and have been carried forward into 2002-03. The expenses and related funding have been carried forward into 2002-03. The \$79 000 is included because it is the nett amount of appropriation received from the Central Holding Authority. The \$2.082m is an estimate figure.

**Mr BURKE:** Question 3: how much was paid to consultant auditors - or whatever the term you use - in 2001-02, and how much is estimated to be paid to them in 2002-03?

**Ms MARTIN:** The cash amount, if we are referring to 2001-02, for the authorised auditors was \$1.499783m. The expense incurred on an accrual basis was \$1.451584m. The estimated expenditure for 2002-03 on consultant authorised auditors is \$1.67m.

**Mr BURKE:** Can you undertake to provide a detail of the break-up by organisations?

**Ms MARTIN:** We can.

**Mr BURKE:** You will? Thank you. On page 7 of Budget Paper No 3, the average cost per hour ...

**Ms Martin:** Sorry, which number are you on?

**Mr BURKE:** Question 5, I am sorry: on page 7 of Budget Paper No 3, the average cost per audit hour for 2002-03 is estimated to be \$142. What was it in 2001-02?

**Ms MARTIN:** The average cost per audit hour for that year was \$149.28, and the Auditor-General assures me that measure has been audited.

**Mr BURKE:** Question 7 ...

**Mr CHAIRMAN:** Sorry, I think the member for Katherine has a supplementary on that question.

**Mr REED:** Is there some national benchmark that that has been established on, Chief Minister, in the Commonwealth or some other states' audit arrangement?

**Ms MARTIN:** I will refer that to the Auditor-General.

**Mr BLAKE:** It is difficult to compare. The Auditors-General offices around Australia do benchmarking all the time. My office is a bit unique in that, 99% or a big percent of my work is outsourced, whereas that is not the case in other states. They have an element of outsourcing but not to the same extent as I do. Therefore, it is very difficult for me to benchmark those numbers. Benchmarking is done; I could not tell you what the number is. I suspect that it would be quite different.

**Mr REED:** Is it close to a benchmark, or, presumably you think it is a good figure, I suppose?

**Ms MARTIN:** I will refer that to the Auditor-General.

**Mr BLAKE:** We have just been through a tendering process for the next three years and we were expecting the cost to go up quite dramatically. The cost went up, but it was not nearly as high as we were expecting. So, the outcome for next year I am quite satisfied with, in what it is costing, in terms of what it would cost me to recruit my own staff and do it myself.

**Mr BURKE:** Question 7: the budget papers refer to the overall savings - Budget Paper No 3, page 7 - determined at the 2001-02 mini-budget. Does the \$86 000 mentioned refer to the 2001-02 or 2002-03, and what was the figure for the year it does not refer to? Is this saving included or excluded from total operating expenses and output appropriation?

**Ms MARTIN:** The \$86 000 refers to 2002-03, and the budget improvement target for the previous year, 2001-02, was \$45 000. The saving is included in the total operating expenses and output appropriation.

**Mr BURKE:** Well, perhaps through you, Chief Minister to the Auditor-General, would he like to, in reference to the outputs and appropriation and the statements of the financial performance and financial position, show me where all that is.

**Ms MARTIN:** Yes, I will refer that to the Auditor-General.

**Mr BLAKE:** My understanding is that the savings targets were effected out of budgets back in November, so that the budget that was set at that time factored out \$45 000, and that a new base position was started at that point in time. So, the budget papers you have in front of you recognise that that money is no longer in the budget, both for the previous year and for the year we are going into now.

**Mr BURKE:** \$45 000?

**Mr BLAKE:** \$45 000 was my budget target for the 2001-02 year, so my budget has already been reduced by that \$45 000, so it is no longer in the budget at all. We are starting from a new base starting point and the target for next year is \$86 000 which, again, has been taken out of the budget.

**Mr BURKE:** So, it is only by coincidence that it is close to the \$49 000 figure in the estimate for 2001-02 as, essentially, a carry over?

**Mr BLAKE:** It is not linked.

**Mr BURKE:** Not linked.

Question 12: why is other agency revenue expected to fall by 24%?

**Ms MARTIN:** Other agency revenue is based on the audits performed by the office. The Auditor-General's Office recovers from agencies the cost of the authorised auditor to perform audits requested by the agencies. The level of these receipts do vary from year to year and are based on the audits that the Northern Territory Auditor-General's Office is requested to do. The 2001-02 revenue included audits of financial statements for agencies which no longer exist, and recovery of costs incurred in providing accounting assistance that are not expected to be required in this financial year.

**Mr BURKE:** Question 18: the agency is assessing the possibility of establishing greater in-house audit capacity, on page 7, Budget Paper No 3. Who is making the assessment and what stage has it reached?

**Ms MARTIN:** The assessment is being made by the Auditor-General - so he might like to add something to this - with assistance from his staff. The assessment is in the early stage with authorised auditors recently appointed for the three-year period from 1 January 2003 to 31 December 2005. Any changes, if required, will need to be assessed, planned and implemented prior to the completion of these contracts.

Auditor-General, would you like to add something further?

**Mr BLAKE:** The thinking behind perhaps wanting to in-source - if that is the right word - audit staff, I gather, was made about 12 months ago by my predecessor when there was a possibility that the number of audit service providers in the Territory was getting to be too few. The process was started, at that time, to look at the options. That option position was, perhaps, overtaken to some extent by the fact that we had to go to tender because the three-year cycle for the appointment of contract auditors had come to an end. Now that they have been reappointed for a further three years, the office has time to revisit that issue.

The issue is not a simple one and to recruit staff and, importantly, to have an audit methodology that is internationally recognisable or acceptable to the process, is a very expensive one. So I am not going to rush into that change. I will revisit it and keep you informed.

**Mr BURKE:** Can you tell me off the top of your head, roughly - I know you are going to provide it later - how many out of house auditors you have, that you use - you say it is getting thin - but the number of agencies you use?

**Mr BLAKE:** We use six firms at the moment and the amount of hours that we allocate to them varies. Currently, my budget says I purchase up to 14 000 hours of time.

**Ms MARTIN:** But because of the amalgamation of a number of businesses in the Territory, it makes it difficult.

**Mr BURKE:** Question 23: the estimate is for 16 800 hours of audit in 2002-03 - which varied from the figure you just gave me, from memory.

**Mr BLAKE:** Yes. The 14 000 is what I purchase and then I expect my staff to do some time in-house, and my time is included in the 16 800.

**Mr BURKE:** And that answers the question as to why your total operating expenses are listed as \$2.379m? That is where the shortfall is: in-house?

**Mr BLAKE:** Yes.

**Ms MARTIN:** To give you an answer to that one, the total operating expenses of that \$2.379m divided by the 16 800 hours results in an average cost per audit hour of \$141.61 which rounds to \$142. The rounding effect is \$6600 which equates to the difference.

**Mr BURKE:** Yes. Well, it is \$2.3856m. Your total operating expenses are listed as \$2.379m. So you have a shortfall in allocation as opposed to audit hours.

**Ms MARTIN:** I will refer to the Auditor-General for explanation.

**Mr BLAKE:** The exact rate per hour is \$141.61. The \$142 is a round of an hour, so if you take the 16 800 hours times \$141.61 you get the exact budget amount of \$2.379m. The difference is just the rounding impact of the \$142 as against \$141.61.

**Mr BURKE:** Can you just remind me again, how much was the difference in audit hours you intend to do over and above 16 800?

**Mr BLAKE:** My budget for contracted hours is about 14 000 hours, and my staff are going to put in between 2000 and 3000 hours.

**Mr BALDWIN:** All three of them? Just for clarification, Chief Minister, I thought I heard the Auditor-

General say that they have just tendered for these contractual services and that the fee that that was going to come in at was \$149.28.

**Mr BLAKE:** No.

**Mr BALDWIN:** No?

**Mr BLAKE:** Can I answer that?

**Ms MARTIN:** Yes, I will refer that.

**Mr BLAKE:** The question that was answered previously was: what was the cost last year - which was \$149.28. My budget for next year is \$142, so I am anticipating that the average cost per hour will come down because I am purchasing more hours.

**Mr BALDWIN:** So you have just re-tendered or not?

**Mr BLAKE:** I have just re-tendered. The full impact of the re-tendering will be felt next year because the contract starts 1 January.

**Mr WOOD:** Chief Minister, on page 7 it says 15 000 hours purchased for consultant auditors. Is the 14 000 a reviewed figure?

**Mr Baldwin:** Revised.

**Mr WOOD:** A revised figure, it is next year?

**Mr BLAKE:** Look, I thought it was 14 000. Maybe it is 15 000. I stand corrected on that.

**Mr BALDWIN:** It says 15 000.

**Mr BURKE:** I am trying to do some quick adding up as you go. I will leave it. I just added 1000 hours at \$141.60 and it does not work out. I am sure you will clarify it later for us, Auditor-General.

Question 25: what are the additional audit requirements caused by the merged agencies and the accrual based accounting and reporting, and can you detail what additional costs to the agencies these have caused?

**Ms MARTIN:** At this stage, it is probably a bit too early to tell what the impact of these two changes will be, but it is likely that with the merged agencies, the impact will be small. Steps were taken to minimise this impact by targeted agency compliance assessments. If anything, audit costs should remain the same or go down, as there are fewer agencies to audit. For the accrual based reporting, an additional audit cost will depend on the extent to which agencies currently cash account prepare full accrual accounts in the future and require them to be separately audited. Again, steps have been taken to minimise the impact by, for example, reviewing how systems and processes used to establish opening balances on 1 July 2002.

If agencies require their accrual accounts to be audited, it would be at their cost; that is, authorised auditor fees recovered from the requesting agency. If the Treasury requires agency financial statements to be audited, there will be an additional cost involved. Any impact of the change to accrual accounting on the audit of the Treasurer's Annual Financial Statement will be addressed in the 2003-04 budget.

**Mr BURKE:** Question 59: as part of the government's deficit reduction strategy, it was announced in

the mini-budget that a budget improvement target of an average of 4% - with the exceptions of the functions of hospitals, health, community services, schools, police and emergency services, and custodial services, which were expected to deliver a cut of 25% of the average level - was to be imposed for the mini-budget and future budgets. What budget improvement target did the agency have in 2001-02; how much did that amount to, was it achieved in total, and by output and activity? What is the budget improvement target for the agency in 2002-03? What is the total amount and what is it by activity and output? Is the cash rate in the budget improvement cut included in the agency's budget, and if so, how is it treated in the 2001-02 and 2002-03 figures?

**Ms MARTIN:** The Auditor-General just has one output. The budget improvement target for 2001-02 was \$45 000 - that target was met. The target for 2002-03 is \$86 000. The cash relating to the budget improvement target is not in the agency's budget.

**Mr BURKE:** Can I ask how it was met?

**Mr BLAKE:** Primarily by doing a few discretionary audits. What started before I came was that, in anticipation of the November mini-budget saving strategies, or savings targets, the discretionary audits that the Auditor-General has in performance management system audits will slow down.

**Mr BURKE:** So, there is no budget improvement strategy for this agency in 2002-03? There is?

**Ms MARTIN:** Yes, we just said \$86 000.

**Mr BURKE:** \$86 000. How are you going to meet that? Slow down?

**Mr BLAKE:** No.

**Ms MARTIN:** I refer you to the Auditor-General.

**Mr BLAKE:** I think I said earlier that the \$86 000 was, in fact, out of our budget, so it has already been taken into account in the numbers. In discussions in Treasury, and bearing in mind my mandate, I have been given enough money to satisfy my mandate, which is all I am really interested in at this point in time.

**Mr BURKE:** So there isn't actually a budget improvement strategy. It is just a cut by Treasury in the allocation?

**Ms MARTIN:** Not at all. If you remember, there were workshops held last year; we had Professor Allan here talking about how to meet those kinds of savings in a very strategic way. Those workshops were held with senior executives right across government. The focus, very clearly, from this government, was on meeting the deficit that we inherited, and being able to tackle that. It was on maintaining services to Territorians, but achieving the savings through not being as extravagant as we had seen previously in areas like marketing and hospitality and travel, and also on the backroom engineering. Certainly, that was not rocket science for anyone. Many other states have dealt with those kinds of processes before, and Professor Allan was very experienced in running workshops to do that. We are confident that we will see and have seen a reduction, particularly from the Chief Minister's Department and the money we spent on hospitality - that didn't take rocket science - and also marketing. Over the 2002-03 year, we will see a lot more focus on the backroom engineering.

**Mr BURKE:** I have heard that Protocol have never been busier.

**Ms MARTIN:** More strategic.

**Mr BURKE:** More strategic, is it?



**Mr BALDWIN:** Maybe an explanation from the Chief Minister. The Chief Minister has said that the Auditor-General's Office has had a nett increase of \$55 000 between last year and this, according to your Budget Paper No 5. We heard the Auditor-General say that that is what he is interested in: the total operating expenses - got a nett increase of \$55 000. So just how was the budget improvement levy - if that is what you call it - of \$86 000 arrived at, if you actually got a nett increase of \$55 000?

**Ms MARTIN:** It was on the baseline budget, and then there was an increase on top of that baseline.

**Mr BALDWIN:** So you took it off here and added it on there.

**Ms MARTIN:** No. What it does - as I have just explained in the previous answer to the member for Brennan - it is in terms of operating of agencies. Each agency will respond differently according to the nature of the agency. You would have to say, Auditor-General's is different from, say, talking about Health or DIPE. So, that was achieved by being more efficient in how an agency was run and, then, recognising growing costs that the Auditor-General referred to about being able to buy in his authorised auditors. Those savings were made, and then, on a new baseline, that increase was given.

**Mr REED:** Well, Chief Minister, in terms of the Auditor-General's Office then, what was the nett budget improvement strategy that was achieved?

**Ms MARTIN:** Sorry, say that again.

**Mr REED:** Well, how much did you save? You talk ...

**Ms MARTIN:** We gave those figures: \$45 000. That was the target for November to June, and then, for this financial year, it is \$86 000.

**Mr REED:** \$86 000, exactly. Okay, now we have to nett out. We have to take out what you gave as an increase, because you have taken some over those two budgets - the mini-budget and this budget. You have taken those two amounts but, on the other hand, you have given some money. So, that reduces the amount that you 'saved' in the budget improvement strategy. What was the nett amount?

**Ms MARTIN:** Well, in real terms, as you see from the budget figures, there has been an increase of \$55 000.

**Mr REED:** Exactly. You have given an increase of \$55 000, so we must then, in terms of the savings that you sought to accrue - of \$49 000 and \$86 000 - have to deduct that \$55 000 in relation to this particular agency.

**Ms MARTIN:** In relation to this particular agency, we have changed the baseline, and there has been an increase of \$55 000 this year.

**Mr REED:** So, in effect you have not achieved the savings that you wanted?

**Ms MARTIN:** We have achieved those savings within that agency. Each agency will achieve those savings in different ways depending on the nature of the agencies. It is not as simple for the Auditor-General. He does not have a vast hospitality account or marketing, or it does not have a large agency. So it is very different.

**Mr REED:** You do not have to get into hospitality. It is just those two figures, \$49 000 and \$86 000, and \$55 000.

**Ms MARTIN:** Well maybe we could hear from the Auditor-General on that. He is very happy that he can meet his mandate with his \$55 000 increase.

**Mr REED:** We have already heard that, thank you, Chief Minister. I think we ...

**Ms MARTIN:** That is good, isn't it?

**Mr REED:** ... established the rubbery figures. Thank you.

**Ms MARTIN:** No, it is a good budget.

**Mr BURKE:** On that question, in terms of that figure of \$55 000, which is a direct relationship on total operating expenses showing the variation, how come you can make a direct correlation there, yet the Auditor-General informs me that there is no relationship in output appropriation between the two figures to arrive at \$74 000?

**Ms MARTIN:** I refer that.

**Mr BURKE:** As a general question to agencies as the Auditor-General.

**Mr BLAKE:** The \$79 000 is a funding source. The \$79 000 represents cash available at a point in time catered for to help me fund my costs. That is why, I suppose, I say it would be a funding source between \$49 000 and \$79 000. Comparing those two amounts is not necessarily relevant. What is relevant to me is what it is going to cost me to run my office. That is the top line. How that is funded is through different mechanisms: (a) by money in my bank account - money I have generated from fees that I have charged and money that is appropriated to me by parliament. The make-up is not necessarily important. What is important is what I have to spend and what my budget is.

**Mr REED:** Chief Minister, I wonder if you could explain in relation to - and let us use this financial year's budget improvement measure - was the \$86 000 taken off a baseline which was determined in the first instance, and then \$55 000 added, or was it the other way round? Was the \$55 000 taken off added to the baseline and you took the \$86 000 away?

**Ms MARTIN:** It was to the baseline.

**Mr REED:** What was to the baseline?

**Ms MARTIN:** The budget improvement measure was subtracted from the baseline funding and then additional funding on top of that – the increase. But that was last November.

**Mr REED:** So the \$86 000 was taken off what amount? How many dollars? What was the baseline?

**Ms MARTIN:** I refer to you.

**Mr REED:** Oh, you do not know the answer then?

**Mr BLAKE:** Look I do not know the answer. You would have to go back to the budget papers developed in November prior to my arrival.

**Mr REED:** But I am talking about this financial year.

**Mr BLAKE:** I understand that, but the point is, the new baseline was set for my office back in November and, at that point in time, the baseline effected a reduction of \$45000. And I suspect that, at that time, some forward estimates work was done, which revised the baseline for the year just finished, this year we are into now and a couple of years forward. The baseline was established which then, and for this year that we are going to now, reduced by \$86 000, last year by \$45 000. Having

established that that was the baseline, I then looked at the cost of running my office and said what is the reasonable inflationary cost to give to my office - recognising that we have to go to new outsourcing contract arrangement and so on - and arrived at a figure which gave you a \$55 000 increase on that baseline.

**Mr REED:** Yes, well, that is an intriguing answer, thank you.

**Mr BURKE:** Question 68: does the data published for your agency in the budget papers (i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the budget papers were compiled? (ii) Where there is any material difference is there any supporting advice issued by the Treasury or the Treasurer's Office with regard to these differences and the nature of that advice? (iii) Where there is a difference did the agency undertake to advise their minister prior to the budget being delivered that these differences existed?

**Ms MARTIN:** To question (i) no; to (ii) not applicable; to (iii) not applicable.

**Mr BURKE:** Question 72: detail how much was spent on advertising, promotion, dissemination, policy issues and provision of information that included the minister's photograph and/or a message from the minister with an individual breakdown for print media, television, radio or brochure including direct mail (a) by the minister's office, (b) by the minister's department or agency, and (c) the minister's electorate office.

**Ms MARTIN:** Nil.

**Mr ELFERINK:** I would like that clarified. Are you saying that no money was spent at all across agencies or from your own office or from your electorate office on advertising which included your photograph?

**Ms MARTIN:** In regards to the Auditor-General's office?

**Mr ELFERINK:** Yes.

**Ms MARTIN:** No. It would be extraordinary if there was.

**Mr BURKE:** Question 74: Auditor-General, how many staff were employed by the minister in the ministerial office including Alice Springs or any other centre? How many of these staff are paid for by the Department of the Chief Minister and how many are paid for by the minister's agency or department.

**Ms MARTIN:** Not applicable to this office.

**Mr BURKE:** So that means nil?

**Ms MARTIN:** Yes, it does.

**Mr BURKE:** Question 107: the agency records depreciation and amortisation of \$3000 in Budget Paper No 3, pages 5 and 8, for 2001-02. What has been depreciated or amortised and why is there no entry for 2002-03?

**Ms MARTIN:** The assets in question were software and the written down value, at the 1 July last year, was \$2384; and office equipment with a written down value, at the same time, of \$1562. The software was fully depreciated and the office equipment was written down to \$130 in 2001-02.

**Mr BURKE:** Question 115: in the annual report of the office for 2000-01, plant and equipment had

been written down to \$4075. Why is there no entry in the budget papers for either 2001-02 or 2002-03 for plant and equipment?

**Ms MARTIN:** The plant and equipment has been fully depreciated in 2001-02, and there will be further details of that in the annual report.

**Mr BURKE:** And the last question has been answered.

**Mr CHAIRMAN:** Are there further questions? The member for Katherine.

**Mr REED:** Chief Minister, what does negative equity of \$133 000 in 2002-03 mean?

**Ms MARTIN:** What question does this relate to?

**Mr REED:** This is a question I have just asked you.

**Ms MARTIN:** I would expect it to be in writing.

**Mr REED:** Well, I am sorry.

**Ms MARTIN:** I am just saying, I would expect it. So can you refer me to which page you are talking about?

**Mr REED:** Well, I can refer you to page 9, Budget Paper No 3. The question again was: what does negative equity of \$133 000 for 2002-03 mean? It is the last figure on the right hand column of that page.

**Ms MARTIN:** Okay. I will refer that to the Auditor-General.

**Mr BLAKE:** What it means is that my liabilities exceed my assets by that amount.

**Mr REED:** Could you explain to me, Chief Minister, what would any level of equity in the Auditor-General's Office imply?

**Ms MARTIN:** Well, I might refer that to the Auditor-General since he is the expert here.

**Mr BLAKE:** In any normal organisation, you would want a level of equity at least to cover your working capital. In my case, I do not require a lot of equity for assets because I do not have computers, motor cars, plant and equipment and machinery and so on, to run my office. So, that is why the asset figure is low. My working capital requirements are nett about \$130 000 to \$140 000 and I am almost funded to that amount. There is a small gap of the amount that you see there. I would not expect, though, in an organisation such as mine, that you would fund me with an equity as you would a trading organisation because, essentially, my funding comes through the parliamentary process. So, in an organisation such as mine, as long as the budget process is going to give me the money to run my office, I do not need equity.

**Mr REED:** I ask the Chief Minister - and I appreciate that the Auditor-General has not been with us for very long and he has inherited a lot of this, so there is no implication on himself - in current year profit and loss and the loss of \$79 000, what do you propose to do regarding the continuing operating loss of the Auditor-General's Office? A private sector entity would be breaking the law if it continued to trade while insolvent. Do you feel comfortable with that presentation?

**Ms MARTIN:** First of all, I would like to refer for an explanation to the Auditor-General.

**Mr REED:** You can't answer the question?

**Ms MARTIN:** No, I am referring it for an explanation.

**Mr BLAKE:** The \$79 000 represents the cash carried forward so, to the extent that I have a deficit this year, that will be resolved by this time next year, assuming I spend exactly what I get appropriated. Bearing in mind that the appropriation is now in accrual terms, as long as my creditors and debtors and things of that nature remain under control, I will balance my books next year. So I do not believe, again, the fact that this would indicate that I am insolvent - and I do not think that the word 'insolvent' is right in a public sector environment - is relevant.

**Mr REED:** I ask then another question in terms of performance measure, which indicates that the Auditor-General will complete 95% of his audit tasks in accordance with the work program. The current Auditor-General may well not have set those targets. If the Auditor-General sets his own work program, could this be described as a performance measure, in terms of an Auditor-General setting his own work program, or is it set by someone else?

**Ms MARTIN:** Well, it is set under the terms of the legislation in part, and I might refer more to the Auditor-General.

**Mr BLAKE:** It is appropriate that an Auditor-General is not influenced in setting his or her own work program, and that it is important, in that independent environment, that it is done by the person or individual. In this case, I can achieve these sorts of targets. I would have thought that they should all be 100%, but it is going to be difficult to do that in an environment where I do not control the output of agencies. I cannot do an audit unless an agency has their numbers ready for me to audit, so it requires the working together with agencies to help me to complete my audit program on time.

**Mr REED:** So, there is a desire to achieve 100%, but that might not be able to be achieved - if I am interpreting your answer correctly - because of external influences; viz the lack of information?

**Mr BLAKE:** It is two things. It is also the ability or availability of some of my contract workers. I have to make sure that my work program fits around their own work programs and I cannot dominate what they do. There are going to be occasions, however, when an audit is started - and that is what has happened with the build-up of monies carried forward and not completed on time. But to a large extent, that is within my control.

**Ms MARTIN:** Can I just add that I would have thought that 95% was superb.

**Mr REED:** Well, the Auditor-General himself said he is targetting 100%.

**Ms MARTIN:** Okay, we all target 100%, but 95% is pretty good.

**Dr LIM:** Mr Chairman, I refer the question to the Chief Minister. It was question 3 that the member for Brennan asked earlier and you responded in saying that the amount paid to consultants was \$1.449m.

**Ms MARTIN:** No, \$1.499783m.

**Dr LIM:** \$1.499m for 2001-02 and \$1.67m for 2002-03. That still equates to nearly \$200 000 increase, yet your output appropriation indicates a \$74 000 increase between 2002-03 and 2001-02. How do you believe the Auditor-General is going to pay for those increased services, with these budget increases of \$74 000?

**Ms MARTIN:** Auditor-General.

**Dr LIM:** You are the one giving him the money, Chief Minister, and ...

**Mr Kiely:** No badgering.

**Mr CHAIRMAN:** Member for Greatorex, with all respect, it is the Chief Minister's call. If she decides to ask the Auditor-General to answer, I do not think there should be adverse comments made about that.

**Ms MARTIN:** Can I make the point ...

**Mr CHAIRMAN:** No, Hold on a second please, Chief Minister. Part of the benefits of this process of having this Estimates Committee is that the senior officers of departments and agencies are here to facilitate the process. I do not think we should be denigrating the fact that a minister or a Chief Minister chooses to put a question to their senior officer.

**Ms MARTIN:** Can I make the point that, we appoint people like an Auditor-General, for their expertise in these areas. Certainly, if he is sitting here - and this is why we have estimates, for heaven's sake - is to get his expertise. So, thank you, Mr Auditor-General.

**Mr BLAKE:** Can I answer the question by referring you to page 8 of Budget Paper No 3. Whilst my budget has gone up, what is important is the mix of how the budget will be spent. So, this year is allocated increased monies to purchase goods and services and less monies to employee expenses. So, whilst you are right that the total budget has only gone up by \$74 000, the allocation of the budget has changed, in that less money is being spent on salaries and wages, and more on purchasing order services.

**Dr LIM:** If I may address the question further, Mr Chairman. Your employee expenses has decreased by \$55 000. If you add that to \$74 000, it is still way short of the \$200000-plus that you would need for outside consultancies for your auditing role.

**Mr BLAKE:** What you would need to do now is to add a further number to that - \$79 000, which is the cash carried forward. I have funds that I am carrying forward into next year which will be used to purchase contract order services.

**Dr LIM:** Okay, good. Thanks for doing that, because this is the purpose, as you said, of the Estimates Committee, to draw down to the right figures, otherwise we do not know where we are going.

**Mr ELFERINK:** Much more mundane question, Mr Chairman. Out of the stuff that goes out to contractors, how many are local firms and how many are interstate firms?

**Ms MARTIN:** I have given a commitment to the member for Brennan to table that breakdown. I would say that, in principle, we use as many local firms as we can where appropriate. Let me just rephrase that: it is all local.

**Mr ELFERINK:** This is what? An international company based in Darwin, or they have offices in Darwin, so there are people employed and working here?

**Mr BLAKE:** There are six firms. Two of them are international, but I do not know how they link with their offices across Australia. But the people who do the work are based here.

**Mr ELFERINK:** Yes, but there is an office here and the people who are actually doing the work are living here in Darwin?

**Mr BLAKE:** With only one exception, and that is the audit of the Territory Insurance Office, where expertise is brought in from the other states to assist with that audit because of its complexity. There

are occasions where my authorised auditors will seek expert advice on particular issues from their counterparts across Australia. For example, on the superannuation audit, my auditor gets expertise from their superannuation specialists. However, that is a decision that they take. I engage them to do the work locally, with the exception of the insurance office.

**Mr CHAIRMAN:** Are there any other questions on this output? There being no further questions, this concludes the consideration of this output. Could the secretary advise, are there any outstanding questions from that particular output?

**Mr HANLEY:** None on this output, Mr Chairman.

**Mr CHAIRMAN:** In that case, I think we have completed the questioning of the Auditor-General. I thank Mr Blake for coming along. I propose that we have a five minute break or so, just to stretch our legs. Ten, says the member for Araluen - somewhere between five and ten. Then the next is the Ombudsman, so we will reconvene a bit after 4.30.

Committee suspended.

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**Mr CHAIRMAN:** I did say a few minutes after half past, so I intend to try and keep moving with these hearings. We have a quorum. Chief Minister, once again I re-open the hearings. I invite you to introduce the officials from the Office of the Ombudsman who are accompanying you.

#### **OFFICE OF THE OMBUDSMAN**

**Ms MARTIN:** Mr Chairman, I have with me the Ombudsman, Mr Peter Boyce, and Office Manager, Karen Lewis. I would like to welcome them into this productive process.

**Mr CHAIRMAN:** Thank you, Chief Minister. The committee will now proceed to consider the whole-of-agency questions as they relate to the particulars of the estimates of the proposed expenditure for the Office of the Ombudsman. I would like to start with output number 00.03 which is the whole-of-government. The single question there comes from the member for Brennan.

#### **Whole-of-Government**

**Mr BURKE:** Question 89: what is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government, and where does this cost or liability appear in the budget papers relating to the agency?

**Ms MARTIN:** Yes, when the agency that I am responsible for, as Treasurer, is here, I will answer that question in detail on behalf of all agencies.

**Mr CHAIRMAN:** Are there any other questions?

**Dr LIM:** Well, we again seek the Chief Minister's assurance, if I may, Mr Chairman, that your response will be specific for the Ombudsman's Office also?

**Ms MARTIN:** Assured.

**Mr CHAIRMAN:** So, that concludes consideration of this output.

**Mr DUNHAM:** Can I ask a question? Can I confirm that the agency actually knows what their payroll tax regime is? Do they know, or is this information only known ...

**Ms MARTIN:** Of course, it is. Of course, it is known to the agencies, as it has been for a decade since agencies have been paying payroll.

**Mr DUNHAM:** So, it is known to you all. It is split up into individual agencies, but it will be reported in a unified - in a generic way.

**Ms MARTIN:** It will be reported by agency.

**Mr DUNHAM:** Yes, well we are asking by agency.

**Ms MARTIN:** Yes. It will be reported.

**Mr CHAIRMAN:** Seeing there are no more questions, that concludes consideration of this output group which is whole-of-government. I do not believe there are any outstanding written questions. The committee will now proceed to output group 1.0 and, once again, the output name is the Office of the Ombudsman and Commissioner for Health and Community Services. I call once again on the member for Brennan who has asked nearly all the questions in this output group to proceed through his written questions, please.

**Office of the Ombudsman and Health and Community Services Complaints Commission**

**Mr BURKE:** Question 20: how much was spent on consulting services in 2001-02? Detail individual contracts; that is, who were they awarded to, at what cost and for what reason?

**Ms MARTIN:** As far as consulting services were concerned, for the Office of the Ombudsman:

- Implementation of new computerised case management system, Groupware, development and implementation of the system, \$40 520;
- Wizard, preparation of specification for a new system, \$9718.82;
- Review of *Ombudsman (Northern Territory) Act*, Mr Fred Albeitz, former Ombudsman of Queensland, provision of advice in regard to draft issues paper prepared by the Department of Chief Minister, \$1750; and
- Employment Assistance Service, staff training development and counselling service pursuant to contract, \$1096.

That all came to \$53 084.82.

For the Health and Community Services Complaints Commission: consultants fees were of \$9098.56. The consultants being experts, were commissioned in regard to individual complaints made to the commission. Professional fees are paid for the provision of expert opinions to be used to resolve complaints. Confidentiality provisions within the relevant legislation do not permit disclosure of the names and individual cases involved. A total was paid for those expert opinions, as I said before, of \$9098.56.

**Mr BURKE:** Can I ask where that appears in the budget papers?

**Ms MARTIN:** No, it does not appear in the budget papers as a breakdown like that.

**Mr BURKE:** Where does it appear? Under what heading?

**Ms MARTIN:** It appears under ...

**Mr BURKE:** Payments for goods and services?

**Ms MARTIN:** It would appear in the purchase of goods and services on page 15, and our consultants



would probably also be split, I think, between the Office of the Ombudsman and Health and Community Services Complaints Commission.

**Mr BOYCE:** To deal with the Ombudsman, the way the budget for the two output groups is treated is that it is one agency and two output groups. On page 15, you see the operating costs for purchase of goods and services for both groups combined. And those costs were incorporated within that.

**Mr BURKE:** Question 26: how much is estimated was spent on consulting services in 2002-03, and how much has been expended so far this financial year? Detail the individual contracts; that is, who they were awarded to, at what cost and for what reason?

**Ms MARTIN:** The estimated expenditure for this coming year is \$20 000, currently spent is \$9090.91, which is on implementation and training of staff and refinement of new computerised case management assistant and the consultant is Groupware.

For the Health and Community Services Complaints Commission for the coming financial year, the estimated expenditure is \$7000. Expended to date is \$1800, and that is primarily for expert opinions in relation to individual complaints, as I said before.

**Mr BURKE:** So, where does the residual of the \$323 000 for payments of goods and services come from?

**Ms MARTIN:** I might refer that to the Ombudsman.

**Mr BOYCE:** Sorry, within the Budget Paper No 3, page 15, where it refers to the purchase of goods and services, it is a total operating expenditure figure. The costs for consultants is but one component of that, and that is just the estimate of costs for that year.

**Mr BURKE:** Well, it is not a total operating figure, is it? It does not include employee expenses. I am asking what it includes other than consultancies.

**Mr BOYCE:** I apologise. It is the total operating cost, exclusive of the personnel costs. In other words, if you look at the agency as a whole, 82% of the costs of running the agency is taken up in salaried officers, and the other 18% in the 2002-03 budget, the \$323 000, is the actual operating cost, exclusive of those salary payments or salary costs, employee costs. Within that figure is incorporated any of these consultancy costs.

**Mr BURKE:** Includes things like hire of computers and that stuff?

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

**Mr BURKE:** Question 28: are there any plans to shut down or otherwise limit the operation of the Ombudsman's Office in Alice Springs?

**Ms MARTIN:** There are no plans to shut down or otherwise limit the operation of the Ombudsman's Office in Alice Springs.

**Dr LIM:** There has been downscaling of the activities of the office in Alice Springs, Chief Minister.

**Ms MARTIN:** Following a review of the office which was carried out by Risk Management Services in the Department of the Chief Minister, a report in 2001 recommended a restructure of the Office of the Ombudsman and the Health and Community Services Complaints Commission. In order to achieve that restructure, and consequently to maintain the existing level of services available from both offices, government allocated additional funding of \$114 000 to the offices. This funding is recurrent funding, and so there is no intention to reduce services in Alice Springs.

**Ms CARNEY:** Could I seek a point of clarification? Chief Minister, of that \$114 000 that was allocated, was that to the Alice Springs office or to the office, Territory-wide?

**Ms MARTIN:** I will refer that to the Ombudsman.

**Mr BOYCE:** It was allocated across the agency but, as a result of that allocation, a full organisational restructure was able to be implemented, and it will see the Alice Springs office remain fully operational, with two staff, which is where it has always been.

**Ms CARNEY:** Chief Minister, are you able to indicate, in real terms, whether the office in Alice Springs received an increase or a reduction to its funding?

**Ms MARTIN:** Based on what the Ombudsman said in reference to the previous question, the increase has been across both offices. The two staff will be maintained, which was what was there.

**Ms CARNEY:** Are you able to provide a more detailed breakdown as to whether the Alice Springs office went up or down in terms of its funding?

**Ms MARTIN:** Well, I say that this question was not asked in specifics. If the Ombudsman can answer at this stage, I will ask him.

**Mr BOYCE:** For the current financial year, the resources will be maintained at the same level as they always have been with two staff. For the previous financial year, as we have had to address budget issues, there have been periods where a position was kept vacant. Therefore, to that extent, the allocation of resources was less over periods of times, but it is now back to full allocation.

**Dr LIM:** My understanding of that, though, is that the two staff that you have are at lower positions than they were previously. Could you confirm that?

**Ms MARTIN:** Again, I ...

**Mr BOYCE:** No, there have been no changes in the levels of the positions whatsoever. I should add, whenever there has been a vacancy, the service from Darwin has been increased to address it.

**Mr ELFERINK:** Just to pursue this point with one more question. Does the office in Alice Springs currently engage in investigations as an Ombudsman's office normally would? Has it done in the past or is there a change in that situation?

**Ms MARTIN:** Again, I refer that specific question to the Ombudsman.

**Mr BOYCE:** It has engaged in investigations in the past, although the decision as to whether a particular investigation be carried out by officers in Alice Springs or in Darwin, is one made based on the nature of the complaint, the expertise needed, and the level at which it is going to be conducted. But, certainly, there are ongoing investigations being carried out from Alice Springs.

**Mr ELFERINK:** Are currently being done?

**Mr BOYCE:** Yes.

**Mr ELFERINK:** Fine.

**Mr BURKE:** Question 32: what legal costs have been incurred by either the Ombudsman's Office or the Health and Community Services Complaints Commission in 2001-02; and why?

**Ms MARTIN:** Legal expenses of \$10 867 were incurred. These expenses arose either directly as a result of issues relating to individual complaints being investigated by the officer or, in some cases, as a result of attempts by persons to subpoena information from the office through the courts. Confidentiality provisions of the legislation prevent further disclosure of details relating to such advice. That relates specifically to the Office of the Ombudsman.

For Health and Community Services Complaints Commission, legal expenses of \$1130 were incurred. Those expenses related to advice in regard to a specific complaint, which we will not detail further because of confidentiality.

**Mr BURKE:** Thank you. Question 35: how is \$114 000 being spent on an organisational restructure, and how does this restructure fit in with the ongoing review process?

**Ms MARTIN:** During 2001-02, a review of functions, structure and resources of the Office of the Ombudsman and the Health and Community Services Complaints Commission, which are co-located, was carried out by Risk Management Services from the Department of Chief Minister. The review was requested by the then Chief Minister - yourself, member for Brennan - in response to an increasing recurring budget shortfall, primarily in the personnel budget for the offices. The review was primarily to determine what funding was necessary for the offices. The final report was provided in October 2001. The outcome of the review was to recommend an organisational structure for both offices which included: amalgamation of two deputy positions into one; creation of a principal investigation officer, AO8 level, in the Office of the Ombudsman; two inquiry officer positions, A03 level, to receive and process complaints for both offices; and creation of assessment officer positions in both offices.

The report identified a budget shortfall of \$114 000 to meet the full cost of the proposed restructure. On 7 March this year, I, as Treasurer, approved additional recurrent funding of \$114 000 for the offices. As a consequence, the restructure of the offices has commenced and is ongoing. The \$114 000 has been allocated to the personnel budget to facilitate the organisational restructure. This restructure will see the staffing levels for both offices increase from 17 to 18, but there will be a greater emphasis on multiskilling and sharing resources to achieve efficient service delivery. It needs to be noted that, as a result of the budget improvement target, \$63 000 in 2002-03; the effective budget increase for the restructure is \$51 000. The restructure has proceeded with some changes to meet that, and will be fully implemented by the end of the year.

**Mr BURKE:** So, the end result of our efforts to get a review and get the Ombudsman more funding has resulted in an outcome of minus \$37 000 overall?

**Ms MARTIN:** Not at all. It is an increase in \$114 000.

**Mr BURKE:** I am looking at the budget papers, page 11, and everywhere I look the end results are minus. The overall funding to his office is negative to what it has been in the past. Is that true or not?

**Ms MARTIN:** If I take you to page 13 of the budget papers - and one of the things we are really proud of about these budget papers are that we give significant variations in them, which we have not had before in the budget papers. So if I take you to that. The completion of the Ombudsman's complaints registration system at \$40 000 was a one-off, and a one-off funding of \$67 000 for retirement and termination costs. They are the variations.

**Mr BURKE:** Yes, perhaps. I am intrigued if, overall, the Ombudsman has a nett increase, or a nett decrease, over what he had prior to this review - because that was the aim of it, to drill down and find out what his real needs were; which I felt was being underfunded. No good?

**Ms MARTIN:** We did the funding.

**Mr BURKE:** And the end result is how much extra?

**Ms MARTIN:** Well, the end result is that the budget improvement savings were across government for very good reasons. That baseline funding was established from November, and then we have increased that in line with the outcome of the restructure, which I made the decision on, in March, to allocate a further \$114 000.

**Mr BURKE:** I accept you put that into a review. I am talking about how much - if you look at the overall appropriation, the nett result is minus \$37 000, is it not?

**Ms MARTIN:** But I refer you to those one-off costs. I think the Ombudsman would like to add further to that.

**Mr BURKE:** I am really interested in outcomes and your capacity to provide the service you want to provide. I am not trying to be tricky here. It was a genuine review based on what I felt were additional needs you required.

**Mr BOYCE:** There has, in fact, been an increase in the budget from the baseline of the previous year of approximately \$51 000, as a result of the increased funding of \$114000. The Chief Minister has, quite correctly, identified that the variation, which seems to suggest a minus figure, is due to the one-off payments received in the previous year, relating to termination of staff and the funding for the case management system. If you take that out of the equation there has, in fact, been a real increase in the budget of \$51 000 from the previous year.

**Mr BURKE:** Can you show me where the \$51 000 appears?

**Ms MARTIN:** We have explained the details. They are the figures, and they are within this. We certainly would not have found them in your last year's budget, let me say.

**Mr BURKE:** I am trying to be courteous here, Mr Chairman.

**Mr CHAIRMAN:** I know you are, member for Brennan.

**Mr BURKE:** It is not provocative at all.

**Mr CHAIRMAN:** Of course not.

**Mr BURKE:** Question 38: what is the cost to the Ombudsman's Office, both last financial year and this year, of the review of the *Ombudsman's Act*, and the *Health and Community Services Complaints Commission Act*? At what stage are those reviews; and when are they expected to be completed?

**Ms MARTIN:** First of all for the Office of the Ombudsman and the act, in the main, any costs incurred in regard to the review of the *Ombudsman (NT) Act*, related to time spent by the Ombudsman and staff in preparing responses to a draft issues paper released by the relevant steering committee. The Ombudsman also sits on that steering committee, and this involvement has been met by existing resources. Advice was sought from a consultant, Fred Albeitz, who is the former Ombudsman for Queensland, in regard to draft issues paper, and cost \$1750. In addition, costs of \$863.64 were incurred in regard to preparation and editing of the Ombudsman's response to the draft issues paper. All other costs in regard to the review are being met by the Department of the Chief Minister, and this is the case in regard to 2002-03 as well.

Costs incurred by the Department of the Chief Minister are being met from existing resources. Specific attributable costs are printed in the discussion paper which is \$3647.27; advertising in all NT newspapers which is \$2865; postage of the discussion paper, \$400; and Internet site hosting charges \$500.

A discussion paper has been prepared by the steering committee, which is headed up by Jim Colbert, and has been approved for public comment by the government. Public submissions close on 31 October this year, and it is anticipated the report will be made to myself by the end of December, as to the outcome of public submissions.

In regard to the second output group, the Health and Community Services Complaints Commission, no costs were incurred in 2001-02, other than time spent internally preparing a discussion paper regarding the proposed review. The Minister for Health and Community Services formally authorised the process for review on 8 August this year. The review has yet to commence. Costs have not yet been estimated, although it is expected that there will be some costs incurred by the commission in this financial year.

The steering committee will be set up and a strategy for implementation of the proposed review will be formulated and forwarded to the minister for approval. No timetable has yet been set for completion of that review.

**Mr BURKE:** Question 48: I assume it has been answered?

**Ms MARTIN:** What is it? Yes.

**Mr BURKE:** Question 55: provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable to the figures used in the mini-budget. In terms comparable with the mini-budget, detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency in terms of this agency, in terms comparable with those used in the mini-budget translate the figures using accrual accounting methods.

**Ms MARTIN:** Actual expenditure in respect of 2001-02 will be provided at whole-of-agency level, as I said, in the Treasurer's Annual Financial Report, and at more detailed levels in annual agency reports. Information for 2002-03 is not provided in a form consistent with the mini-budget, as 2002-03 information is on an accrual basis.

**Mr BURKE:** I will just make a comment that the Speaker was quite happy to provide a table listing those figures. I gather you are unwilling to do it? The figures are obviously there, because the Speaker did it.

**Ms MARTIN:** I make the point that, as was in the Budget Paper No 3 Page V, those figures are available on a cash basis because they will be in the Treasurer's Annual Financial Report. But they are with Treasury and they have not yet been audited. As appropriate, once they are audited, they will appear in the Treasurer's Annual Financial Report. This budget here is accruals; it is looking forward. This is what this process is about.

**Mr BALDWIN:** How is it that the Legislative Assembly could provide the figures and the table?

**Ms MARTIN:** Well, that was a choice that the Speaker obviously made. I am dealing with all the government agencies and that information is currently with Treasury. It has not yet been audited.

**Mr BALDWIN:** So theirs have, in other words?

**Ms MARTIN:** Well, they were estimates. We are talking about ...

**Mr BALDWIN:** No, they were actuals. If you look at the table they presented ...

**Ms MARTIN:** I am talking from a point of view of whole-of-government and, quite appropriately, those figures across all government agencies - and if you bear with me, in a couple of instances within Chief

Ministers we have done those cash figures because it makes a particular point, and you asked particular questions. But they are not available across all government agencies and they will be available in the Treasurer's Annual Financial Report.

**Mr BALDWIN:** But Legislative Assembly was able to provide actuals - 2001-02 actuals in their total.

**Ms MARTIN:** The Legislative Assembly chose to do that. Again I say, within the Department of Chief Minister we have chosen, in response to a couple of specific questions, to give you that cash. But across all government agencies, those cash figures have not been audited and they will be available later this year, quite appropriately, in the Treasurer's Annual Financial Report.

**Mr BALDWIN:** So it seems that, at your discretion, you are able to provide some but not others.

**Ms MARTIN:** I would imagine that, having been a minister for a number of years, you understand the accounting that needs to go on at the end of the financial year. It is particularly more complex at the end of this financial year, having moved from a cash framework to accruals. That cash work is being done now. There are only so many public servants and so much work that can be done at any time. Those cash figures, quite appropriately, are with Treasury. They will be audited and they will be in the Treasurer's Annual Financial Report. The figures that you have from the Legislative Assembly are not audited.

**Mr DUNHAM:** Could we have the unaudited figures, please.

**Ms MARTIN:** No.

**Mr DUNHAM:** Can I point out, Chief Minister that, in the budget, there are a number of columns where you have figures listed as estimates, and I assume they are unaudited. There are a significant number of these figures, and I would ask if the figures, despite their lack of audit status, could be made available to the committee.

**Ms MARTIN:** Mr Chairman, I have made this point very clear. That is a very appropriate decision to be made. What you have in front of you are better, fuller figures, more transparent figures, than we have ever seen before, because accrual works better. And, as we all learn it, it will work better and inform us much better, and certainly help agencies in terms of their appropriations and being able to manage their outputs better. That is what we are moving to, so that is it.

**Mr DUNHAM:** Can I ask you what confidence we should have in these unaudited figures here? Whether we should have the confidence - if you are unable to provide the cash figures, on the spurious excuse that they are not available, notwithstanding what you have said in your documentation, what confidence can we have in this column that talks about 2001-02 estimates?

**Ms MARTIN:** Because, member for Drysdale, these are figures prepared by our agencies. They are not prepared by government ministers sitting in their corner offices and writing bottom lines. They are the estimates, quite appropriately. They have been done in an accrual conversion, for being able to compare apples and apples. This budget, which looks at 2002-03, is the forward looking budget for dealing with this year and, very appropriately, when it comes to a full accounting of the past year, as we have seen again and again - and which you stood there in the parliament and said to us, as we moved partly to an accrual or to an output based, last year: 'Sorry, you cannot get any of that, it will be in Treasurer's Annual Financial Report'. Well, unfortunately, the same applies now as far as you are concerned: quite appropriately, the cash will be in the Treasurer's Annual Financial Report, accruals is what we are dealing with now.

**Mr DUNHAM:** The question was specific to the estimated unaudited figures in this paper. I am asking you if this committee can have the confidence that these unaudited estimates in this paper have the veracity that is expected of budget papers?

**Ms MARTIN:** I take you again to my opening statement, and what we have put in place following the very unfortunate events of last year. We now have a *Fiscal Integrity and Transparency Act*, and these figures, while they might by estimates, are honest figures.

**Mr DUNHAM:** Are they audited?

**Ms MARTIN:** They are honest figures, and in the accounting, they are estimates. They are quite appropriate with estimates. As I said to you: you will get the audited figures later this year, in the Treasurer's Annual Financial Report. Mr Chairman, let us move on to other issues to do with the Ombudsman.

**Mr CHAIRMAN:** Yes, I think the Chief Minister has made it plain that she has given that answer a number of times. I ask that we move on with the written questions.

**Ms MARTIN:** Can I make a point there. I am not refusing to give an answer. You are not accepting my answer, which is a very different point. Let us move on.

**Mr BALDWIN:** You are using unaudited figures in one spot, but you won't provide them in the other spot.

**Dr LIM:** May I pose the question to the Chief Minister in another way, perhaps. The estimates for 2001-02 are accrual figures, as the Chief Minister said earlier. How were these accrual estimates formed for 2001-02? Were they based on converting cash figures from 2001-02 to these figures? What we are trying to establish, Chief Minister, is the reliability of your budget papers 2001-02 estimate figures. They are accrual; we understand that. I understand accrual accounting very well. We are asking you: how did you arrive at those figures? What is the veracity of those figures? Did you work those figures from your cash accounting base? If it was, then you must have some trust on those cash figures. Why are they not available to us?

**Ms MARTIN:** They will be available in the Treasurer's Annual Financial Report.

**Dr LIM:** You did not answer my question.

**Ms MARTIN:** And that is my final comment.

**Mr CHAIRMAN:** Could we move on, please.

**Mr WOOD:** I know you said move on, I would like a point of clarification. I am reading in our guidelines for the Estimates Committee, that the purpose of the Estimates Committee is to provide a forum and process whereby government decisions, which are reflected in the Appropriation Bill and related budget papers, can be examined in an open, orderly and formal way.

Chief Minister, you said that those figures would be available at a later stage. Would it not, therefore, be appropriate that the Estimates Committee sat again to discuss those figures when they were available?

**Ms MARTIN:** When the Treasurer's Annual Financial Report comes down, member for Nelson, we have a full parliamentary debate on those figures, quite appropriately.

**Mr WOOD:** I thought that the Estimates Committee would be the appropriate place, as it is with what we are doing now.

**Ms MARTIN:** The Estimates Committee, as I understand for other parliaments, look at this appropriation at this time. The Treasurer's Annual Financial Report is an accounting for the past year, and that is dealt with across the parliament.

**Mr BURKE:** You understand the difficulty that, once again, the opposition is having here. If you look at your own figures all you see is minuses. The Ombudsman seems to have an increase in allocation of \$51 000 in real terms. Perhaps you could detail that for us, how it is arrived at?

**Ms MARTIN:** Can I make the point and refer you – it is as though this is some extraordinary process here. Can I refer you to this budget book which, perhaps, you remember. You could make the same comment about minuses. We used to go through this and we would stand up in the parliament and say: 'Can you explain the minus against that, it looks like there has been a reduction in allocation to that activity?' You would say: 'You are stupid because you do not understand there has been a one-off payment'. I said this year we will not have that go on; in this book we will explain those significant variations against every agency.

**Mr Reed:** Well, why don't you have them?

**Ms MARTIN:** We have that significant variation explained. So, in this budget book there is a lot more detail and a lot more explanation; not just simply minuses against those. It does explain it, and it explains it in a lot more detail than we have ever seen before. It is not recognising the level of detail that we have in these budget books, when you make comments like that.

**Mr BALDWIN:** Well, if that is the case, Chief Minister, could you then take us through, step by step, to show us how you get to a nett increase, as the Ombudsman has just said, of \$51 000? Can you take us through the sums in this budget book to get us to that \$51 000 figure, please? You said that it is in there; the detail is not in there. Take us through the sums.

**Ms MARTIN:** Just excuse me.

**A member:** Take all the time you need.

**Ms MARTIN:** We will take that question on notice and get back to you with that detail. The Ombudsman by my side is very confident, from the knowledge of his budget, that exactly what he has is an increase. By my side you see a happy man; this is terrific.

**Members** interjecting.

**Mr BALDWIN:** Mr Chairman, further to my question ...

**Mr CHAIRMAN:** Unless the member for Katherine wants to allow you to proceed, he did have the call.

**Mr BALDWIN:** That is fine.

**Mr REED:** Chief Minister, are we to understand that, having consulted with a ministerial officer, the Under Treasurer and another Treasury officer, that you cannot provide us an answer to that question now. You have just taken the question on notice.

**Ms MARTIN:** I am saying to you that for the proceedings, that we will take this on notice, which is quite an appropriate response.

**Mr REED:** It is quite extraordinary, Chief Minister.

**Ms MARTIN:** You can feel extraordinary about that, but I am taking it on notice.

**Mr REED:** And it is worth putting it on the record. Thank you.



**Ms MARTIN:** Good. I am pleased.

**Mr CHAIRMAN:** All right, we have transacted that one. Can we move on?

**Mr BURKE:** I do hope, Mr Chairman, that once we get to the more complicated agencies, we will eventually get some answers to these questions, because it is very strange that, on a simple agency such as this where the Ombudsman himself has clearly an increase of \$51 000 that, in a space of about 15 minutes no one can answer the question.

Question 58: how many people are employed by the agency by output and activity? How many are employed on a full-time, part-time, casual and contract basis? How many were employed by the agency on 29 August 2001 on a full-time, part-time, casual and contract basis? How many were employed by the agency on a full-time, part-time, casual or contract basis when the public service was restructured in November last year? How many were employed by the agency on a full-time, part-time, casual or contract basis for the last pay period in August?

**Ms MARTIN:** Just to make the point that the term 'activity' has no particular meaning under the new framework. Except where agencies have a single output, this question cannot be answered as outputs do not align with organisation structures, and will include some apportionment of corporate staffing.

The Office of the Ombudsman has a staffing level of 15 under the restructure currently being implemented. Prior to the restructure it was 14. As at 28 August 2002, there were 13 staff employed full-time, one statutory appointment, one executive contract, eight permanent and three short-term temporary appointments. As at 29 August 2001, there were 12 staff employed full-time, one statutory appointment, one executive contract, seven permanent and three short-term temporary. As at 13 November 2001, there were 13 full-time staff, one statutory appointment, one executive contract, six permanent, five short-term temporary.

In the Health and Community Services Complaints Commission as at 29 August 2001, there were three full-time; 13 November 2001, three full-time and permanent; and 28 August 2002, three full-time permanent.

**Mr BURKE:** So, just to clarify, the figure of 18 is the full-time permanents for both?

**Mr BOYCE:** That is correct.

**Mr BURKE:** That is a correct figure?

Question 63: detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures.

**Ms MARTIN:** Both payments and revenue are treated under normal accrual accounting procedures as expenditure incurred or revenue earned. Inter-agency payments currently made are: to the Central Holding Authority for long service liability, Central Holding Authority for NTGPASS and Comsuper employment contributions, NT Treasury payroll tax, NT Fleet for leased vehicles, and Department of the Chief Minister for Wide Area Network access in a shared facility. Other payments include government business division such as the Government Printing Office, ITMS. Occasional inter-agency payments occur when access and training courses are run by those agencies, for example, OCPE. In total for 2001-02, that was \$237 500.

Inter-agency payments received: receipt of revenue from the Central Holding Authority.

**Mr BURKE:** Question 64: how much of the agency's revenue can we attribute to inter-agency

transfers and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

**Ms MARTIN:** No revenue is budgeted to be received from inter-agency transfers. In regards to purchase of goods and services, these amounts are not known for 2002-03 as they are based - and I assume this is about 2002-03 is it? - on specific services provided during the year. These transactions are regarded in the same manner as any other transactions and include such things as training, vehicle leasing, IT services, stationery, printing, posting and registering of mail, and property management.

**Mr BURKE:** So the figure of \$28 000 in agency revenue is held by the Central Holding Authority and not by the agency in agency revenue?

**Ms MARTIN:** No. I refer it to the Ombudsman.

**Mr BOYCE:** That revenue is received from the Commonwealth Ombudsman's Office. It is paid directly to the Office of the Ombudsman and credited against our account for Central Holding Authority, as far as I understand the position.

**Mr BURKE:** Question 66: as part of the government's deficit reduction strategy, it was announced in the mini-budget for the budget improvement target of an average of 4% - with the exception of the functions of hospitals, health and community services, schools, police and emergency services, and custodial services, which were expected to deliver a cut of 25% of the average level - was to be imposed for the mini-budget and future budgets. What budget improvement target did the agency have in 2001-02; how much did that amount to and was it achieved in total and by output and activity? What is the budget improvement target for the agency in 2002-03? What is the total amount, and what is it by activity and output? Is the cash relating to the budget improvement cut included in the agency's budget and, if so, is it treated in the 2001-02 and 2002-03 figures?

**Ms MARTIN:** The budget improvement target - this is for both offices - in 2001-02 was \$35 000. The savings were not allotted to any particular output, being allocated at a whole-of-agency level. In 2001-02, there was also a projected budgetary shortfall of approximately \$80 000 in the personnel budget, and an unforeseen termination payment for an executive contract officer arising from what we have talked about before, the organisation restructure. Savings were made to address the total budget shortfall by a number of short-term strategies. That was the shortfall in the budget, as well as the savings target, and that was by not filling for some short periods vacancies, and reducing operational expenditure. That position was alleviated by the provision of \$114 000 approved in March this year, and this funding was recurrent.

For 2002-03, the budget improvement target for the year is \$63 000. This budget improvement target must be considered in the context of an increase in the funding of \$114000 recurrent, in order for the offices to restructure in accordance with the recommendations of the review report. The \$63 000 budget improvement target has not been aligned to any particular output, and has in fact been allocated at a whole-of-government level.

The restructure has been implemented, taking into account the overall budget improvement of \$51 000, taking into account the budget improvement target. The emphasis of the restructure is on efficiency and improvements as between the two offices, with the object of improved service delivery across both offices consistent with the recommendations of the review report. The restructure also addresses the critical level of resources for the Health and Community Services Complaints Commission.

**Mr BURKE:** Question 70: what has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency? Is there a continuing cost or a need for more staff?

**Ms MARTIN:** The change to accrual accounting and Working for Outcomes has been achieved through the use of existing resources, maximising previously unused features available in corporate and agency systems, and training and coordination provided by Treasury and DCIS. This has occurred over the last 18 months, and will continue over the next two to three years. It is not possible to differentiate the costs related to these developments from other financial management costs.

In regards to small agencies such as these offices, the cost in real terms has been the commitment of staff to extensive training, and this has added to already heavy existing workloads. Small agencies have little scope to buy any appropriate expertise to assist in implementing accrual accounting processes. The task can be sometimes daunting, but I am sure the Ombudsman will deal with it very effectively. Treasury and DCIS have set up a Small Agencies Working Group and are offering support as needed.

**Mr BURKE:** With regards to the deficit reduction strategy: the \$114 000 has been allocated, the deficit reduction strategy reduces that to \$51 000 in real terms, and that is an ongoing allocation. Does that mean that next year, the deficit reduction strategy reduces to nothing?

**Ms MARTIN:** The deficit reduction strategy is in place for two years.

**Mr BURKE:** So do they get another \$51 000 next year or is that ...

**Ms MARTIN:** The \$114 000 is recurrent.

**Mr BURKE:** The \$114 000 recurrent. In real terms, their budget is \$51 000 increase. They now have for next year, a 4% - or whatever it is, I assume it is 4% - reduction on that in real terms.

**Ms MARTIN:** I refer that to the Ombudsman.

**Mr BOYCE:** It is my understanding that the budget improvement target has already been taken off the baseline, and that the \$114 000 has been added on as a recurring additional funding, and that the overall budget improvement effectively remains at \$51 000. It continues to run that way because, in fact, our baseline funding has already been reduced effective for as long as that is imposed. I understand that is imposed as an ongoing measure. So, the baseline is already reduced and on top of that is added the \$114000, so I really am, effectively, starting off with a new baseline budget figure, and the additional funding that has been overall given to me is, as I said, the \$51 000 figure.

**Mr BURKE:** So you have had a one-off cut of 44%?

**Mr BOYCE:** No, an ongoing reduction of the original baseline figure, as I would explain it, and an increase. That is really the effect.

**Mr BURKE:** If the \$51 000 in real terms you get this year, and you get \$51 000 in real terms next year, you do not have any budget reduction strategy for next year.

**Mr BOYCE:** Other than the fact it is already imposed, by way of a reduced baseline figure that continues to flow through, as I understand the process.

**Mr BURKE:** That is my point, if it was a continuing reduced baseline figure, next year your additions will be zero, wouldn't it?

**Mr BOYCE:** Yes, there are no other savings to be made in addition to what has already been imposed.

**Mr BALDWIN:** I think this is the answer to my question from before that they could not answer. So, the clarification now is that there was a \$63 000 reduction budget improvement in this current financial

year, off your base, and then a \$114 000 added, which gives you a nett increase of \$51 000. Is that right?

**Mr BOYCE:** That is correct.

**Mr BALDWIN:** Chief Minister, is that right?

**Ms MARTIN:** The \$114 000, the base has been adjusted, and that base then looked at those efficiency measures. It looked at a number of different issues. Then, in line with the restructure, there was \$114 000 to recognise that restructure.

**Mr BALDWIN:** I want to clarify this. You reduce the base first, one would assume, \$63 000. That was the target you mentioned in the answer to the question from the Leader of the Opposition. Then you have added an additional \$114 000 recurrent, which gives a nett increase of \$51 000 for this year. One would assume that carries through next year.

**Ms MARTIN:** The budget savings measures are in place for two years.

**Mr BALDWIN:** So there is not another 4% on top of it.

**Ms MARTIN:** They are in place for two years.

**Mr BALDWIN:** Is there another 4% on top of the \$51 000?

**Ms MARTIN:** They are in place for two years.

**Mr BALDWIN:** Yes, but you are not answering the question.

**Ms MARTIN:** Can I just make the point that it is only 12 months ago that we realised a budget deficit strategy was desperately needed in the Territory because there was not one; and that we were facing the situation where the blow-out in the deficit was not what we saw in this budget paper here. It was substantial, and it was a very unfortunate thing for a new government to have to face the fact that Territorians had been deceived in the numbers they were given in the budget papers, and that we had to put those measures in place. We had to have a sustainable budget situation, and so those savings had to be made across government, across all agencies, which is why we brought someone like Professor Percy Allan in to talk about how that could be done by cutting the waste and extravagance we had seen from government, how it could be done by agencies becoming more efficient, but also recognising that there needed to be growth money. Of course, in those agencies, on one hand you are making an agency more efficient, you are also looking at the needs, following a restructure, of putting that extra funding in. We inherited an Ombudsman's Office that was direly in need of funds and was not recognised by the previous government - it was not funded.

**Mr BURKE:** You said he was inefficient. I always thought he was both efficient and hardworking.

**Mr BALDWIN:** It really needs some clarification because the Chief Minister might understand it, but certainly I am having some difficulty. So, we have a \$51 000 nett increase in the Ombudsman's operational budget for this current financial year that we are in? You are going to apply the improvement efficiency next year.

**Ms MARTIN:** Sorry next year, which year, this current year.

**Mr BALDWIN:** This year.

**Mr BOYCE:** 2002-03

**Mr BALDWIN:** So it is not for beyond that?

**Ms MARTIN:** No, I said.

**Mr BALDWIN:** Two years, last year and this year. So that \$51 000 will stay there recurrent.

**Ms MARTIN:** It is a \$114 000 recurrent.

**Mr BALDWIN:** No it is not, nett we are talking about. We just went through that, and you said yes, it was nett.

**Ms MARTIN:** Okay, okay, two years we have established. Okay? Two years.

**Mr BALDWIN:** It is \$51 000 nett increase, isn't it?

**Ms MARTIN:** I take you back to the fact that we are managing the budget we inherited ...

**Mr REED:** What about the answer? Could you just concentrate on that, please?

**Ms MARTIN:** I have given you the answer.

**Mr CHAIRMAN:** No, no. Order! The Chief Minister is answering.

**Ms MARTIN:** I have answered the question. Thank you, Mr Chairman.

**Mr WOOD:** Mr Chairman, I realise I belong to the shoe box economist association, but I ...

**Ms Martin:** We can join together.

**Mr WOOD:** ... I think some of you make things more complicated than they are. Basically, we have said we were going to give the Ombudsman a \$114 000 increase. Well, he is not really going to get that; he is going to get \$51 000. Why don't we just say, we gave him a \$51 000 increase? That is the cut. He really wanted \$114 000 and, due to trying to reduce the debt to the budget deficit, we will say: 'Well, you can only have \$51 000'. It seems a complicated way to get to where we finally are by saying: 'Well, we have a baseline; he has lost this much. Why don't we just give him a reduced amount of money that he wanted?' ...

**Ms MARTIN:** If I can take you back to the whole reason for the budget improvement savings, there is a rationale there. It is to look at areas where you can work more efficiently. Look at what we inherited from the previous government, which was extravagances in these areas and a lot of waste. Certainly, we looked at those discretionary areas like marketing and travel and hospitality. Extraordinary numbers were found there. So, on one hand while the budget improvement savings are targeting that kind of thing and a more efficient way of running government, on the other hand you are recognising the needs, through a restructure, of \$114 000. So, it is recognising the two different things.

**Mr WOOD:** I am not saying you did not tighten the belt, I am saying well, the Ombudsman asked for \$114 000. 'Sorry you cannot have that, we are tightening the belt, we will give you \$51 000'. That is ...

**Mr Reed** interjecting.

**Mr CHAIRMAN:** Can we move on?

**Ms MARTIN:** The Ombudsman makes the point to me, there were different times between the two measures. The March was \$114 000.

**Mr DUNHAM:** While I can understand a reduction in growth is an efficiency measure, I find it hard to believe that you could describe an increase to a budget as a debt reduction strategy. Surely it has to be a cut? If it is an increase, it increases, surely? So, do you believe that an increase to a budget contributes to a debt reduction strategy, or not?

**Ms MARTIN:** We have a debt reduction strategy in place, as compared with previous government which did not bother. At the same time, we are funding growth areas. If you look at what this budget contains, it is growth areas in health, education and community safety - the largest capital works expenditure we have seen - while at the same time, we are putting our target in place and the debt reduction strategy which, in the general government sector, will be back in balance by 2004-05.

**A member:** Perhaps.

**Mr CHAIRMAN:** Can we press on with our written questions, members.

**Ms MARTIN:** It is a walking and chewing gum exercise, member for Drysdale.

**Mr BURKE:** How did you factor the GST into that strategy?

**Ms MARTIN:** In what way?

**Mr BURKE:** The enormous amounts of money you receive from the Commonwealth for GST?

**Ms MARTIN:** Let us just deal with the Ombudsman. Well, if you want to talk about that, I am happy to talk about that, but this is to do with the Ombudsman. We will be here all night.

**Mr BURKE:** I will leave you talk to Peter about that.

Question 73: does the data published for your agency in the budget papers (i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the budget papers were compiled? (ii) Where there is any material difference, is there any supporting advice issued by the Treasury or the Treasurer's Office with regard to these differences and the nature of that advice? (iii) Where there is a difference, did the agency undertake to advise their minister prior to the budget being delivered that these differences existed?

**Ms MARTIN:** There is no difference in material in regards to the data published in the agency's budget papers in terms of the questions asked.

**Mr BALDWIN:** I want to have a look at something here. Chief Minister, have you got the mini-budget in front of you?

**Ms MARTIN:** Yes, ask the question. Does it relate to this?

**Mr BALDWIN:** Yes, this in particular, printed material, page 20, which is the gross outlays and receipts for the Ombudsman's Office mini-budget. I take you to 2001-02 mini-budget column, down the bottom, Consolidated Revenue Account, \$1.601m which, as we heard prior from the Auditor-General, is the cash amount that carries forward into this. His words were that it equates to the figure in the Budget Paper No 3, Output Appropriation 2001-02, which is \$1.77m number - if you follow that. So if you add that consolidated revenue account from the mini-budget to the cash that you have left in hand, \$47 000, you get a figure of \$1.648m which should equate to the figure in your Budget Paper No 3, \$1.77m - but there is an increase of \$122 000. I wonder how you reconcile those two figures. You might explain it to me, because I cannot. Going on what the Auditor-General said, they should be

comparable figures.

**Ms MARTIN:** Good, I will give you an answer. Look, I am happy to ask advice, I am not sitting here pretending to be the giant auditor of all time, so just bear with me. I am honestly trying to get to an answer, member for Daly. So, if you go to your \$1.601m which is the estimate for 2001-02 and you add the \$47 000 and then you get to a figure of \$1.77m, and you look at some of the differences that are there.

**Mr BALDWIN:** \$1.648m. You add \$47 000 to \$1.601m, you get \$1.648m.

**Ms MARTIN:** Well, \$1.648m and \$1.77m is the difference of \$122 000.

**Mr BALDWIN:** That is right.

**Ms MARTIN:** Then you would look at the differences - and this is an estimate – of some of those and they would be in terms of the things that we have talked about. There were some unexpected terminations the Ombudsman talked about, which was \$67 000, and let us have a look at some of the others. Maybe the Ombudsman would like to add to that - your budget is more clearly in your mind. Perhaps if I hand over to Peter Boyce.

**Mr BOYCE:** There was a variation of \$67 000 for terminations, and \$47 000 carried forward from the previous year for the case management system. So that is a total of \$114 000.

**Mr BALDWIN:** I thought the \$47 000 from the Chief Minister's was already included, carried forward, isn't? That is the cash you have left in hand.

**A member:** Yeah, that's right, you can't add that in.

**Mr BALDWIN:** You can't double add that. I am happy, Mr Chairman, that somebody, Chief Minister, provides me with a set of figures that reconciles that add-on figure, in accordance with what the Auditor-General said, to that figure there, and makes sense of it, because it is crucial. This is going to happen in every agency, Mr Chairman, and if I can have the sums that is showing me how to reconcile that, then I am happy. That is all I am looking for.

**Ms MARTIN:** As we make the point, this is an estimate. This will be fully accounted for in annual reports. We are talking a very small quantum of dollars here, and the major variations we give in the budget papers - which were not given before - will be accounted through the Treasurer's Annual Financial Report and annual reports, which I think is good accounting.

**Mr BALDWIN:** I agree if you can reconcile that, Chief Minister. However, let me point out that the figure in the mini-budget 2001-02 that we are referring to of \$1.648m, is an estimate. True? When you set that, you estimated that is what the allocation was going to be. Then we come over to this figure in Budget Paper No 3, \$1.77m, 2001-02 estimate. They are both estimates - apples and apples.

**Ms MARTIN:** Yes.

**Mr BALDWIN:** Just reconcile \$122 000 for me. You don't have to do it now; just get me the sums that bring me to the figure that is in Budget Paper No 3.

**Ms MARTIN:** If I take you to page 13 of the Ombudsman's Office report, the significant one-offs are there.

**Mr BALDWIN:** Yes. Does it add up to \$122 000?

**Ms MARTIN:** So we are looking at two estimates. That final auditing is being done and will be presented before the end of the financial year. So, we are talking about very minor variations that are still a part of estimates. You have the major sums there, member for Daly; you have the major accounting. These are still estimates. That final auditing is being done and it will be presented; no problem.

**Mr BALDWIN:** Just add the \$122 000 in some figures for me, and I will be very happy.

**Ms MARTIN:** We have put the \$40 000 and the \$67 000. They were the major variations. If you had given us a question saying: 'Give us every single variation you can think of', we could have given it you, but you did not.

**Mr BALDWIN:** But that is what I am asking for, Chief Minister. Give me every single variation in this instance ...

**Ms MARTIN:** Why didn't you put in question to tell us that this is what you wanted?

**Mr BALDWIN:** Can I ask the question? In this instance, give me the variations that amount to \$122 000. That is all. Don't do it now; come back with the sums and show me.

**Ms MARTIN:** This is why we said: 'Give us the written questions so that we can actually target what you want to deal with'. If you wanted every 35¢, that would have been fine. We could have given you that in an estimated context. But I would like to refer this answer now to the Ombudsman.

**Mr BOYCE:** There was \$67 000 for the termination but, in March 2002, some agencies were given additional funding for the desktop outsourcing contract. That was \$55000. If you add those two figures, that is the amount, and that is also a carry over of additional funding that we have for this current year as well. That is an ongoing process of reviewing the effects of the outsourcing contract, and also how much will be ultimately needed.

**Mr BALDWIN:** So through the Chief Minister, Mr Chairman, the \$55 000 for outsourcing is a carry over into this year as well.

**Ms MARTIN:** Mr Ombudsman.

**Mr BOYCE:** My understanding is that for this year, that further allocation has been approved as part of this budget allocation as well.

**Mr BALDWIN:** Additional to the March allocation of last ...

**Mr BOYCE:** It is a one-off. Each year has been a one-off allocation until they have resolved the whole issue at a whole-of-government level through that outsourcing ...

**Mr BALDWIN:** So two allocations?

**Mr BOYCE:** Yes, two.

**Dr LIM:** Nett nil there. Where is it?

**Mr BALDWIN:** It is not in there, and that is the point. That question will be asked right through these agencies because it does not match.

**Mr CHAIRMAN:** If I could make an observation, member for Daly, every cent and every dollar of taxpayers' money is important, but it seems to me that we are spending an inordinate amount of time



over funds that have been accounted for. As the Chief Minister observed, there probably should have been written questions on this issue. You can ask the questions, but I am trying to look at the efficiency of this committee. I am not be disparaging to the Ombudsman, but we have \$1.77m worth of expenditure here. We have agencies that have \$400m or \$500m worth of expenditure, and I am concerned that this committee is moving very slowly. The reason is, I think we are penny-pinching. So I am just making that observation, and I would exhort the committee to move along with its business.

**Mr BURKE:** Mr Chairman, it is not penny-pinching at all. I have made the point earlier that these questions are fundamental to understand the actual allocation to agencies. The Chief Minister has said they will not be answered in detail, notwithstanding the fact that the budget paper says those figures are available. If we cannot get the answers on the simple agencies, I would have thought by now government would figure out that, when we get to the large agencies, these are not small figures and penny-pinching amounts at all, and we will need to know what those answers are for those larger agencies in particular.

I would remind you, because you yourself chair the committee, that were allegations of misappropriations etcetera, on amounts that are less than the figures that cannot be explained here, in this particular committee when it comes to the larger agencies.

**Ms MARTIN:** 2.5% of the health budget?

**Mr DUNHAM:** Well, let's go back there then.

**Mr CHAIRMAN:** No, we do not want to go there. I have made some observations ...

**Ms MARTIN:** Can I make a point, Mr Chairman, though. If you had wanted details of those variations, why didn't you put it in writing?

**Mr BURKE:** Well, we did. If I refer you back to the figures that said: 'What do the differences in receipts and expenditure relate to?', in the questions we have asked for each agency, that is the fundamental question that leads to these additional questions - and they are not being answered. The same with payroll tax expenses, etcetera.

**Mr BALDWIN:** I might add, Mr Chairman, that I asked this on the question of: does the data published for your agency in the budget papers – plural - give them materially? And, yes they do, and I asked the question: please why? Might I also say, Mr Chairman that, in reference to written questions, the resolution of parliament said that we may submit written questions, which means we may not either.

**Mr CHAIRMAN:** Well, I do not want to bog it down. The written questions are a good way to interrogate these issues because they give the minister concerned, and the department, a chance to respond to them. I hope that the member for Daly is being satisfied by the Ombudsman's report. It reminds me a little of my Visa card. I always wonder where those extra bits come from and the Visa card people are always right.

**Mr BALDWIN:** You should look more closely then, Mr Chairman.

**Mr CHAIRMAN:** So if we could move on, please.

**Mr BURKE:** Question 76: detail how much was spent on advertising, promotion, dissemination of policy issues and provision of information that included the minister's photograph, and/or a message from the minister, with an individual breakdown for print media, television, radio or brochure, including direct mail by the minister's office, by the minister's department or agency, and the minister's electorate office.

**Ms MARTIN:** This is not applicable to the Office of the Ombudsman, nor the Health and Community

Services Complaints Commission.

**Mr BURKE:** There has been no advertising done?

**Ms MARTIN:** No. Not with relationship to me. Because you have asked specifically 'that include the minister's photograph', not what was the advertising budget.

**Mr BURKE:** Well, I suppose we could say ...

**Ms MARTIN:** But you didn't.

**Mr BURKE:** I assume I will get an answer when it comes to the Health minister and her advertising crusades. The fact that it does not have your photo on it, I assume it has the Health minister's photo on it, if there was any advertising done. Or are you saying there was none done at all?

**Ms MARTIN:** No.

**Mr BURKE:** Question 79: how many staff are employed by the minister in their ministerial office, including Alice Springs or any other centre? How many of these staff are paid for by the Department of the Chief Minister and how many are paid for by the minister's agency or department?

**Ms MARTIN:** Can I just make reference to the previous question. Because we do not have the minister's face on a brochure does not mean that the Ombudsman's Office is not putting out that kind of advertising material. It just does not have any message from or minister's face on it.

With regards to this one, again this is not applicable to the Office of the Ombudsman or the Health and Community Services Complaints Commission.

**Mr BURKE:** So, in reference to the answer you just gave me, that answer includes the comment, and/or a message from the minister. There was none done?

**Ms MARTIN:** I am advised no.

**Mr BURKE:** I would have thought - perhaps we could rectify it for future answers.

**Ms MARTIN:** I am advised none.

**Mr BURKE:** How many staff are employed by the – I have asked that.

Question 85: explain what the entry 'Expenses relating to prior year receipts' means or, in the case of some agencies 'Receipts relating to prior year expenses'. Detail what the amounts listed against this entry are for both 2001-02 and 2002-03.

**Ms MARTIN:** Agencies will often receive revenue, particularly from the Commonwealth, close to the end of the financial year, but will not spend against that revenue until the following year - for example between 2001-02 and 2002-03. Appropriation is not required for these expenses, as the prior year's revenue is still in the agency's operating account and should be utilised for these purposes. Therefore, the item of expenses related to prior year receipts identifies the amounts available for use from the operating account, and reduces the requirement for appropriation. The amount for 2001-02 is \$47 000 for the following items: carry over from 2000-01 to 2001-02 due to delays in implementing the replacement of the Ombudsman's complaint registration system, \$40 000; excess balances taken up, \$7000; the 2001-02 amount is nil.

**Mr DUNHAM:** So excess balances taken up, what is that? That is minor matters rolled over?

**Mr BOYCE:** Yes, in effect, it is money not spent from a previous year, of a minor amount, that was approved and carried over to the next year.

**Mr DUNHAM:** And in the previous regime, you would have called that a rollover?

**Mr BOYCE:** Yes.

**Mr BURKE:** Question 87: detail how much your agency will pay in state taxes and fees in 2002-03 and how much was paid in 2001-02.

**Ms MARTIN:** For 2001-02 for the Office of the Ombudsman, payroll tax was \$73 237.73, and in 2002-03 \$65 000. For Health and Community Services Complaint Commission, 2001-02 payroll tax, \$13 782.80; for the current year \$15 000.

**Mr BURKE:** Question 93: excluding provisions for state taxes and fees, repairs and maintenance, and appreciation and amortisation, what has the agency actually have to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

**Ms MARTIN:** I have a document to table here. Would you like me to read it out, or table it?

**Mr BURKE:** Very much so, I would like you to table it.

**Ms MARTIN:** Table it rather than read it out? Okay.

**Mr BALDWIN:** Does it have the answer to those questions?

**Mr CHAIRMAN:** I beg your pardon, member for Daly?

**Mr BALDWIN:** Does it have the answers to those questions on it? It could be any question paper.

**Mr REED:** Mr Chairman, I take it that that document will be incorporated in *Hansard*?

**Mr CHAIRMAN:** Yes, naturally.

**Mr REED:** I am just asking.

**Ms MARTIN:** I could read them all out if you like. I could, I could. If you do not trust me, I will read them out.

**Dr LIM:** Read it out, while we peruse it.

**Mr BURKE:** No, it is okay, Chief Minister.

**Responsible Minister:** Chief Minister  
**Responsible Agency:** Ombudsman's Office

**Question 93:**

**Office Of The Ombudsman**

Excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation, what has the agency actually got to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

**Answer:**

2001-02 2002-03

\$1.455m (\$1.562m) \$1.377m (\$1.464m)

**Health And Community Services Complaints Commission**

2001-02 2002-03

\$273 000 (\$293 000) \$282 000 (\$301 000)

**Total amount for Agency Output**

2002-03 2001-02

\$1.659m \$1.728m

**Mr BURKE:** I will move on. Question 310 - I understand this has been redirected from the Department of Infrastructure, Planning and Environment to you: what is the \$60000 for minor works for the Ombudsman's Office to be spent on?

**Ms MARTIN:** The \$60 000 is supposed to be spent on soundproofing of offices occupied by investigation officers conducting confidential interviews and telephone calls. It is also proposed to reduce the size of several offices to provide additional office space, and to more efficiently utilise existing tenancy. The changes will also accommodate an additional staff member as a result of the organisational restructure.

**Mr CHAIRMAN:** Further questions on this output? Silence please, I cannot hear the member for Greatorex.

**Dr LIM:** Mr Chairman, I find this the paper just tabled by the Chief Minister a little difficult to comprehend. While we are talking about the Ombudsman's Office receiving \$51000 in real terms of increase, I see the appropriation figures in the first column there, Chief Minister, where you have 'Appropriation 2001-02 Estimate, total \$1.757m, which does not match what is there in Budget Paper No 3. Then, for the 2002-03 budget you have \$1.681m. I am entirely lost.

**Ms MARTIN:** Well, you asked us to take things out that really, then, do not make those figures make sense. I do not really know why you want to see it. But they are: that is what you asked us to do and that is what we did.

**Dr LIM:** No. We are trying to compare apples with apples, as the member for Drysdale has said, and these figures have now completely thrown everything out of kilter. All you have is \$1.855m and \$1.765m as per your Budget Paper No 3, page 11, but the rest of the figures do not match your output appropriation any more.

**Mr BALDWIN:** Of course not, because they have state taxes out.

**Ms MARTIN:** Things like state taxes and fees are something that are incorporated in budgets so that

agencies can pay them. With something like payroll tax, that has been the case for the last decade. So, of course, if you extract them in an arbitrary way from the appropriation, you are going to get a figure that is not going to match the budget paper. We could extract other bits and pieces and get figures that do not match the budget paper as well.

**Dr LIM:** Okay. Well, in that case, Mr Chairman, if I may address my next question to the Chief Minister. What you are saying then, that \$1.681m is the real figure that the Ombudsman's Office is working with, and that your \$1.765m is really just an inflated figure because of all these paper transfers of money?

**Ms MARTIN:** No, the agency gets that money to be able to pay for its state taxes and fees - always has. It is like, from your salary, you pay the taxes you have to pay. That is the same for an agency. Okay?

**Mr CHAIRMAN:** Are there any further questions?

**Mr ELFERINK:** Yes, Mr Chairman. My question is directed to the Chief Minister in relation to Budget Paper No 3, page 14. In her opinion, is she happy that 70% of complaints received by the Ombudsman's offices are resolved within six months of the Ombudsman receiving those complaints?

**Ms MARTIN:** 75%.

**Mr ELFERINK:** No, it is 70%. Are you happy with that figure?

**Ms MARTIN:** Oh sorry, yes. I think, as the Auditor-General said, he would like 100%.

**Mr ELFERINK:** I am asking you: are you happy with that?

**Ms MARTIN:** Of course, I would like to see it more, but I think that there are some investigations that are very complex and probably, from everyone's experience in this room, some of those certainly are and cannot be done within that time frame.

**Mr ELFERINK:** Well, the reason I ask the question is that, if I work on the figures of 2300 complaints received and 70% are worked out or resolved in 180 days, that means some 777 complaints remained unresolved after six months. Do you think that is acceptable?

**Ms MARTIN:** I think that is calculation that does not actually properly represent it. You would probably find some that are very complex, that take a lot longer than that; and probably a lot that are dealt with very quickly.

**Mr ELFERINK:** Well, I am asking you whether or not you consider that to be a sufficient result? Are you happy with that result?

**Ms MARTIN:** Well, I reject your calculation because I think it is an inaccurate one.

**Mr ELFERINK:** Well, you calculate it for me.

**Ms MARTIN:** It is simply wrong. We would like every agency to be doing those things within 100%, but I think we should hear from the Ombudsman about the reality of that.

**Mr ELFERINK:** Well, my question is to the Ombudsman, then. What does the Chief Minister think about this? Because I am asking her for her opinion in relation to this.

**Mr BOYCE:** With respect, the Chief Minister cannot answer the question as you put it, because there

is a clear distinction between different types of complaints, and a formal investigation is a statutory process which requires a decision by me to make an investigation formal. In fact, that would only number between, in any one year, maybe five to 10 formal investigations. They are ones where, after a form of inquiry and preliminary inquiry, I have determined that there are sufficient issues of the type that need a formal investigation where I can use my formal powers.

However, under the act, where appropriate and where the act requires it, I resolve as many complaints as I can in the most expeditious manner. That is where the inquiries and preliminary inquiries function comes into being. That is where we use alternative dispute resolution processes; where we do quick inquiries and use any other method we can other than a formal investigation process to resolve the complaint. They may still take time and may still involve quite complex issues, but they do not involve the need to use the formal processes which are brought into play by the legislation. So, you cannot answer it in the manner you are asking it because it is a performance measure based against the manner in which you are dealing with a complaint at the time, and nothing else.

**Mr ELFERINK:** Yes, well that makes this particular page very difficult to read. Chief Minister, would you agree with that?

**Ms MARTIN:** I think this is a preliminary kind of assessment and that, if you look at what we are saying about the move to accruals and outputs and outcomes and some of the performance measures, there is a process of working through that. We are going to look at the next two to three years where agencies will be able to hone those kind of performance measures. This is the start of it.

**Mr ELFERINK:** Yes, but the purpose of this paper is to give me the ability to open up the bit of paper, look at it and say: 'This is what they are trying to achieve; these are the performance measures they have in place'. Yet, when I start to drill into those performance measures, what I discover is that it is very, very difficult to glean any real information from that. That is my point.

**Ms MARTIN:** Well, I made my answer.

**Ms CARNEY:** Following on from some of the comments made, I wonder, Chief Minister, if in an ideal world the outcomes of resolving some of these cases might be assisted by the provision of more staff. Would that be something that you would consider in due course?

**Ms MARTIN:** We had a review last year which identified the need for more funds and a restructure. We are currently having a review of the *Ombudsman's Act*. I think that will inform us. But, certainly, I can understand what you are saying. The issues that go to the Ombudsman are often very emotional and difficult ones and, within reasonable resources, we would like to see them resolved as soon as possible. However, there are other mechanisms in place, as the Ombudsman referred to, about mediation and quick inquiries. The office is always aware of trying to achieve that.

**Mr ELFERINK:** Just following on from the answer given, how many complaints are there currently on the books which have remained unresolved for a period greater than six months?

**Ms MARTIN:** That kind of detail is something you would need to have put in writing. I do not think we would be able to answer that.

**Mr BOYCE:** I can take it on notice.

**Mr ELFERINK:** Can we have a ballpark figure then?

**Ms MARTIN:** If you would like a briefing on the workings of the Ombudsman's Office, please come ...

**Mr ELEFERINK:** No. What I am asking for is an ability to make sense out of these figures. I am quite

happy to provide a supplementary question in writing to you right now. What I really want to know is: six months, how many complaints remain unresolved?

**Ms MARTIN:** May I also say, member for Macdonnell, that those kind of questions with that kind of detail are why we said: 'Can you put them in writing, so we can actually deal with them and get you those accurate figures', because none of the questions dealt with that.

**Mr ELFERINK:** The writing I am referring to now is Budget Paper No 3. According to Budget Paper No 3 - I am supposed to make sense of Budget Paper No 3. You have told us to compare apples with apples and yet, when I drill down on a simple issue like this, I am told that I am not asking the right question because I am comparing apples with oranges.

**Ms MARTIN:** So, would you like a briefing? We can organise a briefing within the next week. Yes, we can organise a briefing - terrific.

**Mr ELFERINK:** I will put the question to you in writing and I will expect your answer.

**Mr CHAIRMAN:** We will just have to wait because the secretariat is shuffling other ...

**Mr ELFERINK:** Are you prepared to take it on notice, Chief Minister?

**Mr CHAIRMAN:** Well, if you were to write out a form of words and give it to the secretariat, it would be a question on notice.

**Mr HANLEY:** A question on notice. We are taking them from *Hansard* now, Mr Chairman, so it is all right.

**Mr CHAIRMAN:** All right. Are there other questions in relation to this particular output group? There being no further questions, that concludes consolidation of this particular output group which was 01.00 which was the Office of the Ombudsman and Health and Community Services Complaints Commission. I do not believe there are any - apart from the question on notice - written questions outstanding is there, Mr Secretary?

**Mr HANLEY:** No, Mr Chairman.

**Mr CHAIRMAN:** In that case I would like to move to Output 01.01, bearing in mind we are getting into the zone of the meal break now. The Office of the Ombudsman is the name of that output. There are three questions there from the member from Brennan.

#### Office of the Ombudsman

**Mr BURKE:** Question 15: explain the difference of estimates of agency revenue between 2001-02 and 2002-03 and what are the sources of that revenue?

**Ms MARTIN:** Agency revenue for each agency is found on the outputs of appropriation table, Budget Paper No 3, page 11. The footnote to that table describes what comprises agency revenue. The operating statement, page 15, provides the categories of agency revenue. The source of the revenue is derived from an agreement which provides for the co-location within the Office of the Ombudsman of the Northern Territory and a representative of the Commonwealth Ombudsman's Office. The Commonwealth Ombudsman pays for the cost of accommodation provided and a fee for services provided to support that representative. Any variation in estimates of agency revenue between 2001-02 and 2002-03 reflect normal increased costs of providing the service over time and are minimal over the period.

**Ms CARNEY:** Can I ask for clarification. In terms of the agency revenue, Chief Minister, if you refer towards the back of Budget Paper No 3, at page 289, the page that is headed 'Sale of Goods and

Services', the estimate for 2001-02 is \$27 000 and the estimate for 2002-03 is \$28 000. What exactly is the nature of the fees and charges as a source of revenue for the Ombudsman's Office?

**Ms MARTIN:** Yes, the same. If you go to page 15, you will see that fees and regulatory services, \$27 000 and \$28 000.

**Ms CARNEY:** But the figures are next to 'other agency revenue' on page ...

**Ms MARTIN:** No, it is fees. If you look, 'other agency revenue', is the Commonwealth Ombudsman. It is under that 'sale of goods and services' though. It comes under that general category of goods and services, and that is a specific line.

**Mr BURKE:** Question 42: the agency is planning to spend \$1.5675m on access/awareness services and resolving inquiries and complaints. What will the remaining \$197500 of total operating expenses be spent on?

**Ms MARTIN:** There has not been an attempt to cost every output of the office and, therefore, the identified outputs cover 87% of the allocated funds for the Office of the Ombudsman. That works within a Treasury figure, at this stage, in rough terms, for about 70%. On reviewing the estimate provided for Budget Paper No 3, the following items were not costed to outputs: an additional \$68 000 provided in June 2002 by way of \$13 000 for superannuation, \$1000 for out of turn prices, and \$54 000 for IT outsourcing. Initially, an attempt was made to cost the support given to the Health and Community Services Complaint Commission by the Office of the Ombudsman; however, significant variations in staffing and budget allocations over the 2001-02 year made this a difficult exercise. It also identified the problem of shared resources and allocating the costs as against specific output groups. Commissioners are provided with administrative support by the Office of the Ombudsman. The Ombudsman also holds the statutory appointment of commissioner, and a significant amount of his time is spent carrying out the responsibilities of the commissioner. Ombudsman staff assist the commissioner in regard to receiving and processing complaints.

As a result of the restructure of both offices currently being implemented, the sharing of resources is a significant feature of achieving efficiencies in organisational structure, with the objective of improved service delivery. A significant part of the identified operating expense of approximately \$190 000 relates to the support given to the commission. Further consultation needs to take place with the agency, Treasury, to determine the best process for reflecting the support given to the commission by the Office of the Ombudsman. That is all the work being done to identify the cost of outputs and where you actually have personnel allocated. Sometimes, it gets down to an arm and a leg, if someone is just doing a bit of work with one output and a bit with another. It is a very difficult exercise to cost.

**Mr BURKE:** Question 60: what was the repairs and maintenance budget for the agency for 2001-02 expended on their behalf by the Department of Infrastructure, Planning and Environment or its predecessor?

**Ms MARTIN:** This was to service fire equipment, and it was \$15.18.

**Mr DUNHAM:** Which year?

**Ms MARTIN:** He has asked for 2001-02.

**Mr CHAIRMAN:** Are there any further questions on this output? There being no further question, that concludes consideration of this output which is Output 01.01, Office of the Ombudsman. I do not believe there are any questions outstanding so the committee will now proceed to Output Group 01.02 which has the output name, Health and Community Services Complaints Commission. There is one written question there from the member for Brennan.

**Health and Community Services Complaints Commission**



**Mr BURKE:** Question 45: Budget Paper No 3, on page 14, estimates that 85% of providers of health and community services will be satisfied with the way that the Health and Community Services Complaints Commission handles complaints against them. It estimates that 60% of complainants will be satisfied. Is this a satisfactory situation? Shouldn't the body that handles, investigates and represents people with complaints be aiming at reversing those figures?

**Ms MARTIN:** The commission has initiated a satisfaction survey - which I would like to table, if that is okay - with both complainants and providers carried out at the finalisation of every complaint. Providers have indicated a high level of satisfaction with regard to service provided by the commission, and appear to differentiate between satisfaction with service delivery as opposed to satisfaction of outcomes - which are two quite different measures, of course. In contrast, it appears that complainants do not so clearly differentiate satisfaction with service, from satisfaction with outcomes generated. It is not surprising that complainant satisfaction with service is somewhat lower than that of providers, and this is reflected in a performance measure which is set out in Budget Paper No 3.

Improving the level of complainant satisfaction with service is important to the commission. Let us hope that ongoing training and development of staff receiving and handling of complaints will improve the satisfaction rating. The organisational structure of the two offices has this as an objective. I hope you find it interesting.

**Mr BURKE:** I have no further questions. I thank the Ombudsman for his cooperation. I also am impressed with the customer satisfaction survey.

**Mr CHAIRMAN:** Are there any other further questions or comments by the Chief Minister? There being no further comments or questions, that concludes consideration of this output group, which was Output 01.02, Health and Community Service Complaints Commission. I join the Leader of the Opposition in thanking the Ombudsman for coming along here today. I propose that the committee adjourn and reconstitute at 7.06 pm.

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Committee suspended.

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**Mr CHAIRMAN:** I did mention before we broke that I was concerned about the timing and how we were going for time. I had hoped that, apart from the Speaker, we would get through interviewing two ministers today and tonight. Our scheduled finished time is 11.30 pm and I am not of a mind to go much beyond that. Looking at the situation in review, we spent over two hours on the Auditor-General's Office, with an expenditure of \$2.1m and a staff of four.

I do not want to impede the opposition's right to ask questions or supplementaries, but we do have a finite time. It is a time that is based on previous Committees of the Whole. I put on the record that I am concerned about the time we have been chewing up on these things. I would like the committee to try to expedite our proceedings as much as possible.

So, having laid that on the record, Chief Minister, I invite you to introduce officials accompanying you from the Department of Chief Minister.

**DEPARTMENT OF THE CHIEF MINISTER  
Involves More Than One Output Group**

**Ms MARTIN:** Yes, and I thank you for your words of introduction because it is very important that we do get a perspective in these estimates. We are very happy to answer questions that have been written and to use that as the way to answer questions. We want to get through the whole process and to make this as effective as possible.

I am certainly pleased that we have moved on to the Department of Chief Minister. It is a department I

am inordinately proud of, and one that, as you look at the budget papers, tells you there has been significant increased funding. Certainly, the budget papers themselves tell you why. But I am happy to sit here and talk about it because I am incredibly proud of it.

At the table with me is my CEO, Paul Tyrrell and the Director of Management Services, Jan Wilschefski. So, welcome both of you.

**Mr CHAIRMAN:** Thank you, Chief Minister.

The committee will now proceed to consider the whole-of-agency questions as they relate to the particulars of the estimates of the proposed expenditure for the Department of Chief Minister. We are moving to Output 00.03 which involves more than one output group. Once again, the member for Blain and the Opposition Leader has asked the majority of the questions here.

**Dr LIM:** Brennan.

**Mr CHAIRMAN:** Oh, sorry, Brennan. It is not even late at night. Thank you, member for Greatorex. The member for Brennan and Opposition Leader, and I hand over to him to order his questions in this session.

**Mr BURKE:** Thank you, Mr Chairman. Before I ask the first question can I simply say that the inference in your comments is that, somehow, it surprised you that this process may be delayed. I remind you that, in the debate on the subject, it was forewarned by the opposition that the time limitation was unrealistic, given the nature of the estimates committee. There has been certainly no attempt by us to slow down the process. If there has been any delay it has been in the ability of those providing the answers to quickly respond clearly and coherently to the questions being asked. I am of a mind to move as fast as possible, but I will not and cannot move any faster than our ability to interpret the answers that are being provided to us.

With regards to this output area, question 83 - which I think is repeated in 1115, Chief Minister: what is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government and where does this cost or liability appear in the budget papers relating to the agency?

**Ms MARTIN:** And as I said, I will be answering this as Treasurer later on this evening, I hope.

**Mr BURKE:** Well, can you tell us how much the agency paid last year in payroll tax and what is the estimated payment this year?

**Ms MARTIN:** That is something that you have asked further into the appropriation, as I understand it. It was asked of other agencies - state fees and taxes. You have not asked it of Chief Minister's. I cannot remember. Oh, I opened it on the right page. If you go to question 133 later in this output. Do you want to wait until we get there? I am happy to give you the answer now, but do you want to wait for that question?

**Mr BURKE:** Okay, the one ...

**Ms MARTIN:** The one specifically related to the changes to payroll tax regime are dealt with as Treasurer across government. The ones to do with this agency, I am happy to deal with now, or when we get to 133. Sorry, not - well, yes.

**Mr BURKE:** Well we will deal with it now, if you don't mind.

**Ms MARTIN:** The question is: detail how much your agency will pay in state taxes and fees in 2002-03 and what was paid in 2001-02. A total of \$1.19m was paid in payroll tax for 2001-02. It is estimated

that \$1.234m will be paid in payroll tax for 2002-03. There are no other Territory taxes or statutory fees that are expected to be paid this year.

**Mr BURKE:** So does the agency actually pay this money to anyone? If it does, does it come out of total operating expenses or part of the agency's output appropriations?

**Ms MARTIN:** It comes out of total operating expenses as it has for a decade, and it is paid to the Central Holding Authority.

**Mr BURKE:** There is a significant increase in the payroll tax being paid, based on your answer.

**Ms MARTIN:** The numbers have grown in the Department of Chief Minister - the number of those employed there.

**Mr BURKE:** Can you give me a breakdown on how you arrived at the change of figures that gives you such an increase in payroll tax being paid?

**Ms MARTIN:** We have another question that goes to how many people are employed in the Department of Chief Minister.

**Mr BURKE:** You said you are happy to provide it now. I am just trying to get the information based on that question. You said you would increase your payroll tax payments by a fairly large amount.

**Ms MARTIN:** Yes, okay, but I will just have to ...

**Dr LIM:** If I may assist the Chief Minister, it is 130, the question, if you want to find the answer.

**Mr CHAIRMAN:** Thank you, member for Greatorex.

**Ms MARTIN:** 130, thank you. No, that is not it.

**Mr CHAIRMAN:** So, Chief Minister, are you trying to expedite the process by rolling a number of questions here into one? I would really appreciate that, if we could move that way.

**Ms MARTIN:** It is very difficult, because we are going to have to do a lot of paper shuffling. That is the trouble. The way the questions are here against outputs, we are going to be jumping all over the place. We can do that, but it would actually take more time.

**Mr CHAIRMAN:** I have already drawn attention to the fact that I believe the committee is falling behind time and, I hope in the interests of that and expediting the business of this committee, that the opposition would agree to you giving a detailed answer across government instead of asking individual questions of each agency. That is what I would be hoping.

**Mr BURKE:** With respect, Mr Chairman, the question simply is: how much is the department paying in payroll tax? The Chief Minister rolled that answer off quickly. There was a difference in the ...

**Ms MARTIN:** I am sorry. Do you want me to do it slowly?

**Mr BURKE:** Well, I know that there is a difference in the two figures ...

**Ms MARTIN:** Yes, and I said it is because there are more people employed in the Department of the Chief Minister. You said: 'How are the numbers?' I said: 'You have asked that in another question. Do you want me to go to it now, or wait until we get to that answer?'

**Mr BURKE:** I am simply saying to you: how is that difference in amounts calculated? What are the numbers that pay your payroll tax?

**Ms MARTIN:** Well, it is calculated according to how many people we have employed. We have a rate of 6.3% and the threshold comes in at \$600 000. That is how we calculate it. They are the changes we put into payroll at the end of last financial year, and that is how it is calculated. So, when you look at the number of full-time equivalents in the department, then you relate it back to that. Then we are going to pay more payroll tax because the Department of the Chief Minister is growing in numbers. There is substantial employment in the Office of Territory Development. I can get you the figures, but I just cannot ...

**Dr LIM:** 111 is the ...

**Mr BURKE:** Perhaps you might give me the answer to 111, and I can do some calculations.

**Mr CHAIRMAN:** So member for Brennan, you are asking question 111, further down that page?

**Mr BURKE:** I am simply saying, Mr Chairman, I am trying to get - these questions are not designed to be tricky; they are simply designed to get to where the real allocations are. I asked the Chief Minister: 'Has there been a cost to the agency in terms of payroll tax?' Clearly, the answer is yes.

**Ms MARTIN:** I have given you the answer.

**Mr BURKE:** I am not interested in arguing, Chief Minister. I am simply saying: clearly, there is a difference. That difference is accounted for in staffing figures. Now, if you give me the staffing figures, it must be simple then, to do a calculation to say those staffing figures equate exactly to the change. That is what I want to know: if there has been an increased cost through payroll tax, or is that cost neutral based on staff numbers, which is what you said it is. I want to know staff numbers so I can do the calculation.

**Ms MARTIN:** But you would need to know what the cost of each staff member was, to determine that. Look, I am happy to give you the numbers. You have questions; we have got them all prepared. It is terrific. So shall we have 111 now?

**Mr BURKE:** Am I being difficult or there ...

**Mr KIELY:** Yes, I think you are. Perhaps, Chair, if the questions are asked and are prefixed by the number or whether they are advised as a supplementary - and if it is a supplementary, to what question it is supplementary to. If that is given prior to the question popping up, perhaps that will assist the Chief Minister. But as it is, we are all over the place, and it is leading to a lot of confusion and time wasting.

**Mr BURKE:** I will make an assumption, Mr Chairman, rather than labouring the point. Will the Chief Minister assure me that any increase in the payroll tax liability for the agency is not a result of increased payroll tax, but a straight calculation neutral based on increased staff numbers?

**Ms MARTIN:** Yes.

**Mr BURKE:** Absolutely.

**Ms MARTIN:** As I said, at the end of the last financial year, the rate was reduced to 6.3%. We know what the thresholds are; they apply to this agency. There is a growth in their staffing numbers therefore, logically, they want payroll taxes.

**Mr BURKE:** Well, I accept the fact that that is what you think. I have said I have done calculations for large agencies and, of course, in large organisations' payroll tax, there are increases offset for smaller organisations who have had no change or some decrease. You are telling me, emphatically, that your payroll tax liability, based on your changes, effect no additional charge to the agency because any charge is taken up by increased charges. Okay, that is your answer, I understand.

**Ms MARTIN:** Perhaps I could refer to Jan. Would you like to tell them?

**Ms WILSCHEFSKI:** Jan Wilschefski, Chief Minister's Department. Payroll tax is calculated on the value of salaries paid to staff. There has been a slight increase in staff, due to the Office of Territory Development, but we do not have those figures available here. We do not have the actual breakup.

**Mr BURKE:** But you can assure me that the increase in payroll tax is fully taken up by the same payroll tax now being paid for additional staff numbers?

**Ms WILSCHEFSKI:** Yes.

**Mr DUNHAM:** Mr Chairman, I take the Chief Minister to page 30 of Budget Paper No 3, and ask if she can tell me why payments to employees has gone down by \$1.3m, given that she is employing more people in this department?

**Ms MARTIN:** Payments to employees, page ...

**Dr Lim:** Half way down the page.

**Mr CHAIRMAN:** Under 'Operating Payments', Chief Minister.

**Ms MARTIN:** The difference is accounted for by termination payments to previous ministerial staff in 2001-02.

**Mr DUNHAM:** Does payroll tax not impact on termination payments?

**Ms MARTIN:** Eligible termination payments are now part of the payroll tax, but it wasn't back in 2001-02.

**Mr DUNHAM:** I point out that, obviously, \$19m is highly anomalous, if it had gone up – if there is a lot more staff and your payments to employees has dropped by \$1.2m, the \$19m figure is highly anomalous and needs explanation.

**Mr BURKE:** Again, Chief Minister, can you see where we are coming from? We are trying to figure out what is the actual allocations; what are the cost imposts to the department. You have told us that your payroll tax has increased significantly based on increased numbers of staff, yet staff payments decreased, which would lead you to believe that, unless all of these amounts for 2001-02 are taken up in termination payments - it is very difficult for us to find whether payroll tax leads to an increase or, in fact, there has been a large reduction in staff costs.

**Ms MARTIN:** The different between those two payments and the payments to employees between 2001-02 and 2002-03 is accounted for by termination payments to ministerial staff of the former government.

**Mr BURKE:** Okay. So I imagine that question will clarify itself later when asked in terms of what are the total termination payments that have been made?

**Mr REED:** Mr Chairman, in relation to that question, I ask the Chief Minister how has payroll tax gone up when, in the 2002-03 budget, payments to employees will be \$18.3m, and in the mini-budget it was \$18.1m - a slight increase this year. If she can answer that component of the question, because I think that deals with the termination payments. In addition to that, given the increase, in any event, in payroll tax the department has had to pay this year, will they receive additional funding to meet that increase or will they have to find it from within resources?

**Ms MARTIN:** The payroll tax is paid from within the allocation.

**Mr REED:** No, the payroll tax allocation that they got last year. They will now have to pay more payroll tax so, will they get a bigger ...

**Ms MARTIN:** Well, it comes to about \$44 000, the estimate.

**Mr REED:** It is above what they paid last year. So, will they receive in their allocation that amount of money to pay that extra payroll tax, or will it have to come from elsewhere within their resources?

**Ms MARTIN:** It is a nett appropriation and that is one of the agency expenses that has to be met, like it has always had to be met.

**Mr REED:** Does not answer the question. They got X amount last year for payroll tax; payroll tax has gone up so it is now X-plus. Will they get X-plus in the budget to meet that cost?

**Ms MARTIN:** There is an increase in the appropriation to the Department of Chief Minister and we work within that.

**Mr REED:** Is that to say that they will receive this year for payroll tax an amount of \$1.23m? Isn't that the amount of payroll tax they will be paying this year? That is the end. They will paying \$1.23m payroll tax this year, you just told us that a minute ago.

**Ms MARTIN:** Estimated.

**Mr REED:** All right, Okay, I am happy with that. Last year, they paid \$1.19m. Will they, this year, receive \$1.19m to pay payroll tax and find the additional requirement out of there other resources, or will they receive \$1.23m this year to pay payroll tax?

**Ms MARTIN:** The Department of Chief Minister receives a nett appropriation to meet the expenses that need to be met, and that is one of them. That is not rocket science.

**Mr REED:** Well, it is not an appropriate answer either. We do not have to play smarties here; if you want to save time. Do they get \$1.23m this year to pay payroll tax - yes or no?

**Ms MARTIN:** The appropriation for the Department of Chief Minister is \$31.944m this year and out of that, that payroll tax requirement will be met.

**Mr REED:** Okay. You being the minister responsible for this department would know whether they are getting \$1.19m to pay payroll tax or \$1.23m, because you know your job. What figure are they getting?

**Ms MARTIN:** Because it is nett appropriation and that is the estimate it will be paid, as it always has to be paid.

**Mr REED:** No, it is not a matter - I have full confidence in the officers of the department paying their bill ...

**Ms MARTIN:** It will be paid.

**Mr REED:** ... but I have no confidence in the minister being able to tell me how much money they will get to pay that particular bill, because you do not seem to know.

**Ms MARTIN:** Because it is a requirement of the Department of Chief Minister to pay payroll tax as appropriate, it will be paid.

**Mr REED:** That is not the answer. How much will they get to pay the bill?

**Ms MARTIN:** Well, that is the answer you are getting.

**Mr REED:** Well, if their bill is \$1.23m and they are only getting \$1.19m, then it don't add up, I am sorry. And you can play smarties ...

**Ms MARTIN:** The department looks forward to the commitment from this government to actually bring payroll tax in line with our neighbours like Western Australia, Queensland and South Australia, and the forward estimates represent that, and from the 2003-04 year we will see a significant change.

**Mr REED:** You would not like to allow the head of the agency to answer this question? No.

**Ms MARTIN:** I have answered your question.

**Mr REED:** You have not.

**Mr BURKE:** Chief Minister, will there be increased appropriation to the agency to account for payroll tax increases?

**Ms MARTIN:** There are a lot of wage increases, there are that kind of thing that happens and, of course, the appropriations to the agency to reflect that.

**Mr BURKE:** So the agency will be reimbursed fully for any payroll tax increases?

**Ms MARTIN:** It is part of the nett appropriation.

**Mr BURKE:** Is that a yes?

**Ms MARTIN:** Well, of course, those charges have to be met. Of course, those costs have to be met, of course they do.

**Mr BURKE:** We know they have to be met. I am asking if that is a yes answer?

**Mr REED:** Mr Chairman, I would ask the Chief Minister to place on notice the question in relation to the amount of payroll tax to be paid and an explanation, given that there has not been a substantial increase in the salaries to be paid. Why it has gone up? Can I put that question on notice.

**Ms MARTIN:** We will take it on notice.

**Mr DUNHAM:** I have another supplementary. From the Chief Minister's answer then, about payroll tax going down, Mr Chairman, I wonder if she could go to page 11 on Budget Paper No 2 and explain why, over the next four years, it goes from an estimate of \$89m in 2001-02 up to \$96m in 2004-05. I wonder if she would call that a reduction?

**Ms MARTIN:** What we are looking at is a growth in the number of those employed in the Territory - and that is in the forward estimates. But the actual rate, or the amount of payroll tax paid - the rate or other combinations, which have not yet been sorted out - will be reduced.

**Mr DUNHAM:** So that is an estimate of growth in employment?

**Ms MARTIN:** Yes, growth in employment.

**Mr ELFERINK:** Can you put a figure on that growth? How much are you anticipating it to grow?

**Ms MARTIN:** The actual employment numbers? Well, we are predicting a 3.7% growth in gross state product, but I cannot give you the number.

**Mr ELFERINK:** Well, if you can figure out a payroll tax figure fairly precisely, surely you can figure out a number?

**Ms MARTIN:** Cannot give it to you at this stage.

**Mr ELFERINK:** Well, on notice in that case?

**Ms MARTIN:** Well, if you will hold that question for Treasury, we will give you an answer there.

**Mr CHAIRMAN:** I am concerned that we have already gone 25 minutes in this session and we have only really covered one of the written questions. I remind committee members, again, that we have work to do, we have a finite time line, and we should be adhering to our written questions.

**Mr REED:** Mr Chairman, if I could just respond to that. You will be familiar with the discussion in the House and the paper that did not restrict this committee to written questions. It, indeed, specifically gave this committee the opportunity to ask supplementary questions of written questions and, indeed, to ask questions without notice - without any restrictions. If you are going to now start placing restrictions on the committee then that is a very bad sign in terms of what we are going to achieve through this process.

**Mr CHAIRMAN:** With all respect, member for Katherine, I am not trying to place restrictions on this committee other than the time frame that we have to conduct our business, which is based on historical precedent of the Committee of the Whole. In no way am I trying to restrict your questions in terms of your supplementary questions. But it seems to me we are just drifting off into areas requiring detail that could have actually been asked in written questions. They could have supplanted a number of the written questions that are already on there, because a lot of those are actually repetitive in nature, and could have been swept up in a whole-of-government question. So, we have repetitive questions on one hand for individual ministers, and then we have this tendency to drift off asking for other detail. Now you cannot have it both ways.

**Mr BURKE:** Well, with respect, Mr Chairman, you cannot have it both ways either. That is that we are trying to find out what the actual appropriation for agencies. I do not need a lecture from anyone on how to interpret the budget. The question we asked was a simple one. If we start to bog down, it is simply because you cannot get a clear answer on what is the written question, the first one that was asked: how much payroll tax was paid and how has it impacted on the agency? We have been trying to figure out what that is.

**Mr CHAIRMAN:** I suggest to you, Leader of the Opposition that, in a number of cases, an adequate answer has been given but it is unacceptable to you. So I suggest that we move on and try and get through our business and prioritise our business as businesslike people would.



**Mr BALDWIN:** Well, I might say, Mr Chairman, that we note your concern and note your opinion. Let us move on.

**Mr CHAIRMAN:** Thank you, member or Daly.

**Dr LIM:** Mr Chairman, I would still like to labour on the payroll tax if I may. Chief Minister, if you took \$1.19m for payroll tax in 2001-02 in the mini-budget for personnel cost of \$18.192m, you are left with about \$17.002m. If you take \$1.23m of payroll tax in 2002-03 from the Budget Paper No 3, Employee Expenses, you are left with \$17.002m versus \$17.105m. There is an increase of \$103 000. Shall I put that to you again? Are you happy with the figures that I quoted before?

**Ms MARTIN:** I refer again to the employee expenses. There is a significant difference between the 2001-02 estimate and the budget. That, I said, has been explained by termination payments from the previous government ministerial staff, which were significant.

**Dr LIM:** Okay, if you take away all those figures that you have with regards to resignation or termination payments of previous staff, what are you left with?

**Ms MARTIN:** We will look through all the bits of the questions. You asked a straightforward question and I gave a straightforward answer. All the other bits that have emerged since then, we will take on notice and get back to you in a fully - it would have been good if the question had reflected all those other details so we could have been well prepared for them.

**Mr BALDWIN:** We need the answer first.

**Ms MARTIN:** We have given substantial answers, but we will take it on notice. Mr Chairman, we should move on. We have taken this on notice; it will be fully accounted.

**Mr CHAIRMAN:** Yes, I would like us to move on.

**Mr BURKE:** Question 95: with regard to your Delivering Today budget advertising, how much did the Northern Territory government spend on the post-budget promotional campaign which includes that full-page newspaper advertising in the *Northern Territory News* and other metropolitan papers of the Northern Territory?

**Ms MARTIN:** The expenditure to date on conveying budget information to the community is \$21 730.99. Additional expenditure of approximately \$39 500 is anticipated. I can table that for you if you like, or we can have them copied if you are interested.

**Mr BURKE:** Yes, I would like you to table that and provide us additional copies as soon as possible. Chief Minister, did the campaign only involve the print media? That is a supplementary question. If so, which papers were the advertisements run in and how often?

**Ms MARTIN:** You will get that in this document.

**Mr BURKE:** It is all there? Did the campaign involve other forms of media such as radio, television or direct mail?

**Ms MARTIN:** Now I have handed the documentation over. Mainly it was print media, but there were brochures produced, newsletters, and display panels for budget presentations that were developed as well. You will see that in the documentation.

**Mr BURKE:** You said you would continue with the campaign that costs an additional \$39 000. Can you tell us how long you intend to continue with it?

**Ms MARTIN:** That is just the expenditure that has not - we do not have all the accounts in yet.

**Mr BURKE:** So you have spent it. Are you finished?

**Ms MARTIN:** There is a newsletter that will go out this week. A very modest newsletter, may I say? No colour separation on it much. Well, it does not have colour like yours did. I quite like that one: 'Hey big spender'.

**Mr DUNHAM:** Mr Chairman, in accrual terms - and we are in accrual accounting at the moment - the money that is committed, the \$39 000 is actually spent, isn't it? It is committed. So when you say you have not got the bills, you have actually committed close to \$60 000 worth of promotion?

**Ms MARTIN:** Yes.

**Mr BURKE:** Chief Minister, in your position paper prior the last election, Labor Means Business, you said that Labor will reduce the amount of government advertising promotion to legitimate statutory or other genuine needs, such as contract and procurement information and legal notices. Can you tell me, with regard to the budget advertising, what category it falls under? Is it statutory, other genuine needs such as contract and procurement information, or legal notices?

**Ms MARTIN:** Where are those definitions from?

**Mr BURKE:** From your own Labor policy program, Labor Means Business. You said you will reduce the amount of government advertising and promotion to statutory or other genuine needs, such as contract and procurement information and legal notices. I asked the question: do you consider this advertising falls under the category of statutory, other genuine needs, such as contract and procurement information, or is it a legal notice?

**Ms MARTIN:** I would put it under the first category. I would say that explaining what was a terrific budget to the Territory community - and one that has been very welcomed - is something that is very important for government, and certainly something that you did as government, as well. It is an important thing to do.

**Ms CARNEY:** This is a supplementary question, Chief Minister. In your paper called Good Government, published and distributed before the election, on page 7 was written: 'Guidelines will be developed to discern what is genuine government advertising, and to ensure public money is not spent on government publicity for a partisan political purpose'. Can I ask whether those guidelines have been developed?

**Ms MARTIN:** We certainly have guidelines on advertising, yes.

**Ms CARNEY:** Are you able to provide us with those guidelines?

**Ms MARTIN:** We certainly can provide them, yes.

**Ms CARNEY:** I take it, in conclusion, that having those guidelines established, your advertising has complied with those guidelines?

**Ms MARTIN:** Certainly, particularly in the context of the question asked. To tell our community about expenditure of this nature, that affects everyone so intimately, is a very important thing to do. We were really happy to tell schools about the 22% in school supplies - delighted schools, parents and kids across the Territory. These things, of course, are part of the responsibility of government. It is not self-promotion, as we saw in the past, and as we saw through the government communications office. The difference between expenditure on that kind of thing, between the Burke government and the

Martin government, is substantial. We can deal with those issues further into the process.

**Ms CARNEY:** If I may, so that I do not pull up short. You said that you would provide those guidelines. Would you be good enough to provide those, say, tomorrow?

**Ms MARTIN:** I think we can do that. Certainly, member for Araluen. We would be delighted.

**Mr BURKE:** Chief Minister, with regards to the advertisement, you said in this particular advertisement you will spend \$527m on health, \$505m on education, and \$142m on police. Based on the questions that have been asked so far, isn't it true that, when you get rid of the book entries such as depreciation, you are, in fact, spending - and I emphasise the word spending - nowhere near the amounts you are claiming in the advertisements? Do you think that is being honest with Territorians?

**Ms MARTIN:** Those figures are very honest figures, and they are figures that represent increased growth in those expenditures. It is something that we said we would do. If you also go back to our position papers, to our election commitments, we were very clear about it. Our priorities were not promotion of ourselves; they were creating safe communities, education, health, and job creation. That is what you see reflected in that budget and they were promised. I hope that when you get to those particular agencies, they are the questions you are testing, because they are major expenditures.

**Mr BURKE:** Can you tell me how you spend depreciation?

**Mr Reed:** On pencils or books?

**Mr BURKE:** No, we have established that depreciation is shown as a cost or an allocation to the agency, and then it has been deducted later. But you held it as part of your spending, so can you explain to me how you spend depreciation?

**Ms MARTIN:** It is part of the new accrual framework.

**Mr BURKE:** It is not honest is it, Chief Minister? It is not honest. You are not spending that amount on that category. You are telling Territorians you are, and it is only a book entry. Isn't that true?

**Ms MARTIN:** In terms of depreciation, it is part of the new accrual accounting. Real increases have gone into those areas at the percentages we identified. It is in stark contrast, Leader of the Opposition, to what happened a year ago - in stark contrast.

**Mr BURKE:** Well, I say to you, Chief Minister, that we never promoted depreciation as spending. If you can enlighten me in that regard.

**Ms MARTIN:** You just produced budgets for presentational purposes.

**Mr BURKE:** Well, we are talking about you: your government, your honest budget, the fact that you have heralded it in advertisements to Territorians claiming to be the true amount you are spending. I simply say to you: in all honesty, Chief Minister, you cannot spend depreciation. You are not spending that amount in the agencies that you are heralding to Territorians that you are spending. I do not need to labour any further on that.

I also say that, in the advertisement, you say you are spending \$90m on Northern Territory roads. But it does not tell the true story; that is, that there has been a substantial cut on last year. I refer you to page 222, from memory. Do you think this is fulfilling your promise to be honest with Territorians? If you look at Road Network Management Budget Paper No 3 ...

**Ms MARTIN:** Mr Chairman, I also refer to the fact that we will get to these agencies and you will have,

if ...

**Mr BALDWIN:** This is a question for you about honesty.

**Ms MARTIN:** Well, it is honest. That is what we will be spending.

**Mr BALDWIN:** Well, is it \$90m? That is what he is asking.

**Mr BURKE:** Chief Minister, okay, that is what you are spending. Let us talk about honesty here. In 2001-02 ...

**Ms MARTIN:** Sorry, can you give me that page again, Leader of the Opposition?

**Mr BURKE:** 223. It shows here on Road Network Management the spending figure for 2001-02 was \$98.221m. For 2002-03 it is \$92.327m, a \$5.894m cut. Is it honest to Territorians to go out and herald the fact that you are spending \$90m on roads when, in fact, you have cut road spending by \$5.8m?

**Ms MARTIN:** We are spending \$90m on roads, that is absolutely accurate. What we saw in previous capital works programs were large promises made - large promises of 'We will deliver', and there was never any cash.

**Mr Dunham:** Never any cash?

**Ms MARTIN:** There was never the cash to keep the promises. We can tell you in great detail about this - about no money for repairs and maintenance, there was ...

**Members** interjecting.

**Ms MARTIN:** ... that was there against ...

**Mr CHAIRMAN:** Order! The Chief Minister has the floor, and I would ask you to let her complete her answer please, without interjection.

**Ms MARTIN:** This government can say with great commitment: we will be spending that money and we will be making sure that cash is there to spend that money, as opposed to the promises we saw previously, where there was not a sufficient cash allocation. It is something we had to deal with because minor new works and repairs and maintenance were dramatically under-funded in the last financial year. We had to make those allocations to make sure that the work was being done. So, \$90m is accurate.

**Mr KIELY:** Mr Chairman, I am having real problems to see what the relevance of that last question 95 was. You have mentioned time and again the need to try and keep focussed. That is nothing to do with advertising. The point is let us move it on, let us get through this; let us be genuine in our attempts to interrogate the budget. These red herrings that keep on coming across are doing a great disservice to the people of the Territory.

**Mr BURKE:** Well, you might want to read that comment ...

**Ms MARTIN:** Mr Chairman, can I also add ...

**Members** interjecting.

**Mr CHAIRMAN:** Order! The Chief Minister has the floor.

**Ms MARTIN:** May I also add in this context, that if you look at the difference between the estimate for 2001-02 and 2002-03, there is a difference between up to \$6m for flood damage, which was a part of the factor of 2001-02. So, there are differences that are one-offs.

**Mr BURKE:** Well, let us go back to that. Chief Minister, you said that my government seriously underfunded roads, which you rectified. Can you tell me, therefore, how much you put into road management to increase the amount in 2001-02, up to \$98.221m.

**Ms MARTIN:** I think this question is properly referred to the minister responsible for that agency, which is the Department of Infrastructure, Planning and Environment. If you want me to sit here and answer questions right throughout the budget, that is not what this is about. This is about the appropriation for the Department of Chief Minister.

**Mr BURKE:** Well Chief Minister, that is fine. If you do not ...

**Ms MARTIN:** It is fine, too.

**Mr BURKE:** That is fine if you do not make the allegation that they were seriously underfunded. If you have enough information to state this, in this Estimates Committee, that road funding was seriously underfunded and you fixed it, explain to me how and by what amount you raised road funding for 2001-02 to \$98.221m.

**Ms MARTIN:** I was specifically referring to the fact of the repairs and maintenance budget last year, which we found that come November, there was not a skerrick in it between that time and the end of the year. And you certainly had to ...

**Mr BURKE:** Well if you want, I can talk about roads maintenance, R and M, if you like.

**Ms MARTIN:** But I would say, Mr Chairman, that this is not following the guidelines that you have indicated. So, let us return to the appropriation for the Department of Chief Minister. And Mr Chairman, I think that that is enough of this question. We should move on.

**Mr BURKE:** Well, Mr Chairman, if I may. There must be a point - \$117 000 before was a fiddling amount. Now we are talking about \$5.894m, and that is somehow an irrelevance. I simply believe this is an important area for question.

The Chief Minister has put out an advertisement that says she is spending \$90m on roads. She claims that her road funding has increased from serious underfunding under my government. I ask the question as you can make the statement so categorically: to what amount, to what degree did your government increase road network management funding, to reach the point of \$98.221m?

I believe you have not. In fact, what you have done is you have reduced road network management funding from 2001-02 to 2002-03 by \$5.894m. In that regard, this advertisement is a straight lie to Territorians.

**Mr CHAIRMAN:** Member for Brennan, you have made your point; the Chief Minister has made her point. We are getting into the area of repetition and we should move on. We have dwelled on this now, and you have made your point, and the Chief Minister has made hers. We should move on, please.

**Mr BURKE:** Oh we will, to the next point which is that in the advertisement, Chief Minister, you claim credit for reducing the cost of living by having a freeze on domestic power prices, yet you do not mention you have increased water and sewerage charges by 7.5%, and increased the MACA scheme by more than 3%. Do you think this is fulfilling your manifesto of being honest to Territorians?

**Ms MARTIN:** We are very proud of the commitment to maintain the freeze on domestic power prices, and it is one that we will keep for this term.

Now, Mr Chairman, let us get on with the appropriations. We have appropriations of a significant amount. We have some really important things that we are doing in the Department of Chief Minister. We have an appropriation of nearly \$32m; let us talk about it.

**Mr BURKE:** And we have established that you have underfunded roads by \$5.894m. So we can move on.

**Ms MARTIN:** I have not noticed that appropriations for roads in the Department of Chief Minister. We are very creative, but not for roads.

**Mr CHAIRMAN:** Well, we will just move on if we can, please.

**Mr DUNHAM** interjecting.

**Mr CHAIRMAN:** I beg your pardon, member for Drysdale.

**Mr DUNHAM:** I did say you spent \$60 000 telling a lie, and I withdraw that, Mr Chairman.

**Mr CHAIRMAN:** Okay, thank you, member for Drysdale.

**Mr BURKE:** Question 100: how much was spent on consulting services in 2001-02? Detail the individual contracts; that is, who were they awarded to, at what cost and for what reason. How much is estimated to be spent on consulting services in 2002-03 and how much has been expended so far in this financial year? Detail the individual contracts; that is, who they were awarded to, at what cost and for what reason.

**Ms MARTIN:** In the last financial year, \$1.652m was spent on consulting services. In this financial year, it is estimated \$2.9m will be spent and, of this amount, \$0.665m has been expended to date. I would like to table a document with all the other details in it.

**Mr BURKE:** Thank you. Could I have some time to peruse that? Someone else might have a question.

**Ms MARTIN:** Shall we move on? You can come back to that.

**Dr LIM:** Well, as long as we the Chief Minister is prepared to leave the question open.

**Ms MARTIN:** It is still in the same output.

**Mr CHAIRMAN:** Yes, I am prepared to do that provided the supplementary is directly relevant to the question and the response given by the Chief Minister in the tabled document.

**Mr BURKE:** Chief Minister - I will return to 100 in a second - question 104: explain the difference in estimates of agency revenue between 2001-02 and 2002-03, and what are the sources of that revenue?

**Ms MARTIN:** The differences in estimates of agency revenue between 2001-02 and 2002-03 by source consist of grants and subsidies, the estimate for 2001-02 was \$656000. The estimate for 2002-03 is \$5.67m and that gives a variation of \$4.411m. That is for grants and subsidies. For charges of goods and services, including other agency revenue, \$421 000 estimate in 2001-02, and

for 2002-03 \$172 000, which is a variation of \$249 000. Other revenue is \$128 000 for 2001-02, for 2002-03 \$45 000, which gives you a variation of \$83 000.

In grants, which was the first one, the main difference between the two years in grants and subsidies revenue is the estimate for 2002-03 of \$5.05m in Commonwealth receipts to fund the mezzanine debt for the railway. In addition, \$17 000 was received from the Commonwealth to partly fund a position for Desert Knowledge project. 2001-02 grants and subsidies estimated revenue of \$656 000 consists of the following Commonwealth grants: \$600 000 for the Year of the Outback, \$10 000 for National Youth Week, \$5000 for Harmony Day sponsorship, \$33 000 funding for Desert Knowledge project and \$8000 for National Science week.

In 2001-02, charges of goods and services: \$246 000 was received from local governments for the conduct of by-elections; \$3000 was the figure for the government Communications Office revenue for sale of publications and videos. The \$172 000 estimate for intra-sector receipts remains the same for 2001-02 and 2002-03. This comprises \$100 000 for 2001-02 and 2002-03 for the Year of the Outback from the Department of Community Development, Sport and Cultural Affairs, and \$72 000 ongoing intrasector receipts from Office of the Commissioner for Public Employment.

In 2001-02, other revenue of \$128 000 included \$45 000 for miscellaneous receipts which remains the same for 2002-03, and one-off amounts of \$3000 for the Australian Crime Prevention Award. It also includes an \$80 000 receipt from the Alice Springs Town Council for Outback Central Year of the Outback celebrations in Alice Springs.

**Mr WOOD:** A supplementary to the Chief Minister. The drop-in output revenue from \$21 000 to \$172 000; is that mainly because it was an election year?

**Ms MARTIN:** Yes, \$246 000 went to that local government by-election, so that is substantially it. That is the big difference. It is expensive in local government.

**Mr WOOD:** Not as expensive as this government.

**Mr BURKE:** I would like to return to the previous question with regards to consultants. Mr Michael Field, is he continuing to provide consultant services to the government? He was on a plane only two weeks ago, heading out of Darwin.

**Ms MARTIN:** Not to do with my agency.

**Mr BURKE:** So another agency?

**Ms MARTIN:** Yes. I cannot give you the details of that, but he was, yes.

**Mr BURKE:** So, can you assure us that the payments made to Mr Michael Field will be fully accounted for, with that question being asked of each agency? It is a generic question.

**Ms MARTIN:** I am assuming so. There is no problem with some very brief work that he did with the review of health.

**Mr BURKE:** I would imagine that he sent the questions and things up there to make sure that Michael Field's costs are included. It is a generic question to all agencies. I am assuming, therefore, that this cost here of \$13 000 is added to your department – Transition/Change of Government.

**Mr REED:** Chief Minister, page 2 of the document that you tabled, consultant fees, Mr Bob Collins, \$83 278.84. Could you advise, what was the date of any agreement or consultancy arrangement that was entered into with Mr Collins, and when the first payment was made to him under these arrangements.

**Ms MARTIN:** Can I refer that to Mr Tyrrell.

**Mr TYRRELL:** Paul Tyrrell. I do not have that detail here, but from memory it was 30 August last year. It was an extension of a contract that had been in place with the previous government. Mr Collins had a contract with the previous government.

**Mr REED:** May I ask, those payments, I assume, are structured on a weekly, fortnightly or monthly basis?

**Mr TYRRELL:** They are on an hourly rate, a combination of a daily and hourly rate.

**Mr REED:** So that \$83 000 is for the period ending in June this year?

**Mr TYRRELL:** That is right.

**Mr BURKE:** Could I ask a supplementary with regarding consultants fees. You have your amount of \$33 195.45 for advisory service from the Department of Premier and Cabinet in Hobart. Can you indicate what those services were?

**Ms MARTIN:** That was to do with the change of government and staff who came in for the initial period to assist with that change of government while we advertised for staff. One of the good things about that was that, as a new government, we could be up and running with some good advice from interstate about how to set up our offices and do that kind of thing. It was very, very useful.

**Mr BURKE:** Are there any staff costs that relate to the Department of Premier and Cabinet that are still incurring those sorts of costs?

**Ms MARTIN:** Oh no.

**Mr BURKE:** None at all?

**Ms MARTIN:** None, not at all.

**Ms CARNEY:** Chief Minister, you referred before to Mr Bob Collins, and touched upon or mentioned the hourly rate. I think your comment was: 'He was cheap at twice the price'. What was his hourly rate?

**Ms MARTIN:** Half the price. I am happy to give a global amount for the sum that we pay Bob Collins. He works very effectively for this government, and the other details are out of his contract, which is fair. We have given the global amount, which is what you would expect. I do not think I need to - if you look at a year's work for a man of that stature, we are getting him very cheap.

**Mr REED:** Well, that depends if he works for a month, or two months, or six months, or 12 months. That is the inference; how much he worked.

**Ms MARTIN:** I do not think it is appropriate, and I do not think that you, as government, would give an hourly rate for a consultant like that. The judgment is mine for his performance and things like that. I am very happy with Bob Collins' performance and the work he does, and I have seriously more than \$83 000, and so has the Territory, for the work of Bob Collins this year.

**Ms CARNEY:** I am sure you are, Chief Minister, but I have some constituents in Alice Springs who are anxious to be assured. I am not quite sure whether they would, with respect, just accept your assurance. However, I note what you are saying and I note that you will not provide us with ...



**Ms MARTIN:** But would that assurance be made different if I give you his hourly rate? I do not think so.

**Ms CARNEY:** Well, if for instance, he charges – let us pick a silly figure like \$5000 an hour - then it would be very clear that he will not have done very much for whatever figure he is paid at the end.

**Ms MARTIN:** Well, the work he does is reported to me. It is work within the Office of Territory Development. It is also as Chair of *Learning Lessons*, the indigenous education task force. He works extremely long hours for this Territory. You have my assurance.

**Mr REED:** The final page, Chief Minister, Electoral Service of Mr Fuller, \$3682.95, Chairman of Distribution Committee. Could you explain what work was undertaken for that amount of money and when?

**Ms MARTIN:** I refer that to my CEO.

**Mr TYRRELL:** That was the electoral redistribution task.

**Mr BURKE:** And additional work?

**Mr TYRRELL:** Oh, the additional work? Sorry.

**Mr REED:** This is for this financial year.

**Mr TYRRELL:** That would be the Darwin Wharf Precinct.

**Mr REED:** I'm sorry?

**Mr TYRRELL:** The Darwin Wharf Precinct.

**Mr REED:** No, that is separate. This is the last page.

**Mr TYRRELL:** My understanding is that that was for the distribution exercise.

**Mr REED:** But the distribution was over, within six weeks of an election when this work was done, given that it had to start on 1 July.

**Mr TYRRELL:** It is just a carry over.

**Mr REED:** A carry over of that ...

**Ms MARTIN:** A carry over payment. It was not extra work done. That was just for the distribution.

**Dr LIM:** Chief Minister, in reference to the issue of Michael Field on the second last page of this consultancy list you put in brackets 'these charges for consulting contract only'. Could you explain that qualification within the brackets? Were there additional costs involved with Mr Field and Molly Robson? If so, what were they?

**Ms MARTIN:** Sorry, I am just trying to find the right page.

**Dr LIM:** Second last page, last two lines.

**Ms MARTIN:** Second last page. Just excuse me.

**Dr LIM:** With reference to Michael Field and Molly Robson. In brackets 'these charges for consultant contract only'. Could you explain what the qualification means?

**Ms MARTIN:** Yes, I am very happy to explain it. I am just having trouble finding it. Oh, here we are. Okay. It was a different page on mine, that is all. Okay, just to explain it. I was delighted to have the services of the former Premier of Tasmania ...

**Mr REED:** Oh, so were we.

**Ms MARTIN:** Absolutely delighted.

**Mr REED:** That is why we are asking.

**Ms MARTIN:** Terrific, absolutely fantastic. Initially, when we came to government he came and worked as a staff member for us, which was great. He worked with the Deputy Chief Minister. Later, at the beginning of this year, Michael, along with Molly Robson who is a former environment minister from Queensland, came and conducted seminars with ministers, with the Chief Minister's office, with media officers and other ministerial officers, covering the topics of fundamentals of the Westminster system of government: the obligations of ministers, members and their staff; the relationship between governments and bureaucracy. It was incredibly valuable in ...

**Mr BURKE:** Fundamentals of the western system of government?

**Ms MARTIN:** Westminster. About being ministers, about being parliamentarians within a Westminster system. It was a very valuable learning experience.

**Mr Burke:** Oh, must have been – you became experts overnight.

**Ms MARTIN:** We did not have any shame, as a new government, to look at what skills and knowledge we needed to develop. We called on two experts from interstate, with complementary skills, and we learned a lot. So, for this government ...

**Mr REED:** So that was under this, the \$13 000?

**Dr LIM:** May I refer you back to my questions. What do you mean by the qualification, 'these charges for consultant contract only'? Could you explain.

**Ms MARTIN:** Because, previously, as I understand it, what that means is that he was employed by us on the change of government. This was not a consultancy; it was different.

**Mr BURKE:** Would you undertake, therefore, to provide, just to finish Michael Field off, the government ...

**Ms MARTIN:** I don't want to finish Michael Field off, ever, he is terrific.

**Mr BURKE:** Would you undertake to provide the cost of Michael Field's services to government, since you attained government, including contract amounts and out of pocket expenses, across all agencies?

**Ms MARTIN:** Hold on a tick. The staffing costs for Michael Field in the early days of government were included in our staffing costs at that time. He has subsequently done that particular consultancy for

us, and that is identified here. Within the review of health, which he has had a very small component of, which was as I understand it, a couple of days' work: that is it.

**Mr BURKE:** Chief Minister, you and I know that with \$13 000 you would be flat out picking air fares up from here to Tasmania return a couple of times. We are only asking: what is the total amount paid to Michael Field, including his out of pocket expenses, in terms of the contract arrangements you had. Surely that can be provided. We know that consultants get paid various amounts of money. We have seen Bob Collins. I want to know how much Michael Fields has incurred the taxpayer, in total.

**Ms MARTIN:** Is that an implication that Bob Collins is overpaid or something? That is a really unfortunate aside.

**Mr BURKE:** We are simply asking what has been the amount the taxpayer of the Northern Territory has paid to Michael Field. Obviously that implies out of pocket expenses, the costs across agencies. What is the total? You would provide it at some point?

**Ms MARTIN:** The implication is an unfortunate one, that it must cost a lot more.

**Mr REED:** No. Just how much? In terms of the salary ...

**Ms MARTIN:** All right, we will do it.

**Mr REED:** The period that he was employed for; the level he was employed at.

**Ms MARTIN:** And another man who was cheap - absolutely cheap in his services. Would you like equivalent ones done for staff under you at that time?

**Mr CHAIRMAN:** The member for Nelson has a question. I assume it is a supplementary question; if it is a question on contract.

**Mr WOOD:** It is on consultant fees. Maybe it could have gone to the railway section, but you have an item there, the South Australian Independent Industry regulator for \$146400, 50% funded from NT and South Australia, 'Prepared guidelines in the minister third party access to rail'. Is that about someone else using the railway line, Chief Minister, and if so, why is it the role of the Territory government to pay out that sort of money, and not the person who owns the railway?

**Ms MARTIN:** Part of our responsibilities come under ARC, which is the Australian Railway Corporation, and since we have the CEO here, I will just refer it to him.

**Mr TYRRELL:** When the railway is constructed, it will operate under a third party access regime which allows other parties other than the owner of the railway to access that line under certain conditions. That has to be managed. The framework has been set up by legislation in both the Northern Territory and South Australia. So, rather than set up our own independent regulator in the Territory, it was agreed that we would utilise an existing regulator in South Australia and share the costs of that. The third party access regime is managed by the regulator in South Australia and the costs are shared by both jurisdictions.

**Mr WOOD:** So, someone who wants third party access does not go to the owner of the rail, but goes to this?

**Mr TYRRELL:** If there is a dispute, they can go and appeal to the regulator. Normally, you get a commercial agreement.

**Mr CHAIRMAN:** Can we move on with the written questions? I voice my concern again. We have been at it an hour and we have only been through four written questions, so can we return to the

written questions, please?

**Mr BURKE:** We will get there, Mr Chairman. With regards to the last answer, Chief Minister, perhaps Mr Tyrrell can easily answer this. There is a payment here for Colin McDonald QC, acting on behalf of the NT government for land compensation settlements. I would have thought that would have been done through the Justice Department. I assume it was. Can I assume from that funding amount that all costs, including all legal costs, are covered within the appropriation to Chief Minister's Department for the railway?

**Mr TYRRELL:** Yes. That cost would have been met by our appropriation. It was to do with some appeals down the track for some land owners who disputed the settlement for land acquisition.

**Mr BURKE:** So, in terms of process, Mr McDonald would have been engaged directly by the Railway Corporation or through the Justice Department, or what?

**Mr TYRRELL:** It would have been a combination of the Justice Department and Lands.

**Mr BURKE:** Thank you.

**Ms MARTIN:** I believe it was prior to this government.

**Mr BURKE:** 106?

**Mr CHAIRMAN:** Thank you.

**Ms MARTIN:** You've made the Chairman very happy, Denis.

**Mr BURKE:** Question 106: could you provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable to the figures used in the mini-budget? In terms comparable to the mini-budget, detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency, in terms comparable with those used in the mini-budget, translate to figures using accrual accounting methods.

**Ms MARTIN:** We have dealt with this question before, but I will give the answer that we have given previously. According to long standing practice in the Territory, particularly since the commencement of the *Financial Management Act* in 1995, information presented in budget papers is forward looking, dealing with the new budget year and out years. The information presented in the Treasurer's Annual Financial Report is retrospective, dealing with the year just gone.

As part of the transition to the new accrual output framework, the 2002-03 budget papers include information by output in accrual terms. Actual expenditure in respect to 2001-02 will be provided at a whole-of-agency level in the Treasurer's Annual Financial Report and at more detailed levels in agency annual reports. Information for 2002-03 is not provided in a form consistent with the mini-budget, as 2002-03 information is on an accrual basis and 2001-02 is on cash basis.

**Mr BURKE:** Supplementary. With regards to the expenses relating to prior year receipts, the Treasurer's Annual Financial Statement for 2000-01 shows an unexpended allocation as a minor variation of minus-\$539 000, which would appear to be an underspend. Can you tell me how that translates or how it is shown in the budget papers for 2001-2, in your current budget papers?

**Ms MARTIN:** So, Treasurer's Annual Financial Report?

**Mr BURKE:** The Treasurer's Annual Financial Report shows minus-\$539 000 as an unexpended allocation which, I assume, is an underspend. Yet, we see expenses rated by your receipts of \$113

000. I am wondering if you would explain to me the difference, and why?

**Ms MARTIN:** \$113 000 of that is a carry over, and the rest was a lapsed allocation.

**Mr BURKE:** It was a lapsed allocation, so it was an underspend in 2000-01, of which a residual of \$113 000 went to Consolidated Revenue.

**Ms MARTIN:** \$113 000 was the carry over and the residual was lapsed allocation, the remainder.

**Mr BALDWIN:** So, where did the lapsed allocation go?

**Mr BURKE:** Back to Consolidated Revenue.

**Ms MARTIN:** It lapses.

**Mr BALDWIN:** So, it just disappears off the books?

**Ms MARTIN:** It is lapsed, so in the technical words: it don't go anywhere.

**Dr LIM:** It stays in Consolidated Revenue.

**Ms MARTIN:** It is a lapsed allocation. We can be very technical about this: it ain't gone nowhere.

**Mr BURKE:** Question 111: how many people are employed by the agency by output and activity? How many are employed on a full-time, part-time, casual or contract basis? How many were employed by the agency on 29 August 2001 on a full-time, part-time, casual or contract basis? How many were employed by the agency on a full-time, part-time, casual or contract basis when the public service was restructured in November last year? How many were employed by the agency on a full-time, part-time, casual or contract basis for the last pay period in August?

**Ms MARTIN:** Well, activity no longer is relevant, so by output, number of staff - this is the figure that goes with 31 August 2002: strategic and policy advice, 22; public sector coordination, 24; Territory development, 30; NT railway, 2; support to executive, ministers and Leader of the Opposition, 105; legislative production, 9; support to Administrator and Government House, 19; electoral services, 6; community engagement activities, 10; and grants, 5; which is a total of 232.

Compare that with the staff employed by the agency by employment category as at 29 August 2001: full-time, 140 - and note that is 70 ministerial staff until the former government ceased employment on 24 August, and of these eight transferred to the Department of the Chief Minister; part-time, 8; casual, 2; temporary contract full-time, 23; with a total of 173.

Staff employed by the agency by employment category immediately following the restructure in 2001 - and these figures include a decrease in staff with the closure of the government Communications Office in September 2001, and an increase with the formation of the Office of Territory Development: full-time, 176; part-time, 8; casual, 1; temporary contract full-time, 26; with a total of 211.

At the last pay period in August 2002, staff employed by this agency by employment listed as: full-time, 208; part-time, 11; temporary contract full-time, 13; which gets to that figure I gave initially of 232.

The increase in staffing from November 2001 to August 2002 is primarily attributed to the ongoing recruitment of staff to establish the ministerial offices. Also of significance during the period is the recruitment of staff to enhance the strategic advice and policy development for the enhanced whole-of-government role for the department; in particular, the indigenous policy and social policy areas.

**Dr LIM:** How does that marry up with your figure on page 19 of your Budget Paper No 3, that says for total 2002-03 staffing it is 224. It does not match up with that figure.

**Ms MARTIN:** At the time the budget paper was put together, it was 224, and that has increased to 232, as I am advised, in the interim, because staffing numbers are increasing, positions are being filled. Also, as I referred to, in the social policy and indigenous policy areas, there are growing numbers there, as we committed.

**Mr REED:** On staffing, Chief Minister, has the Department of Chief Minister employed a full-time person as financial advisor, economics advisor, consultant, or anyone of that ilk?

**Ms MARTIN:** That ilk. I am advised that we have employed a Chief Financial Officer. He has only been with us a very short time.

**Mr REED:** What is the role of that person and when did they start?

**Ms MARTIN:** Could I refer this to you, Jan?

**Ms WILSCHEFSKI:** Yes. He started June/July, and the role is to manage the budget and the financial operations of the department.

**Mr REED:** So, it is an internal operation, not someone who might be giving broader across-government advice to government in economic or financial management matters.

**Ms WILSCHEFSKI:** No, it is strictly internal to Chief Minister's.

**Mr REED:** There is no one employed of that kind.

**Ms MARTIN:** No one, I am advised.

**Mr BALDWIN:** Chief Minister, in part of your answer you talked about termination pays for former ministerial staff for the CLP. I think you mentioned the figure of 70.

**Ms MARTIN:** No, no, within the numbers I gave at 29 August 2001, I mentioned that 70 ministerial staff of the former government ceased employment on the 21 August 2001 and, of these, eight transferred to the Department of Chief Minister.

**Mr BALDWIN:** So, there were 70 ministerial staff and of those, 62 went and eight went into the Chief Minister's Department.

**Ms MARTIN:** Yes.

**Mr BALDWIN:** You also said in that reply that there are now 105 ministerial staff, and that includes, I assume, the Leader of the Opposition's staff - who has four. That makes 101 current ministerial staff - is that right? - in your ...

**Ms MARTIN:** No, it is a broader category than that and ...

**Mr BALDWIN:** That is what I am trying to arrive at.

**Mr TYRRELL:** It has the accounting office, Protocol, included in that category of 105.

**Mr BALDWIN:** Would you be able to provide a break down of those staff?

**Ms MARTIN:** Later in questions you have asked for that, so we will get to that.

**Mr BALDWIN:** Okay. Thank you.

**Mr MALEY:** Chief Minister, you use the word 'consultant' fairly loosely. When you say consultant do you mean these people are independent contractors from companies independently engaged, or are they employees like some individual's named, such as Bob Collins and Geoff Forrester ...

**Ms MARTIN:** That is a list of consultants.

**Mr MALEY:** Okay, when you say 'consultant', do you mean that person is an employee or an independent contractor? What exactly ...

**Ms MARTIN:** That is what a consultant means, they are not an employee.

**Mr MALEY:** It means they are an independent contractor?

**Ms MARTIN:** Yes.

**Mr MALEY:** Okay.

**Ms MARTIN:** I would like to say that this is not related to this particular question. Is this a supplementary to this employment question?

**Mr CHAIRMAN:** I will take it as a supplementary. It is about the consultants.

**Mr MALEY:** I had my hand up earlier but you missed me.

**Mr CHAIRMAN:** Sorry about that, member for Goyder. I am one of the few in the Territory who has. Please continue.

**Mr MALEY:** The supplementary question to the question prior to this one. One of the figures in the total amount paid to consultants, just by way of example, is to one Wana Ungkuntja for the Year of the Outback Expo, and it is a figure of \$216 000. Are there any criteria used by you as the Chief Minister, or your department, to determine which consultant or independent contractor gets that contract, or is it something which you determine at your absolute discretion? It is a fairly large figure. I am not saying that ...

**Ms MARTIN:** We deal with that later in the context of the Outback Central 2002, so we can deal with that particular one. But consultancies go out to tender and they are, against, certain criteria. There are other consultants, someone like Bob Collins, who is someone I approached to work for me, with specific skills that are going to do a specific job.

**Mr ELFERINK:** Is there a ceiling on that? Is there any guideline that says any consultancy worth more than that much is then subject to tender?

**Ms MARTIN:** Can I refer that to my CEO?

**Mr TYRRELL:** In the procurement guidelines there are particular levels at which you can call - you do not have to call quotes or you can call three quotes, and there are those that you then have to call tenders for. But you can of course get a C of E - a certificate of expediency - if there are good reasons for that. A certificate of exemption sorry. Yes, there are obviously guidelines there.

**Mr BURKE:** Mr Chairman, in the interests of the accuracy of the *Hansard* record, I need to refer back to question 106 and the answer that was given to the supplementary. You took as accurate my figure of \$113 000 as the carry over for 2001-02, based on the expenditure of 2000-01 of an underspend of \$539 000. I note the Under Treasurer replied that the \$113 000 carry over figure was correct. I actually was on the Department of Legislative Assembly page. I would appreciate it if you might interrogate some of my figures. The carry over is \$7000. Do I take it for the Department of Chief Minister the actual carry over of 2001-02 was \$7000, based on expenses relating to prior year receipts of an underspend for 2000-01 of \$539 000? Do I understand from your answer that \$532 000 went into Consolidated Revenue and only \$7000 was ...

**Ms MARTIN:** We will scrap the previous figure; it could be interrogated. From the previous year \$100 000 was carried in and \$93 000 was expended and \$7000 remained.

**Mr BURKE:** So where is the \$93 000 expenditure?

**Ms MARTIN:** Oh sorry, sorry. \$93 000 was carried into the next year.

**Mr BURKE:** Okay. So again, I am doing this because I need to understand exactly what expenses related to prior year receipts. I understand from the answer I have been given so far that, when we look at the Treasurer's Annual Financial Statement for 2000-01, we get a figure of an underspend, for example, in the Chief Minister's Department of \$539 000.

**Ms MARTIN:** Is that the right figure?

**Mr BURKE:** The amount other than what is then shown as expenses related to prior year receipts in 2001-02 estimate on page 19 of your budget. The difference has been returned to Consolidated Revenue. So, in this case, \$532 000 went back to Consolidated Revenue, which does not correlate with the answer you just gave.

**Ms MARTIN:** Mr Chairman, because this is new and because it is cash and accrual could I invite the Under Treasurer here to give these answers?

**Mr CHAIRMAN:** I think the opposition has already suggested that, so I am quite amenable to that suggestion.

**Ms MARTIN:** That would be acceptable? Can I then defer so we are not having these three-way conversations?

**Mr CHAIRMAN:** It might save lower back strain.

**Ms MARTIN:** Could I introduce the Under Treasurer, Ms Jennifer Prince, the first female Under Treasurer in Australia.

**Mr BURKE:** Well, can I, with your leave, Chief Minister, redirect that question to her.

**Ms MARTIN:** Please. We can deal with this.

**Mr BURKE:** It is important in terms of all of these agencies for us to get a feel for the 2001-02 estimate. It refers to expenses relating to prior year receipts or receipts related to prior year expenditure. Now, in the case of the Treasurer's Annual Financial Statement for the Chief Minister's department, we see an unexpended allocation of \$539000. How does that relate to the \$7000 shown in this budget?



**Ms PRINCE:** At the end of the year, some allocation will be unspent. An agency can apply to have that allocation carried forward into the next year and, of that \$500 000-odd amount - \$539 000 - there was an approved carry over into 2001-02 of \$100 000.

There has also been an approved carry over from 2001-02 into 2002-03. So that the figure that you see for 2001-02 entitled 'Estimates related to prior year receipts' is a nett figure. So it is nett of the amount that is being carried into 2001-02 and the amount that has been carried out from 2001-02 into 2002-03.

**Mr BURKE:** In that regard, if you look at the unexpended allocation right through those Treasurer's Annual Financial Statements, it is generally a minus figure which is, therefore, an underspend. As we said consistently in that Public Accounts Committee inquiry, most agencies carry over - a point that the government, at the time, refused to accept in that inquiry, but shown clearly in Treasurer's Annual Financial Statement figures. Thank you for that.

Question 114: what was the repairs and maintenance budget for the agency for 2001-02 expended on their behalf by the Department of Infrastructure, Planning and Environment or its predecessor?

**Ms MARTIN:** Repairs and maintenance is restricted to essential and non-deferrable works that are consistent with the agency's approved asset management and service strategy in BAMS - Building Asset Maintenance System. A total of \$196 541 was expended by DIPE on behalf of this agency in that year. This comprised \$108 136 in specific maintenance; \$33 671 in routine maintenance; and \$54 734 in urgent minor maintenance. Assets maintained include Government House, the Administrator's Office and outside items such as things as the Bagot flyover flagpoles.

Services provided included the regular testing of security systems, cyclical maintenance of emergency lighting and exit lights, services to portable fire equipment, various light repair replacements and minor repairs to leased and government owned premises housing department staff, such as the Greatorex Building and Heenan House.

In question 134, you have requested details of that. I can deal with it now – sorry, that is for next year.

**Mr BURKE:** Yes, I guess you can deal with that now, in saying that there has been a \$95 000 increase. What is the increase for?

**Ms MARTIN:** Do you want me to table the list? Would that be easier? We have that to table. We have one to table on the 2001-02 repairs and maintenance.

**Mr KIELY:** Can I ask what question that relates to?

**A member:** 134.

**Ms MARTIN:** Question 144 was the other one. I have some details of the major things in that ...

**Mr BURKE:** I am interested in the fact that the R and M budget has been increased by \$95 000 and I am asking what it has been spent on.

**Ms MARTIN:** In terms of break-up, there is corrective and cyclical work at \$91 000, the majority of which will be spent on mechanical and electrical program maintenance, including the renewal of substantial garden retaining walls at Government House and the Administrator's Office; and that includes the replacement of retaining walls in the garden and repairs to louvres removed on the verandah and pantry. There is some specific maintenance of \$151 000 to be spent at Government House and the Administrator's Office; some program delivery costs of the Construction Division of \$45 000 and, overall, a repairs and maintenance budget of \$287 000.

**Mr BURKE:** Can you give me the other table? You will table that?

**Ms MARTIN:** I have already agreed to table - that is the detail of it.

**Mr BURKE:** Right, well I cannot deduce the increases.

**Dr LIM:** Chief Minister, you say that you were going to combine question 114 response with 134.

**Ms MARTIN:** Sorry. I have given 114 and I have given the breakdown. The other one was to do with repairs and maintenance for the present year.

**Dr LIM:** Yes, do you have a table for that as well?

**Mr BURKE:** You can provide it later. I just want to know where the \$95 000 increase has been spent.

**Ms MARTIN:** Yes. I have given you a pretty good idea that there is a lot of work being done at Government House and the Administrator's Office. We are certainly not doing the work over the road. Accelerating maintenance of Government House, basically, so it does not fall down. Okay, so that is basically it.

**Mr BURKE:** Still generous. I was going to say is that a feature of Government House, or a feature of the continuing generosity of the government?

**Ms MARTIN:** I think it's a genetic condition.

**Mr BURKE:** Question 120: detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures.

**Ms MARTIN:** An inter-agency transfer occurs whenever this agency purchases services from, or provides a service to, another agency. The value of services purchased from agencies in 2001-02 totalled \$358 436. The following agencies provided the service: NT Treasury, \$1600; DEET, \$24 680; Police, \$4200; Justice, \$1408; Department of Corporate and Information Services, \$12 339; DIPE, \$212 947; DBIRD, \$3680; Aboriginal Areas Protection Authority, \$95 000; and the Legislative Assembly, \$2582; which makes up that total of \$358 436. These transactions are recorded in the same manner as any other transaction, therefore agency expenditure increased by \$358 436. There were no sale of goods or services to other agencies, therefore no inter-agency transfers occurred generating revenue in the past financial year.

**Mr BURKE:** So that is a real figure, not a book figure, under operating expenses of the agency?

**Ms MARTIN:** Yes.

**Mr BURKE:** Question 123: How much of the agency's revenue can be attributed to inter-agency transfers, and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers.

**Ms MARTIN:** Inter-agency transfers in 2001-02 included \$358 436 in expenditure for the purchase of goods and services, as outlined previously. No revenue was received from other agencies. It is not possible to predict closely the amount of inter-agency transfers for 2002-03, but we think it will be likely to be the same as 2001-02.

**Mr BURKE:** Supplementary. Chief Minister, can you tell me what equity means?

**Ms MARTIN:** Equity in terms of what?

**Mr BURKE:** Your budget book says, in 'Statement of Financial Position', bottom line entry is 'Equity', page 29.

**Ms MARTIN:** Essentially, equity in that context means our nett assets. If you go up the page in the budget for 2002-03, there is a sum of \$34 441m - nett assets \$34 441m.

**Mr BURKE:** So the equity of the Department of the Chief Minister has increased significantly. Are you proud of that?

**Ms MARTIN:** It has. Essentially, if you go up to the 'Land and Improvements' line further up, you will see that reflected there, which is railway related.

**Mr BURKE:** Oh, so all the equity increase is railway related?

**Ms MARTIN:** Predominantly, I believe railway related, yes.

**Mr BURKE:** Thank God for the CLP, increasing the equity and nett worth of the Northern Territory.

**Ms MARTIN:** Just the Department of the Chief Minister.

**Mr BURKE:** You would accept that, wouldn't you, Chief Minister?

**Ms MARTIN:** I invited you to the railway in Katherine today. I am sorry the plane had a problem.

**Mr BURKE:** In terms of the equity, I have added up the equity totals for all the departments - the equity, I would imagine, which ends up being the nett worth of the Northern Territory in that data. In terms of equity, which on your own budget paper says is the residual interest and assets of an agency after deduction of the agency's liabilities - that is the residual asset - if you add up the equity of the government after 2001-02, the end result is \$5.757418bn, and for the end of 2002-03 it reduces to \$5.641934bn, a reduction of \$115.484m. In the context that the railway provides an increase in equity, how come at the end of the day we end up with a residual decrease in equity in one year of \$115.484m?

**Ms MARTIN:** A lot of that is depreciation of assets.

**Mr BURKE:** So, you need more railways.

**Ms MARTIN:** We are working on those gas pipelines.

**Mr BURKE:** So you would accept that. If we are looking at this accrual accounting system - and you have just showed me that a large increase in equity in this department is accounted for by a real asset being value added to the Territory - are you going to value add to the Territory by \$115.484m on top of the railway to come out nett nett, no change, in 12 months?

**Ms MARTIN:** There are going to be depreciation of our assets. If you look at the forward estimates, particularly in Budget Paper No 2, you will see that. But, again, that depreciation is something that other states, when they moved to accrual, took considerable time actually very rigorously getting those figures. We think it will take us two to three years. We are working with the Valuer General, to make sure the AVO can do that.

**Mr BURKE:** Can we look forward to a re-appreciation of these assets to increase the Territory's equity, or can we look forward to real assets such as railways, in order to make up for that difference?

**Ms MARTIN:** We have considerable real assets but, in time, they depreciate. Certainly, we will be looking to maintaining our assets and building on them.

**Mr CHAIRMAN:** Is this a supplementary? I did step out of the room. I am sorry.

**Mr BALDWIN:** It is a direct supplementary.

**Mr CHAIRMAN:** It's a direct supplementary to question 123 is it?

**Mr BALDWIN:** The Leader of the Opposition just asked the Chief Minister.

**Mr BURKE:** I think it is an important question. Everyone, particularly the Chief Minister, seems to berate the opposition for not understanding accrual accounting. It seems to me you have had a direct example in that one instance.

**Mr CHAIRMAN:** It appears to me that questions 123 are all about inter-agency transfers. Suddenly we have ...

**Ms MARTIN:** Mr Chairman, I can add some more to this.

**Mr CHAIRMAN:** Maybe I stepped out of the room and got a dose of reality.

**Ms MARTIN:** Okay. Can I just say ...

**Mr CHAIRMAN:** I was happy that we moved on a few of the written questions. Maybe I should step out again.

**Mr BURKE:** No, don't do that.

**Ms MARTIN:** Further advice has said that a lot of that increase in the asset is things like fencing associated with the railway.

**Mr BURKE:** So, we do not have a real asset. Is that right?

**Ms PRINCE:** It is the Northern Territory's capital expenditure in relation to those things that it is providing, in respect of fencing and other infrastructure, in support of the railway. So, it is the direct affect of our capital expenditure, not of the railway of itself.

**Mr REED:** Chief Minister, in terms of valuing these assets, for practical purposes ...

**Ms MARTIN:** Can I just see whether this is related to question 123?

**Mr REED:** It follows on from the last question. We were talking about equity.

**Mr CHAIRMAN:** The equity thing just seemed to materialise out of somewhere ...

**Ms MARTIN:** It has sprung from the left field, yes.

**Mr REED:** That is the nature of this process, Mr Chairman, with due respect, in that an answer ...

**Mr CHAIRMAN:** Could we tie the equity business up pretty rapidly please?

**Mr REED:** Well it depends on the - we are talking about an item of some \$10m to \$34m here. In terms of the valuation of these assets, Chief Minister, and perhaps for practical purposes if we took the bridge over the Katherine River, what process is being applied to value such an asset and then, what process is being applied to write it down each year, to depreciate it?

**Ms MARTIN:** Can I refer that to the Under Treasurer?

**Ms PRINCE:** The bridge over the Katherine River. So we are talking about the railway bridge?

**Mr REED:** No, the road bridge.

**Ms PRINCE:** The road bridge. The Department of Infrastructure, Planning and Environment has put together a preliminary methodology for valuing roads, bridges and infrastructure of that sort. The method that they have used is based on the methodology used in other states. Having done that initial round evaluation, they are actually spending the next six months refining that, and also looking at methods of depreciation of those assets.

There are quite significant differences between jurisdictions in the time period over which they appreciate assets such as roads, and we have to have a look at what happens in states that have conditions similar to the Northern Territory. So we will be looking at the policies used in North Queensland and north-west Western Australia. The fact that this is stage one of the accrual framework has been noted right through the budget papers, and the valuation of assets is something that we will be working on vigorously over the next couple of years.

**Mr REED:** If I could just pursue this a bit further then? If we look at depreciation of \$100m-plus this year and we do not add any over time additional assets to the ledger, we get to the stage where we have nothing of any value. The Katherine Bridge over time, along with all other assets, becomes completely devalued because of a book entry process, notwithstanding the fact that, if it washes away, it has to be replaced. So, I am trying to get to the practical aspects in terms of: are we applying a replacement value, an implied value, what process is being used?

**Mr McGUINNESS:** Mr Chairman.

**Mr CHAIRMAN:** If you could identify yourself?

**Mr McGUINNESS:** Frank McGuinness from Treasury. Okay, in accounting terms, before you bring an asset to book, there are two tests you have to do. First you have to control the asset – that is the start - and there are some assets where we have problems actually defining control. One is the Northern Territory Land Corporation, for example, where legal advice is that it is not controlled, but the Auditor-General is saying it is. The Territory has put improvements on Northern Territory Land Corporation mining leases. Aboriginal lands is another one where there is some debate about control. The Justice Department has given advice, since then, that we control it now and we can, without compunction, bring it to account.

The other one is measurement; there has been a real debate across government. There are a number of ways you can value them. One of them is on current replacement cost, historical cost, present value, market value or accounting standards now use a term called fair value. Whatever that means in government, fair value is supposed to be the price at which a knowing buyer and willing seller would exchange an asset in an open market. An alternative is to use what is called written down current cost or the deprival value. So, with having said all that, there are a number of issues to be sorted over the next year. One is, what assets do we control and how are they to be valued?

Using your example of roads, it was put to Treasury that the life of a road in the Northern Territory was 50 years - that is the road surface. South Australia, which is a more benign climate, uses 33 years. We would suggest that the life of the value of a road surface in the Territory is probably closer to 20 to 25 years. You only need a good Wet. Then engineering advice is too, that the low volume of

traffic in the Territory actually may shorten the life of roads. The reason given is that, where you have high volumes of traffic it actually helps compress the road surface. Where you have low traffic volumes, the road surface can lift in the Wet and with the resultant cracking, water gets in and the road surface breaks up very quickly.

The depreciation costs then – annual depreciation expense which represents the using up of that asset over time - and given that roads is our single biggest asset class, the difference in depreciation of say a 50-year or a 30-year life is actually quite significant. So, that has to be resolved over the next year. The Auditor-General is involved, the Valuer General is involved and, by this time next year, we have to have the problem nussed out.

**Ms MARTIN:** Could I just - as fascinating as this is, we should get back on with the questions to do with ...

**Mr CHAIRMAN:** I am inclined to agree with the Chief Minister. It seems a lot of the time of the committee is taken up with the minutiae of the accrual accounting system. The member for Katherine's questions about this particular issue about assets, is a crucial part - I am not denying it - but it seems as though we are using an inordinate amount of time on this issue. Maybe the member for Sanderson did have a good suggestion when he said that, possibly, we should all have had a briefing - I know that Public Accounts Committee did - about accrual accounting and what it means, because it seems to me that a lot of our time is taken up with this.

I am pushing, once again, that we return to the business of asking questions around the written questions. It is nearly 9 pm and I intend to knock off here somewhere between 11.30 pm and 12 midnight.

**Mr REED:** Well, Mr Chairman, what are we here for? Can I simply ask, then, what is being applied in real, implied or fair value in relation to determining \$5bn - %5bn, twice the budget amount that is being allocated this year. We are not talking here about a box of peanuts. What process was applied in determining the value of those \$5bn worth of assets - I would have thought it was a fair question - to place that value on the books? Was it the fair one, the implied one, the whatever?

**Mr McGUINNESS:** Basically, using agency values, then taking the worse case in terms of asset light.

**Mr REED:** And it may or may not be adjusted over time?

**Mr McGUINNESS:** It will be adjusted over time, because there is no cash effect with depreciation in the short term, however, it does not affect the amount of appropriation. But over the next year, once we get these values sorted out - and perhaps just as a sideline, there has been a real debate in the public sector over the last six or seven years over whether land under roads should be valued. That has taken six or seven years to wend its way through a fairly tortuous process - only this year to have the Australian Accounting Standards Board throw its hands in the air say: 'It is all too difficult; we will walk away from that one'.

**Mr REED:** Thank you.

**Ms MARTIN:** It is a fascinating debate.

**Mr REED:** It is not fascinating; it is ...

**Mr CHAIRMAN:** Member for Nelson, I hope it is a supplementary to 123.

**Mr WOOD:** It is. I am going to have to ask Frank - well, we did say it was one of the biggest items. I was concerned when you said roads are the biggest item. My concern was - and it was a concern of local government - that we were required to depreciate gravel roads. There are a huge amount of

gravel roads in the Northern Territory. We could not understand why you would depreciate a road that you maintain because it is not the same as a bitumen road; it is a maintained road. Do you have the same difficulty?

**Mr CHAIRMAN:** Very rapidly, please.

**Mr McGUINNESS:** Mr Chairman, where you have a gravel road which is constantly maintained, you do not depreciate it because your maintenance cost is effectively depreciation ...

**Mr WOOD:** Is it included in the asset ...

**Mr McGUINNESS:** Yes. Where you have a dirt road, essentially, you regrade these things pretty regularly, and that is your cost of maintaining the road. You do not worry about depreciating those things. If you run the grader over it, where do work, your expenses, yes..

**Ms MARTIN:** Can I offer anyone who would like a briefing on this fascinating subject? Roads depreciation. Serious.

**Mr ELFERINK:** Can I offer you \$40 for the Deep Well Road?

**Mr BURKE:** Mr Chairman, I understand your desire to move on and I am being cooperative, but I do object to people being flippant about this because we are also here to put things on the *Hansard* record for posterity.

**Mr CHAIRMAN:** I don't believe I have been flippant about ...

**Mr BURKE:** I want to make my point, if you do not mind; and that is that this is not only something that can be conducted in briefings. This is important as part of the *Hansard* record. I believe we are not asking questions that are not important for that record. There is nothing I have heard so far that I believe is irrelevant to that record. Certainly, from my side, if I picked out those questions I would ensure that I confine them through my own members.

Question 125: as part of the government's deficit reduction strategy, it was announced in the mini-budget that a budget improvement target of an average of 4% - with the exception of the functions of hospitals, health and community services, schools, police and emergency services, and custodial services which were expected to deliver a cut of 25% of the average level - was to be imposed for the mini-budget in future budgets. What budget improvement target did the agency have in 2001-02, how much did that amount to, and was it achieved in total and by output and activity? What is the budget improvement target for the agency in 2002-03? What is the total amount, and what is it by activity and output? Is the cash relating to the budget improvement cut included in the budget and, if so, how is it treated in the 2001-02 and 2002-03 figures?

**Ms MARTIN:** In the Working for Outcomes budget framework, it is inappropriate to express anything in terms of activity. The mini-budget was presented solely in output terms - referring to your reference to activity and output in the second part of the question. The mini-budget improvement saving was \$537 000 for 2001-02 and \$920 000 for 2002-03. Savings were allocated across department outputs on the following basis - and I will read them out - although adjustments between outputs were made throughout the year: strategic and policy advice, savings in 2001-02, \$63 000, in 2002-03, \$108 000; public sector coordination \$74 000 and \$125 000 in this year; Territory development, it did not apply; NT Railway, it did not apply; support to executive ministers and Leader of the Opposition, \$257 000 for 2001-02, \$438 000 for 2002-03; legislative production, \$23 000 and \$41 000 for this financial year; support to Administrator and Government House, \$47 000 for 2001-02 and for 2002-03, \$82 000; electoral services, \$18 000 in 2001-02, \$32000 in 2002-03; community engagement activities, \$55 000 for 2001-02, and \$94 000 for 2002-03. That comes to a total for 2001-02 of \$537 000, and for 2002-03, \$920 000.

Territory Development mini-budget savings were applied prior to resources transferring to the Department of Chief Minister. The nature of the NT Railway budget, and funding NT obligations in relation to the AustralAsia Railway project, means that no savings could be meaningfully applied.

The identified savings in areas of the department where further significant cuts have not been made, were achieved. However, included in the mini-budget was a saving of \$3m for ministerial officers, inclusive of saving measures. The estimate made at the time of the mini-budget used the estimated account for 2001-02, but this proved to be optimistic. The actual expenditure for 2000-01 was a better base to measure our savings against. In the end, we achieved a saving in this area for 2001-02 of \$2.13m.

**Mr BURKE:** Is it by pure coincidence that the saving of \$537 000 almost lines up exactly with the unexpended allocation of 2000-01?

**Ms MARTIN:** Absolutely.

**Mr BURKE:** Question 127: what has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency. Is there a continuing cost or a need for more staff?

**Ms MARTIN:** For several years, the Territory has been the only jurisdiction to operate in the traditional government cash accounting system. Resources were consumed converting cash accounts to accrual accounts for external reporting purposes; for example, things like the Bureau of Statistics. Combined with the move to output budgeting, the move to accrual budgeting, accounting and reporting ensures the Territory's financial management systems are contemporary and consistent with other jurisdictions across the country. The change to accrual accounting and the Working for Outcomes model has been achieved through the use of existing resources, maximisation of previously unused features available in corporate and agency systems, and training and coordination provided by Treasury and DCIS. This has occurred over the last 18 months and will continue over the next two to three years. It would not be possible to differentiate the costs related to these developments from other financial management costs.

**Mr BURKE:** Question 128: does the data published for your agency in the budget papers (i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the budget papers were compiled? (ii) Where there is any material difference, is there any supporting advice issued by the Treasury or the Treasurer's office with regard to these differences and the nature of that advice? (iii) Where there is a difference, did the agency undertake to advise their minister prior to the budget being delivered that these differences existed?

**Ms MARTIN:** The data published in the budget papers within the Chief Minister's portfolio did not differ materially with the estimates available to the agency at the time the budget papers were compiled.

**Mr BURKE:** Question 129: in line with your commitment to reduce the amount of money government spends on advertising in journals, print and electronic media:

(a) What advertising and promotional activities of you as minister, or government programs, the Northern Territory history, its attractions or resources in any form, including print and electronic media, advertising books and general printed matter, have been funded by the office of the Chief Minister in the period 1 September 2001 to 1 September 2002?

(b) What was the total amount spent on the advertising and promotional activities referred to in question (a) by the Office of the Chief Minister?

(c) What advertising and promotional activities relating to you as the minister or government programs, Northern Territory history, its attractions or resources in any form, including print and



electronic media, advertising, books and general printed matter have been funded by the Department of the Chief Minister, or any of its agencies in the period 1 September 2002 to 1 September 2002?

(d) What was the total amount spent on the advertising and promotional activities referred to in the above question by the Department of the Chief Minister and its agencies?

**Ms MARTIN:** Taking the questions and their components. For (a) advertising commercial activities funded by the Office of the Chief Minister - advertising and promotional activities funded include the following: general advertising in relation to community events, death notices, congratulatory and special messages and other information of interest to the community; some printing including business cards, presentational material, Chinese New Year cards and design work for display material for press conferences and other minor expenditure.

For (b) total amounts - total expenditure for the Chief Minister's Office on advertising and promotional activities from those September dates estimated to be \$40 269. The figure is broken down as follows: advertising \$33 493; marketing information \$3461; and document production \$3315.

The (c) response - advertising and promotional activities funded by the department in the period 1 September 2001 to 1 September 2002 are simply too many to read out now, so I table a document showing these activities by output group.

The (d) response - the total cost of advertising and promotional activities funded by the department is estimated to be \$1.562m. That has been tabled already.

**Mr BURKE:** You set out the group. I assume it is more detailed than that. You have always received that in the past, and that is ...

**Ms MARTIN:** By output group.

**Mr BURKE:** They are specific, you have done well.

**Ms MARTIN:** It is quite specific, lots of detail.

**Mr BURKE:** It refers to a question that was asked before. I would like a little more detail. In your Good Government policy you said you would develop guidelines to discern what is genuine government advertising and ensure public money is not spent on government publicity for partisan political purpose. I understand from your previous answer that you do not have guidelines in place. If you do, do these guidelines apply to your own office?

**Ms MARTIN:** We do have guidelines and I have given a commitment to the member for Araluen to get that to you.

**Mr BURKE:** Could I ask you who is formulating those guidelines? Is it you, is it your political staff or is it the Department of the Chief Minister?

**Ms MARTIN:** The department.

**Mr BURKE:** The Department of the Chief Minister formulates the guidelines? Beautiful. I understand that the Department of the Chief Minister refers back to your political staff for final decision on advertising.

**Ms MARTIN:** The guidelines have been developed within the department, as I understand. Yes, the guidelines have been developed within the department and you will get a copy.

**Mr BURKE:** So these are guidelines in the loosest form, in that the ultimate decision rests with your political staff?

**Ms MARTIN:** I am advised that we reviewed or produced guidelines within about a month ago, and they are very similar to the previous ones.

**Mr BURKE:** That does not answer the question. I asked the question of who makes the decision. Is that decision made by your political staff?

**Ms MARTIN:** On what, particularly?

**Mr BURKE:** On an advertisement that either goes from your office or from my office?

**Ms MARTIN:** If it fits the guidelines, then the decision is made. I make the decisions if it is outside the guidelines, actually. For ministerial offices, if it is outside the guidelines, I make that decision.

**Mr BURKE:** Okay, so any advertising from your office that is outside the guidelines is made by you or one of your operatives?

**Ms MARTIN:** It is made by me, I will accept that. I make those decisions.

**Mr BURKE:** Made by you. So therefore, I assume your office has the power to veto decisions that are made by the Department of the Chief Minister with regards to advertising and the content of advertisements? For example, the department might believe it is political; you have a different view - you have the final say on that?

**Ms MARTIN:** Any decision made about using party political identification in those kind of advertisements is made within the department because the guidelines are there. Certainly, other decisions are made by me.

**Mr BURKE:** So you will provide me with those guidelines?

**Ms MARTIN:** Yes, I think we can do that. Absolutely.

**Mr BURKE:** Okay. Can you tell me how this one fits within your guidelines? The four-page advertisement in the *Northern Defence* featuring every one of your ministers. A full page which I would have thought, not only was costly - it is in the June 2002 issue - it would never be approved for my office in your guidelines; anything like this. So, I am leading to how these guidelines are formulated; how they are interpreted and how they are applied between your office and my office, seeing that you have such an open, honest and accountable system in place. I might add, Chief Minister, if you make the decisions, how come you are getting advice on this at the moment?

**Ms MARTIN:** The guidelines are the same as were under the previous administration, and that is to do with the actual size of the advertisement - they were set by you. Anything that is over that is signed off in my office, of which I take responsibility.

**Mr BURKE:** There has never been an advertisement like this done - certainly in my term as Chief Minister - by the previous government. It is clearly outside the guidelines. Now, if it is within the guidelines, can I ask you, Chief Minister, for approval to put a similar advertisement in the next issue of the *Northern Defence* for my office and my people?

**Ms MARTIN:** The guidelines that applied when you were the Chief Minister are the ones that are still there. If something came within the right size guideline, that was acceptable. But if it did not, it went to your chief of staff and there was decisions made, as I understand it.

**Mr BURKE:** Yes, but you are the one who said you are developing guidelines. You are the one who said you are going to be fair to both sides of politics. You are the one who said that the ...

**Ms MARTIN:** The guidelines specify a certain size.

**Mr BURKE:** I tell you, it is not this size. At the time, the opposition railed against the fact that the government had an advantage over the opposition. You are now in government. I am asking you for equity in this sort of advertising. The Defence Force is not partisan political. In fact, our three members represent dominant defence electorates. It would seem to me, logically, that we would have a greater right to put this sort of advertisement in the paper than the government ...

**Ms MARTIN:** Well, if it fits the guidelines.

**Mr BURKE:** One of your members here comes from Stuart. I wonder how many 2 Cav people live in Stuart?

**Mr KIELY:** Seven.

**Mr BURKE:** Seven?

**Mr KIELY:** It's just a guess.

**Mr BURKE:** That would be the sort of guess that I would expect from the member for Sanderson. You might want to tell me their names.

**Ms MARTIN:** If the proposal fits the guidelines then they are the guidelines that you established. I am saying that I can get more detail on it, but ...

**Mr BURKE:** Well, can you undertake to provide me the guidelines and then tell me how this fits within those guidelines? If it does fit within the guidelines, as you implied, can I therefore ask you that, logically, the same accommodation will be provided for the opposition?

**Ms MARTIN:** Well let us just take one step at a time. Guidelines were established by you, in government, and they are still in place.

**Mr BALDWIN:** So that must fit the guidelines.

**Mr BURKE:** Well, Chief Minister, if the guidelines that are in place now are the same guidelines that were in place in the past, do I assume that you believe that the guidelines in place in the past were adequate, fair and, therefore, all you have said about them being inadequate and unfair, when in opposition, is wrong?

**Ms MARTIN:** We found that there were very arbitrary decisions that applied.

**Mr BURKE:** So arbitrariness depends on whether you are in government or not does it?

**Ms MARTIN:** No, when you were in government they were very arbitrary.

**Mr BURKE:** You are in government. You are now the one who is going to introduce the new guidelines.

**Ms MARTIN:** Well, as I understand, some of the things that have been knocked back have had party

political advertisements on them. Certainly, that was very strictly applied when you were in government. I would have thought that you would have followed the same rule.

**Mr BURKE:** Can I ask who determined that this was genuine government advertising? Was this something recommended by the Department of Chief Minister or one where it would be referred to you or your staff for decision?

**Ms MARTIN:** I would have to ...

**Mr BURKE:** Well, the officers are there; they would know. This would have cost a few thousand dollars.

**Ms MARTIN:** Okay. Give us a moment. Advice: if something fits the guidelines, it is approved within the Department of Chief Minister. If it is outside the guidelines, it comes to my office to be approved by chief of staff. That, I have been advised, was outside the guidelines and it was approved, so you take what message you can from that.

**Mr BURKE:** So if I propose a similar advertisement - same size, same cost - for the opposition, will you approve it?

**Ms MARTIN:** You will have to submit it. This is part of the ministerial officer's program and according to the way it is structured you are the only member who fits that guideline.

**Dr LIM:** Guidelines on the run.

**Ms MARTIN:** No, no, I am taking advice. I am using my good officers here for advice.

**Mr BURKE:** So just for the *Hansard* record, I refer you to your *Labor Means Business* - government by glossy brochure - and I quote, referring to the CLP government:  
*We now have government by glossy brochure. \$0.5m has been spent on putting together Foundations for Our Future documents alone. Then there is the extensive newspaper advertising usually carrying ministerial photos and infomercials, expensive supplements in the NT News and other papers. This is a waste of taxpayer funds and money. This government and Territorians can ill afford it.*

It seems you have changed your opinion of this sort of advertising. I gather from your answer that it would only be approved if it refers to your government ministers and not the opposition, which is most disappointing, Chief Minister.

**Ms MARTIN:** If we are going to take a look at this, if we are in this question of what is being expended, we look at comparisons between the expenditure patterns of the two comparative government times. Advertising 2000-01 under the former Chief Minister, \$61 981; 2001-02 under the Martin government, \$33 422. Marketing and promotions under the Burke government, 2001-02, \$7274; under the Martin government, 2001-02, \$990. Document production, which covers all types of document production, under the Burke government, 2001-02, \$26 360; and under the Martin government 2001-02 is \$6580. If you want to see that in terms of graphs, that it is pretty obvious.

**Mr BURKE:** Chief Minister, we can do that in detail. In reference to your answer, you just quoted me a couple of questions back, an amount of \$39 000 still to be spent, \$26000 spent so far on one document. Don't tell me how little you have spent.

**Mr BALDWIN:** \$60 000 on the budget.

**Ms MARTIN:** That's us personally. That is just a comparison.

**Mr BURKE:** That is on one budget. Don't tell me how little you are spending in your department.

**Ms MARTIN:** That is just a comparison between Chief Ministers.

**Mr BURKE:** A supplementary, Mr Chairman.

**Mr CHAIRMAN:** A supplementary and then the member for Macdonnell has a supplementary question, which I hope is related to this. You have the call.

**Mr BURKE:** Chief Minister, can I refer you to another example in the same line. Could I ask who authorised this two-page advertisement which featured in a July edition of the *NT News*? Could I ask how much the two-page feature cost? You might be able to get that for me if you do not have it already. I assume it would in those figures you tabled somewhere. What other publications did the two-page feature appear in? How much did it cost? Who wrote the editorial content, and did government have any input into the layout of the feature; if so, at what cost? Was it approved by the Department of Chief Minister? Did it come from the budget of the Department of the Chief Minister or did it come out of the Office of the Chief Minister, and was it approved by the officers of the Chief Minister?

**Mr CHAIRMAN:** So is this a question on notice, member for Brennan?

**Mr BALDWIN:** It is supplementary to advertising.

**Mr CHAIRMAN:** Well it is very, very detailed. I will come back to what I have said before: you have had the opportunity to put in written questions and now you are coming along to the Estimates Committee and asking detailed questions. Are you expecting an answer right here and now on this very question? Or are you putting it on notice?

**Mr BURKE:** Mr Chairman, would you refer to your notes and look at question 129?

**Mr CHAIRMAN:** All right, I will.

**Mr BURKE:** If that detail is not to be elucidated from that question, I do not know how else to phrase the question.

**Mr CHAIRMAN:** But this is a very specific question about a specific advertisement.

**Mr BURKE:** And the Chief Minister has been here before, and she knows the way these things are laid out when they are tabled.

**Mr CHAIRMAN:** It is right and proper that you ask it, but ...

**Ms MARTIN:** Leader of the Opposition, I will take it on notice. There is no way we can possibly answer that question now, so we will take it on notice.

**Mr CHAIRMAN:** Yes, it is unreasonable to expect that level of detail just on the spot like this.

**Mr ELFERINK:** Chief Minister, referring back to the ...

**Ms MARTIN:** Sorry, which question is this related to?

**Mr ELFERINK:** This is relating to 129, going back to the advertisement in the *Northern Defence* which the member for Brennan just showed. On page 13 of *Labor Means Business*, your pre-election document, you have highlighted near the bottom of that page, and I quote: 'Labor will reduce the

amount of government advertising promotions to legitimate statutory or other genuine needs, specifically such as ...' and I quote further: '... such as contract procurement information and legal notices'. I am just wondering if that advertisement in the *Northern Defence* there, is that either a contract, a legal notice or procurement document?

**Ms MARTIN:** This government has been very strategic and very appropriate in its use of advertising dollars. If you want to look at some global figures, let us take the Burke government, from July to August last year - two months of the Burke government - and the total, including the Opposition Leader, was \$32 980. That was spent in two months. Now, if you take the Martin government, from September through to June - for the other 10 months of the year - \$51 017. So, in two months, the Burke government managed to spend \$32 980, and in 10 months, this government, raising the issues that you have raised, \$51 017. That speaks for itself.

**Mr REED:** Where on the list of totals, Chief Minister, does this actually ...

**Ms MARTIN:** I give you the global figures and I say that, in terms of our commitments to cut advertising and the waste we saw - which is spelled out very clearly in the figure for two months ...

**Mr REED:** This isn't global, this is by item ...

**Mr CHAIRMAN:** Let the Chief Minister finish her answer please.

**Ms MARTIN:** The record stands for itself, Mr Chairman.

**Mr BALDWIN:** The Chief Minister quoted off the table. I would ask her to table that, Mr Chairman. If she says that this is open and accountable, could she table that list that she just read from?

**Mr CHAIRMAN:** Well, under the standing orders, that is really up to the Chief Minister whether she wants to or not. She has the option of either tabling a document or reading from it, or using it as a basis for her answer. It is her call.

**Ms MARTIN:** I am happy to table it. It was something that I had in an answer to another question. So, let us move on with the questions. You can have the table.

**Mr BURKE:** I would have to say, Chief Minister, certainly in my time in government, I have never seen such a broad break-up of advertising as this. It is normally provided in far greater detail than what is provided here. I have not left this yet, notwithstanding someone's urgency to go on. I am interested in the fact that, in the last answer, you said that this fits because it fits within ministerial guidelines. Can I ask how this one fits within ministerial guidelines, with the names and photos of two backbenchers'? I ask again: was it approved by the Department of the Chief Minister, or was it constructed, authorised and published by the Office of the Chief Minister and, if so, where is the approval?

**Ms MARTIN:** We have taken the question on notice and we will get back to you.

**Mr CHAIRMAN:** I am mindful that we have now been back in session for close on two-and-a-half hours and I am starting to feel a bit weary. I would like to call about a five to 10 minute break. We can have a cup of tea; I feel like one. I propose that we reconvene here at 9.35 pm.

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Committee suspended.

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**Mr CHAIRMAN:** I believe we have a quorum but, before we start, my family always say that I am a worry wart. I am looking through what we have here. We are up to page 3 of 12 of our written questions to do with the Chief Minister. Then for Northern Territory Treasury, we have 10 pages there, and then we have another three pages. I am a bit concerned about it, but let us try and plunge into it.

We have two or two-and-a-half hours left. I would like to see us try and make a dint on it.

**Mr WOOD:** Mr Chairman, may I make a statement? I have always supported and am very much in favour of the government introducing this process, but can I put it on record that I do not appreciate the Deputy Chief Minister approaching me during the last sittings and, basically, threatening me that if we do not hurry this process along, he will cut it all short. I believe it is inappropriate. It was just before we adjourned for the cup of tea, and I think it is totally inappropriate. I have always said that we did not allow enough time, and I have used the example of Tasmania where each minister had nine to nine-and-a-half hours. So I do not appreciate what went on before and I would just like it on the record that it is inappropriate.

**Mr CHAIRMAN:** Thank you for recording that, member for Nelson, but I point out that we have had the Chief Minister since approximately 2:30 pm. We did have an hour for ...

**Mr REED:** Oh, dear!

**Ms CARNEY:** So what?

**Mr CHAIRMAN:** No, I am just making a point here in relation to what the member for Nelson has said. The Chief Minister has been here since 2.30 pm. It is now approximately 9.30 pm. That is seven hours. We had approximately an hour for our break. There is approximately two or two-and-a-half hours left. What I am saying, in all honesty, member for Nelson, is that, even after nine hours, given the Tasmanian model, it is unlikely the way that we are going, that we are going to complete all the outputs for the Chief Minister. That is all I am simply saying to you.

**Mr WOOD:** I have accepted what we have to live with. My main gripe is that I believe it is totally inappropriate for me to be approached in that manner. If a minister of the government has a problem with the process, he should at least approach you. I am just one member of this Estimates Committee and that is where it should be. I just felt threatened that, for some reason, I was going to, all of a sudden, increase the number of questions. I do not know how I would do that on my own, to start with. I just do not think it was appropriate, and it was quite upsetting. I felt it was wrong, and I need to put it on the record.

**Mr CHAIRMAN:** Yes, you have put it on the record now, and I would like us to move on, if we could. We have dispensed, or almost dispensed with question 129. Once again, the majority of the written questions in this output are the member for Brennan, although I note that there are others towards the end there. So, I turn it over to the member for Brennan.

**Mr BURKE:** In reference to 129, Chief Minister, and I refer you to this advertisement in the *NT News* with regard to the Dinah Beach boat ramp and the guidelines of the government. I previously asked you, with regards to your promise to reduce government advertising and promotion to statutory or other general needs, in reference to this half-page advertisement, which leaked detail of your budget before you even introduced it into parliament, was this approved by you, or was it approved by the Department of the Chief Minister? If it was approved by the Department of the Chief Minister, how does it fit within the current guidelines, and also with your election promises? Why, out of all the budget initiatives, did this one, on its own, warrant its own individual advertisement? Why wasn't it applied to others? Can I assume that other boat ramps will be advertised in a similar fashion?

**Ms MARTIN:** So you are encouraging us to do more?

**Mr BURKE:** I am asking you to give me an explanation of how you apply your guidelines. You are telling me that you apply the guidelines consistent with those that were applied by the previous government. Is this one that was approved by the department, or by your office?

**Ms MARTIN:** Look, I cannot give you the details of that. My advice is that it is probably departmental. We will get back to you.

**Mr BURKE:** You just told me you approved it yourself, Chief Minister. So you ...

**Ms MARTIN:** No, no, I am saying this is departmental.

**Mr BURKE:** The person who advised you, he is the one who actually approves it?

**Ms MARTIN:** No, I am telling you that my advice is that that is departmental.

**Mr BURKE:** Well if it is departmental, can I ask you to explain how it fits in within the guidelines.

**Ms MARTIN:** What I am saying is, we will get back to you on that question.

**Mr BURKE:** You said that the guidelines that you apply are consistent with the guidelines that were applied by my government and have not changed. Under my government, with guidelines that you claim are unchanged, the Leader of the Opposition had newsletters which were approved, which featured the ALP slogan in one corner, a logo in one corner, were tagged 'Labor Leader' as part of the taxpayer funded brochures. In terms of media releases, they featured the term 'Labor Opposition Leader'. Both of these things are no longer approved by officers of the Department of the Chief Minister. How is that consistent with guidelines which you claim have not changed?

**Ms MARTIN:** As I understand it, that particular newsletter you are showing would have been approved before guidelines.

**Mr BURKE:** These are the guidelines you just told me before have not changed.

**Ms MARTIN:** Before printed guidelines were introduced.

**Mr BURKE:** So, there is inconsistency in your answer. You told me before the guidelines that you are applying are consistent with the guidelines that were there during my term as Chief Minister.

**Ms MARTIN:** But you had no document production guidelines.

**Mr BURKE:** So you now have document production guidelines?

**Ms MARTIN:** Yes, it has been sent to your office. I have a copy here of something that went to the Chief of Staff, Leader of the Opposition, produced from the Department of Chief Minister. That went on 4 July.

**Mr BURKE:** Can you tell me how this is consistent with those guidelines - the Dinah Beach boat ramp?

**Ms MARTIN:** I said I will get back to you on those, because I believe that is departmental. Don't hold me - that is my belief.

**Mr ELFERINK:** 'Don't hold me responsible'.

**Mr CHAIRMAN:** There is no need for asides like that, member for Macdonnell, please. Can we move on with the business at hand?

**Mr BURKE:** Well, the business at hand, Mr Chairman, is I cannot get an honest answer out of the Chief Minister.



**Ms MARTIN:** I would like to make a point of that. That is a very unfortunate way to describe it: 'an honest answer out of the Chief Minister'.

**Mr BURKE:** It is plain hypocrisy in terms of the guidelines that are being applied by this government, and I believe it is an intrusion in the independence of the public servants who serve your office, that your political operatives make decisions which clearly disadvantage the opposition with political advertising, in contrary to you. Frankly, it is also hypocritical, based on your own claims in your Better Government policy documents.

**Ms MARTIN:** Can I say to the Leader of the Opposition: who funds this?

**Members** interjecting.

**Ms MARTIN:** Who funds this? Guidelines are in place. Pretty flash. I cannot see the opposition struggling at the moment; this is pretty flash.

**Mr BALDWIN:** CLP logo?

**Ms MARTIN:** You are crying poor now and, at the same time, putting out flash brochures. If you look at the global figures for what is spent, which I circulated before, you will see that the expenditure from my government is very small, compared with what you were spending.

**Mr BURKE:** The global figures you circulated do not include the fact that, for one item alone, the budget advertising, you, by your own answer, said you spent \$60 000 in one month. So do not give us any garbage about how much you spend on a monthly basis. You have just told me that you yourself spent \$60 000 on one item, the budget of advertising, in one month ...

**Ms MARTIN:** You had a minister who spent \$56 000 a year on his own hospitality.

**Mr BURKE:** This table bears no relationship to the real spending that is occurring in your office.

I move to question 132: explain what the entry 'expenses relating to prior year receipts' means or, in the case of some agencies, 'receipts relating to prior year expenses'. Detail what the amounts listed against this entry are, for both 2001-02, and 2002-03.

**Ms MARTIN:** Agencies will often receive revenue, particularly from the Commonwealth, close to the end of the financial year, but will not spend against that revenue until the following year. Appropriation is not required for these expenses, as the prior year's revenue is still in the agency's operating account, and should be utilised for this purpose. Therefore, the item 'expenses relating to prior year receipts', identifies the amounts available for use from the operating account, and reduces the requirement for appropriation. Items relating to the carry over of balances from 2000-01 to 2001-02, are \$7000, and from 2001-02 to 2002-03, are \$0.805m. These are contained in the document that I would like to table.

**Mr BURKE:** I understand, Mr Chairman, 133 and 134 have been answered. Am I correct?

**Ms MARTIN:** Yes.

**Mr CHAIRMAN:** I know that you have tabled a document for 134. I am not sure about 133 but, hopefully, the secretary has that. But your comments are noted. Do you want to move on to 136?

**Mr BURKE:** I am pretty sure 133 related to the first question that was asked.

**Ms MARTIN:** Yes.

**Mr BURKE:** Question 136: excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation what has the agency actually got to spend on each output for 2002-03? What are the total amounts for all of the agencies' outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

**Ms MARTIN:** The department's 2002 budgeted output expenditure adjusted to reflect the reduction of the items requested in part one of the questions, is summarised as follows: strategic and policy advice, \$3.804m; public sector coordination, \$4.617m; Territory development, \$4.296m; NT Railway, \$26.594m; government business support, \$14.161m; support to Administrator and Government House, \$1.98m; electoral services, \$0.753m; community engagement activities, \$2.109m; and grants, \$3.054m - which comes to \$61.368m.

While the adjusted amounts have been provided as requested, it should be noted that the budget estimate nett of these various amounts really has no real meaning. Agencies pay taxes and fees for competitive neutrality reasons, and incur other cash and non-cash expenses on the same basis as any other service provider. These items need to be included to assess the full cost of outputs.

Part two of the question requests the total output expenditure for the 2002-03 budget, less the items requested in part one consisting of state taxes, repairs and maintenance, and depreciation of \$1.756m. These deductions produced an adjusted 2002-03 budget output cost of \$61.368m.

Part three of the question requests the same information for the department's 2001-02 budget. The department's 2001-02 estimate of output expenditure adjusted to reflect the deduction of the same items in part one of the question, is summarised as follows: strategic and policy advice, \$3.088m; public sector coordination \$3.124m; Territory development, \$3.450m; NT Railway, \$4.031m; government business support \$15.329m; community engagement activities \$1.804m; support to Administrator and Government House \$2.023m; electoral services \$1.454m; and grants \$2.853m.

The adjusted total output cost removing those items, for some reason, \$37.153m. The total output expenditure for the 2001-02 estimate requested in part three, less the expenditure classifications requested in part one of the question, consists of state taxes, repairs and maintenance and depreciation of \$1.557m, is \$37.153m.

**Mr BURKE:** If you further take all the book entries for inter-agency transfer, inter-agency charges, what is the new amount?

**Ms MARTIN:** Why?

**Mr BURKE:** I just want to find out what the actual allocation is?

**Ms MARTIN:** We could take off – let us just do some ambit bits.

**Mr BURKE:** Just answer the question, Chief Minister. Do you want to get back to me on that?

**Mr CHAIRMAN:** Really, the Chief Minister has - in a briefing with the Speaker yesterday, ministers have the right to answer questions in the way that they see fit, just the same way as they do on the floor of parliament during Question Time. So, I am sure that the Chief Minister will endeavour to answer your questions as best she can.

**Mr REED:** Or not answer.

**Ms MARTIN:** Or not, as the case may be. We have a budget book here that has the appropriate and proper accounting in it. It is under an accrual framework. It is transparent, and it is far more information than we have seen previously. To ask me to do pointless exercises like that is really

wasting this committee's time.

**Mr BURKE:** Okay. Well, in that case, I will do the deduction. I will take the inter-agency transfers off \$37.153m, seeing as you refuse to do it.

Question 159: the Chief Minister said in her budget speech that indigenous policy would be grouped under the new Community Engagement Division. Why does Budget Paper No 3 have it under the strategic and policy advice and public sector coordination output?

**Ms MARTIN:** The Community Engagement Division in the Department of the Chief Minister was formed earlier this year by bringing together the Offices of Ethnic Affairs, Youth Affairs, Senior Territorians and Women's Policy under the umbrella of Community Engagement. This division was reviewed over August and, consequently, is now under the general direction of the Director of Social Policy Unit.

The Office of Indigenous Policy has focussed initially on developing policy to advance indigenous issues across the Territory. It is engaged in initiatives in the areas of land issue and indigenous economic development. The Office of Indigenous Policy is an independent unit from the Department of the Chief Minister; however, of necessity, it works closely with the Social Policy Unit and is associated with Community Engagement Unit, as it does with the policy and coordination division of the department. So it is associated with those but as a separate unit.

**Mr BURKE:** Question 161: similarly, the Chief Minister said the new Community Engagement Division includes the Offices of Women's Policy, Indigenous Policy, Senior Territorians, Ethnic Affairs and Youth Affairs. Yet Budget Paper No 3 suggests that the policy for these areas comes under strategic and policy advice and public sector coordination. What is the case?

**Ms MARTIN:** Under the Working for Outcomes framework individual units will often contribute to more than one output or one output group. This is the case with all units in the Community Engagement Division. All policy development, regardless of the location of the unit within the department, is listed under the strategic and policy advice output; for example, the development of the multicultural policy and the youth policy framework. Other activities which do not relate directly to strategic and policy advice are included under Community Engagement activities and grants output group; for example, things like the Seniors Month and the tribute to NT women.

**Mr CHAIRMAN:** So, member for Brennan, there are two other questions - 215 and 1115 - that are yours. Given the hierarchy of questioners, you have call on those two and then, I believe, that the member for Araluen and others have a call after that. Did you want to ask 215 and 1115 before we allow other members?

**Mr BURKE:** Question 215: are the Offices of Women's Policy, Indigenous Policy, Senior Territorians, Ethnic Affairs, and Youth Affairs funded through the strategic and policy advice and Public Sector Coordination output unit, or the Community Engagement Activities and Grants output unit?

If the Strategic and Policy Advice and Public Sector Coordination is charged with 'the provision of strategic and policy advice' in all these areas, then do the relevant offices no longer offer policy advice, but are limited to 'direct management and coordination of various community engagement activities' as the role of Community Engagement Activities and Grants is described?

It would appear from Budget Paper No 3, page 19 that, compared with the mini-budget, when the estimate for this output group, Strategic and Policy Advice and Public Sector Coordination, was cut by \$118 000 to \$6.949m, that even less was expended in 2001-02; that is, \$6.499m. How was this cut achieved?

**Ms MARTIN:** Referring to the first part of the question, under the Working for Outcomes framework, a business unit or program can be part of more than one output. A number of units in my department

are funded under more than one output. Since each of the offices you have mentioned are involved in policy development for their particular sector, they contribute to the Strategic and Policy Advice output. Similarly, the Office of Women's Policy, Senior Territorians, Ethnic Affairs and Youth Affairs are clearly involved in community engagement, so they contribute to the Community Engagement Activities output. Some officers have grants programs so they contribute to the Grants output.

At the commencement of the process of putting outputs together, it was understood that it would take two to three years to get those inputs right. The most significant movement, in relation to the last part of the question, was the move of the Government Communications Office of \$1.11m out of this group. There were a number of other moves with the nett result of approximately \$450 000. It needs to be pointed out, of course, that we are increasing this output group by \$2.2m for 2002-03 to provide additional capacity in a number of key areas.

**Mr HANLEY:** What was the other question?

**Mr CHAIRMAN:** 1115.

**Mr BURKE:** I think it has been 'not answered'.

**Mr CHAIRMAN:** There are other members who have questions. The member for Araluen, the member for Greatorex and, I believe, the member for Millner has a question that will probably be asked by the member for Barkly.

**Ms CARNEY:** Question 188: for 2001-02, detail of expenditure on promotions and advertising including the cost, nature, subject and purpose for this part of the Chief Minister's Office, and what is the budget allocation for 2002-03.

**Ms MARTIN:** Promotions and advertising, as you are probably aware, are an important component of an overall communication plan which provides the community with information on programs and activities. Expenditure on promotions and advertising for the Office of Women's Policy programs for print and electronic media for 2001-02, and estimates for 2002, appear in a document and if that suits you, I will table that.

**Ms CARNEY:** Thank you. If I could just have a look at that document.

**Ms MARTIN:** Do you want to ask the next question and then you can go back to it?

**Ms CARNEY:** Yes. That is Question 194: detail the number of staff positions and salaries within the Office of Women's Policy and the Department of the Chief Minister for 2001-02 and whether any significant changes in 2002-03 are anticipated?

**Ms MARTIN:** As at 30 June 2002, the Office of Women's Policy had a total of eight staff comprising one Director (EO1), Deputy Director (AO8), Senior Policy Officer (AO7), two policy officers (AO6), Indigenous Policy and Liaison Officers, two part-time staff, which is one full-time equivalent (AO5), Research and Publications Officer (AO4), Secretary/Administrative Officer (AO3), an apprentice and a graduate trainee being employed during part of the 2001-02 year.

Of significance during this coming year is that the position of Director is being advertised for permanent filling as a result of Pam Griffiths, the former Director, transferring to the Social Policy Unit within the Department. Deputy Director, Pam Pemberton, has been permanently appointed to the position after acting in it during 2001-02. One full-time position for the Indigenous Policy Officer was shared by two women, Eileen Cummings and Vicki Holt. Eileen Cummings has transferred to the Social Policy Unit within the department and processes are under way to convert Vicki Holt's employment to full-time. The salary levels for all staff – of which I have given you designations - are publicly available and can be obtained from the Office of the Commissioner of Public Employment web site.

**Ms CARNEY:** Thank you. Could I take you back to the document that you tabled in answer to question 129(c). You will recall in that document you outlined a number of different forms of advertising, in particular - although there is no number – on the third page of that document, the sixth bullet point down. It reads: ‘... general printing of newsletters, posters and brochures’. There does not appear to be any similar reference in the document you have just tabled. Why is that?

**Ms MARTIN:** Just bear with me, member for Araluen. General printing of newsletters, posters and brochures could be with any part of that Community Engagement Division, because that output group is Community Engagement Activities, so that could be with seniors, youth or women.

**Ms CARNEY:** You are obviously confident that the figures provided in the document you have tabled are as accurate as could be.

**Ms MARTIN:** Absolutely, yes.

**Ms CARNEY:** Thank you. I note that I have been allocated another question 497, which is a repeat of the question, and I will do us both a favour by not asking it.

**Ms MARTIN:** Very gracious.

**Mr CHAIRMAN:** Thank you, member for Araluen, that has made me very happy.

**Dr LIM:** If you prefer that I ask the question before the preceded question 260.

**Ms MARTIN:** I am happy. We can just submit that as a written question.

**Ms CHAIRMAN:** I was just affording you a courtesy, member for Greatorex.

**Dr LIM:** Thank you, Mr Chairman. Chief Minister, I note that questions for Ethnic Affairs were directed to the Minister for Ethnic Affairs. However, the question is here under your output group, you might want to take this on. Why is there no line item for expenditure for Ethnic Affairs in the budget paper anyway, apart from this?

**Ms MARTIN:** Question 942. The Office of Ethnic Affairs was listed as an activity in the 2001-02 budget paper, which was the last time activities were shown in budget papers. Under Working for Outcomes, the Office of Ethnic Affairs support three outputs: strategic and policy advice, community engagement activities, and grants. The total budget for the Office of Ethnic Affairs in 2002-03 is \$1.527m, which includes overheads of \$94 000 and \$10 000 for depreciation. The expenditure in 2001-02 was \$1.165m. The increase relates to the additional funds provided to grants, multicultural organisations and for cultural and linguistic scholarships.

**Dr LIM:** I ask you to note that it was not possible to find any reference to the figures you have just quoted within your budget books at all. It probably would be worth your while to take this on notice and make sure that next year you produce something that has some reference to the Office of Ethnic Affairs. Well, not any person in the Territory could find out where or how you are going to find Ethnic Affairs. Apart from your speech, we had one line.

**Mr DUNHAM:** In the Building our Communities - this relates to seniors in this area - I note that at page 24 ...

**Mr CHAIRMAN:** Just a point of clarification, member for Drysdale. Is this supplementary to the question 942.

**Mr DUNHAM:** No, it is this output area, and I think this is about the last question.

**Mr CHAIRMAN:** No, we did have an order for questioning so, before you ask your question, I call on the member for Barkly to ask question 260 please.

**Dr LIM:** A point of order before the question is asked, Mr Chairman. Let me raise a point of order of this issue on question 260 to be asked by the member for Barkly. I take it, therefore, that any member can ask any question on behalf of any member of the Assembly?

**Mr CHAIRMAN:** Well, I took advice from the secretary before on this issue, knowing that it could be karky - someone might contend that it was not proper - and he has informed me that it is quite proper for a member of the core Estimates Committee to ask such a question, provided they had the okay of the person.

**Mr McADAM:** In that case, Mr Chairman, my question 260 is to the Chief Minister: can the Chief Minister detail the expenditure of funds on domestic violence programs this financial year? Specifically, can the Chief Minister detail programs that will impact on the Darwin urban community?

**Ms MARTIN:** Yes, it is a very important question. As a result of the extensive consultations with indigenous communities over the past 12 months, the government has expanded and strengthened previous domestic violence strategies. We will soon be announcing a major new initiative in the area of Aboriginal family violence. Our new family violence approaches are built around whole-of-community capacity building. The approach relies upon skilling the community to deal with these issues by recognising that they involve the whole community.

The question comes from the member for Millner, delivered on his behalf by the member for Barkly. I note the member for Millner's role in establishing, here in Darwin, a men's group to deal with anger management and health issues. This mechanism is an example of our government's progressive new domestic violence strategies encouraging communities to deal with these problems. The domestic violence strategy has been designed primarily to address issues relating to the general population. The indigenous family violence strategy addresses issues of importance to indigenous Territorians primarily living in remote and isolated areas.

My government's total commitment to the domestic violence strategies and the Aboriginal family violence strategy is \$1.2m per annum across agencies:

- \$780 000 is allocated to specific programs under the domestic violence strategy;
- \$128 000 to the Department of Justice towards the provision of specialist domestic violence legal services in Darwin and Alice Springs;
- \$402 000 to the Department of Health and Community Services for specialist domestic violence and sexual assault counselling services in each region;
  
- \$250 000 to the Office of Women's Policy for community education programs, including mass media campaigns, specific projects for targetted groups and management of the Territory's domestic violence data collection project. Each of these includes: information on services for the Darwin urban community; one of the two domestic violence legal services is located in Darwin; domestic violence and sexual assault counselling and support services are available in Darwin; mass media community education campaigns, involving television, radio and printed messages which are broadcast or distributed in Darwin; and the domestic violence data collection project gathers, analyses and has information of reported incidents and includes information by location; and
- \$500 000 is allocated to a new indigenous family violence strategy which will be considered by government towards the end of 2002. This includes \$200 000 new money from July 2002 to manage and drive implementations and strategies through the Social Policy Unit in my department.

**Mr DUNHAM:** In the document entitled *Building our Community* there is a description of seniors which comes in this output area and I quote:

*The Northern Territory Pension Concession Scheme provides concession on electricity, water, sewerage, property rates, garbage rates, motor vehicle registration, driver's licence, urban bus travel, spectacles, interstate travel to eligible members. This scheme is to be reviewed in 2002-03. Total funding \$6.85m.*

Chief Minister, will it be reviewed in your area or the Health minister's area?

**Ms MARTIN:** The review will depend on what aspects are being reviewed, but driven by Health and working in conjunction with seniors.

**Mr DUNHAM:** Working with Health. Can I get a general feel, given that there are growing numbers of pensioners, and that this is a fairly generous scheme, that it would be the government's intention to maintain those benefits and not erode them?

**Ms MARTIN:** As someone who is rapidly reaching those year myself, I have a stronger empathy, as years go by, for seniors. Certainly, we want to see the number of seniors in the Territory grow, and I believe that the scheme is an incredibly worthwhile one to support seniors staying here.

**Mr DUNHAM:** I refer you now, Chief Minister, to Budget Paper No 3, at page 287, where it lists the Community Services Obligations. Under the Community Service Obligations, 'Pension Concession Scheme, Electricity', it shows a drop of \$323 000 - which is a significant drop - with electricity going up and increasing numbers of consumers using it. I wonder if this is a prelude to the review of the scheme, and whether there is any intent to reduce it by that amount?

**Ms MARTIN:** Not at all. I am informed by PowerWater that it reflects a drop in usage which is something that I am concerned about, and will take a look at.

**Mr CHAIRMAN:** Are there further questions? Member for Brennan and member for Araluen after that.

**Mr BURKE:** I have two questions that have not been given notice of. I am sure you can answer one and you may have to take the other one on notice.

The first question is: what was the Territory government's expenditure for the period 1 September 2001 to 1 September 2002 on reports, reviews, papers and other like matters including the individual costs of those reports, reviews and papers; the names of contractors relevant to those reports, the views, papers etcetera; and the purpose and outcome? Were any of those reports made available to the public and, if so, what were the costs associated with the printing of the reports that include the Department of Chief Minister? What were the costs associated with the printing of the reports as accrued by the department and their agencies?

**Ms MARTIN:** Can I just ask, is that submitted? No. We will take it on notice.

**Mr BURKE:** Okay. A question, and you referred to it just before: what is the budget allocation for the new Office of Social Policy and its mission statement within the Department of Chief Minister? What are the staffing positions which exist within the Office of Social Policy? What strategy documents will be produced by the Office of Social Policy, and when will they be implemented?

**Ms MARTIN:** The Social Policy Unit is a development unit and, as we have talked about, it is working with parts of other offices within the Department of Chief Minister's like Women's, Youth, Seniors and Ethnic, to develop that policy. So it is still an emerging unit. We have a head of that unit, Dr Rolf Gerritsen, who is very active in working in a number of different areas. One of the first things that the unit is to develop is a complementary strategy, a social development strategy and a population development strategy, and we target the release on that before the end of the year.

**Mr BURKE:** Do you want to give me, in broad terms, what you mean by 'social'?

**Ms MARTIN:** I am talking about the things that would complement an economic development strategy, so we are looking at issues right across broad areas to do with some of those things to do with youth and women and indigenous policy that would impact within Health, within Justice, within Education and Training.

**Ms CARNEY:** Mr Chairman, to some extent I am in your hands. I refer to question 601 which was redirected to be asked of the Chief Minister and I assume that that was because it falls under the umbrella of indigenous policy. Having said that, I will read the question.

What is the budgeted 2002-03 expenditure to fulfil the election promise to support the construction of indigenous cultural centres in Alice Springs and Tennant Creek?

**Mr CHAIRMAN:** Is that ...

**Ms CARNEY:** It is not there, but it was redirected.

**Ms MARTIN:** Oh, it's not there.

**Ms CARNEY:** My apologies. It is not on this list; it was re-directed. It applies to areas that involve more than one output group. It does not seem to fit anywhere else. For a want of a better description, it seems to be a floater. I am happy to ask it at another time. It is just that I have not received any advice ...

**Ms MARTIN:** Just read it again. I was not listening carefully, and I will tell you where it should go.

**Ms CARNEY:** Question 601: what is the budgeted 2002-03 expenditure to fulfil the election promise to support the construction of indigenous cultural centres in Alice Springs and Tennant Creek? I should say it was originally addressed to the Tourism Minister but came back re-directed to you.

**Ms MARTIN:** We can get back to you on all of those details. But let me tell you for the Tennant Creek Cultural Centre, it is \$1.5m.

**Ms CARNEY:** Thank you. I take it that you will take the Alice Springs one on notice?

**Ms MARTIN:** Yes. Depending on when we get to it, we can deal with it in Arts tomorrow.

**Ms CARNEY:** Thank you.

**Ms MARTIN:** Unless we do a crash course through and we get to Arts tonight, but I don't think so.

**Mr BURKE:** In a similar vein, I have two questions floating - 752 and 837 - which I understand do not appear. Both refer to Asian Relations and Trade, visits by government ministers. They were redirected to the Chief Minister. I am not quite clear where you want them answered.

**Ms MARTIN:** I think I have them at the end here, actually.

**Mr BURKE:** Yes, I know. Where do you want me to ask them?

**Ms MARTIN:** Shall we wait until the end of this allocation?

**Mr BURKE:** We are at the end now.



**Ms MARTIN:** No, no - right at the end. Those are the last two questions I have.

**Mr BURKE:** Well, are we talking about the end of Chief Minister's or Treasury?

**Ms MARTIN:** No, no. we are not anywhere near the end. We have lots more questions.

**Mr CHAIRMAN:** We are not anywhere near the end, member for Brennan.

**Mr BURKE:** I am aware of that.

**Ms MARTIN:** Right. That question has been referred to DBIRD

**Mr BURKE:** Oh, it has gone back to you.

**Ms MARTIN:** Quite probably.

**Mr BURKE:** I just redirected it to you this morning, that is all.

**Ms MARTIN:** They are going to answer it.

**Mr CHAIRMAN:** All right, for this particular output group, are there any other questions related to it? That concludes consideration of this output group. Could the secretary please advise if there are any outstanding written question and answers that need to be tabled? I am not really aware of any.

**Mr HANLEY:** No, Mr Chairman, that is all in that particular output group.

**Mr CHAIRMAN:** We are specifically talking about output 00.03 which involves more than one output group. We will move on from that to the next output which is 1.0, Strategic Policy Advice and Public Sector Coordination. Once again, the Opposition Leader, the member for Brennan, has two questions. The member for Nelson has a question, and also the member for Drysdale. Member for Brennan, if you could kick off please.

#### **Strategic and Policy Advice; Public Sector Coordination**

**Mr BURKE:** Question 166: how much of the increase of \$2.2m for the Strategic Policy Advice and Public Sector Coordination outputs is for the Office of Indigenous Policy?

**Ms MARTIN:** This is output 1.0. As a government, we are committed to working in partnership with indigenous Territorians. One of the most disappointing legacies of the long tenure of the previous government was its consistent failure to face up to and tackle its poor policy record in indigenous affairs, and the resulting counterproductive adversarial relationships with many indigenous Territorians and their representatives. This was also reflected in the valuable resources of both government and indigenous organisations being diverted into costly litigation and conflict, with no effective outcomes for all Territorians. In the meantime, the really pressing problems faced by many indigenous communities have been consistently neglected.

My government is genuinely committed to reversing the policies of the past through developing meaningful partnerships that look to the future. The government established the Office of Indigenous Policy in July this year to provide a whole-of-government focus to indigenous policy, and we are very pleased to have recruited an experienced officer, Neil Westbury, to direct the office.

The Office of Indigenous Policy was established as part of the government's strengthening of the strategic and policy advice activity of the Department of the Chief Minister. This unit allows the department to both provide high level policy advice across a broader range of matters than was previously the case, and to be more proactive in policy coordination and indigenous programs across

the whole-of-government. Accordingly, additional resources have been allocated to the OIP. In the current fiscal year, this cost is \$661 000. Currently, the office is coordinating the implementation of the indigenous economic strategy which was identified in the Economic Development Summit as a priority need. An Indigenous Economic Forum will be conducted in Alice Springs in November. The OIP has principal carriage of negotiations regarding proposed amendments to the *Aboriginal Land Rights (Northern Territory) Act*, and the resolution of a number of outstanding native title matters.

In addition, the Office of Indigenous Policy is coordinating the Wadeye pilot project, in partnership with the Commonwealth, to trial a collaborative approach to improve the delivery of services. The office will also lead an engagement with indigenous Territorians. In particular, an indigenous communications strategy will be developed to ensure that indigenous Territorians are informed of developments in indigenous affairs.

**Mr BALDWIN:** Mr Chairman, can I just ask: the Wadeye collaborative project, was that started by your government or by the former government?

**Ms MARTIN:** That is an initiative between this government and the federal government.

**Mr BALDWIN:** CLP started or Labor government started?

**Ms MARTIN:** No, it is one that was discussed at a federal level probably 12 months ago, and is part of reconciliation co-ord agenda. It is one that we certainly welcome, and we are working very closely with the Commonwealth government on.

**Mr BALDWIN:** And one that the CLP initiated, yes?

**Ms MARTIN:** I will seek advice on that. Look, if you did, well done! Okay? I do not think you did ...

**Mr BALDWIN:** Well, it goes to show the rhetoric that you put in the beginning of your answer of \$661 000 was not necessary, if the CLP initiated it.

**Ms MARTIN:** Look, I was actually very kind in that answer. When you look back and see the more appalling parts of the previous government, then I think that that was said very gently. But in terms of the initiative - look I do not want to argue about this. It is a good initiative, we are working closely with the federal government, it came from a co-ord agenda.

**Mr ELFERINK:** Just a quick one for the Chief Minister. Have you instigated any litigation against any Aboriginal organisations or groups? Straightforward question.

**Ms MARTIN:** It is probably more appropriately a question for the Department of Justice. If you want to direct it towards the Minister for Justice, then that is more appropriate. It is not related to this output.

**Mr ELFERINK:** Well, I am just referring to your answer where you have responded, complaining about litigation in the past. I am wondering, under your government, has any litigation been commenced?

**Ms MARTIN:** That question is more appropriately put to the Department of Justice, but our whole approach is a very different one from the previous government's.

**Mr ELFERINK:** Well, do you know the answer to the question?

**Ms MARTIN:** It is an issue about which I could say, as far as I know, no. However, there could be some action within the Department of Justice that I am unaware of, so it is more appropriately directed to the Minister for Justice. However, let me say broadly, since you raised the issue, that the strategy and the direction of my government is that we resolve issues to do with indigenous land use

or other associated indigenous issues, by not going to court - as we have seen in the past - and we are having a lot of success there. I am very proud of the work that is being done through departments and, also now, directed by the Office of Indigenous Policy to achieve that.

**Mr BURKE:** A supplementary. In that regard, what input does the Office of Indigenous Policy have in those decisions, as to whether or not you will proceed with litigation or settle a claim?

**Ms MARTIN:** The Office of Indigenous Policy is the unit that coordinates our response in those issues, and advice will be gained from the appropriate areas - whether that be through DIPE or Justice. But that coordination comes with the Office of Indigenous Policy.

**Mr BURKE:** So they decide whether or not you will oppose a claim in court or not - the Office of Indigenous Policy - on advice from other departments?

**Ms MARTIN:** That is where our coordination is, and the advice is gained through the relevant departments, and not only DIPE, but Community Development and also Justice.

**Mr BURKE:** You made a claim before about your capacity to settle claims and how adversarial my government was. You are currently opposing a Larrakia claim in court. How does that fit in with your policy to settle claims outside of court, or is it actually a continuation of the previous government's policy and you now realise that there are times when you have to go to court, and times when you may try to settle out of court but you cannot?

**Ms MARTIN:** I think I have made this government's attitude pretty clear that, where we can, where it is possible to take litigation out of these issues, that we will do that. I think that we have made that very clear with Kenbi. But as far as the Larrakia native title for Part A in Darwin, then it is important that that be tested, and there is a proper process going through the tribunal now. However, if you look at the difference between how we are approaching these issues and how the previous government did, I think it is in stark contrast.

**Mr BURKE:** With respect, Chief Minister, I would suggest to you that the reason you are in court on that particular issue is that it is a political time bomb for you to try and settle that one outside a court, rather than test it in court. If you follow your own logic, there seems to be no reason why you could not settle that claim in the urban areas of Darwin, outside of court, as you seem so successfully to be doing in other areas.

**Mr CHAIRMAN:** All right, I think that was a statement that the member for Brennan ...

**Mr BURKE:** I have another question.

**Mr CHAIRMAN:** What, a supplementary? Yes, go ahead.

**Mr BURKE:** How is the Office of Indigenous Policy different from the previous Office of Aboriginal Development? How does it differ?

**Ms MARTIN:** Quite significantly; it is a much smaller office. A lot of those working in the Office of Aboriginal Development were field officers. That is not the case with the Office of Indigenous Policy. The Office of Indigenous Policy's role is to coordinate - as I indicated in my answer - a number of issues to do with the development of indigenous capacity; to coordinate in areas of service delivery, working closely with community development; and to follow on from the initiative that was raised by the Economic Development Summit, which was an indigenous economic forum, that is also happening; to seek very high level and very constructive advice on issues to do with land rights and native title and the resolution of those. That is where that coordination comes, from the Office of Indigenous Policy, which makes it quite significantly different from Office of Aboriginal Development.

**Mr BURKE:** So far there is one person there?

**Ms MARTIN:** Yes. We are ...

**Mr BURKE:** So this one person coordinates and gives advice to government as to whether or not they will proceed in court on native title claims, apart from all their other duties?

**Ms MARTIN:** There is policy advice that is from within the Chief Minister's Department at this stage. We are building that Office of Indigenous Policy to four or five staff. The work of Neil Westbury, at this stage, is to work with those within agencies who have considerable expertise - I again say, within Justice, DIPE and Community Development - to coordinate approaches as to how we deal with those issues when they emerge.

**Mr BURKE:** Would Mr Westbury have been the primary advisor or decision maker as to whether or not you test the Larrakia claim in court, or not?

**Ms MARTIN:** Cabinet makes those decisions.

**Mr BURKE:** Primarily acting on his advice, coordinating departments and providing it to you, or separately through Justice, as occurred in the past?

**Ms MARTIN:** I actually think when the decision was made, quite appropriately to test the native title claims in that Part A in Darwin, that Neil Westbury was not employed by this government.

**Mr MALEY:** Chief Minister, in relation to your talk about savings and trying to resolve matters without going to court, you mentioned the Kembi land claim, and that matter is currently before the federal minister. Do you, or your government, or the policy developed by this department, support the excision of Dum in Mirrie Island and some land around Mandorah and Dundee in relation to the Kenbi land claim? If so ...

**Mr CHAIRMAN:** This is really drifting off the ...

**Ms MARTIN:** This is entirely drifting off, but let me make it very clear, we stopped the litigation. We stopped the litigation with Kenbi and it cost Territorians over 20-odd years, \$1m per year. We are now sitting down with those who identified as traditional owners in that area, and those discussions are happening, and we are seeking resolution of the issues. We are not pretending that it is going to be smooth sailing on that, but it is a far better outcome for all Territorians if we negotiate through that and make those recommendations to the federal minister, but I ...

**Mr MALEY:** I accept those motherhood statements, but ...

**Ms MARTIN:** No, no. I am saying that that is a question that is not part of where we are now, and it can be asked at another time.

**Mr CHAIRMAN:** We could spend another 20 years on Kenbi. There is another question here that the member for Brennan has, No 457. Then the member for Drysdale, and also the member for Nelson have questions. So the member for Brennan might ask that question.

**Mr BURKE:** Question 457: for Strategic and Policy Advice in Public Sector Coordination, Budget Paper No 3, page 19, shows a budget allocation of \$4.806m and yet, Public Sector Coordination, page 23, shows only \$3.966m is allocated. What is the correct figure? How much in cash terms is allocated? The mini-budget allocated \$6.949m for Policy Advice and Coordination for 2001-02; how much was spent? What is the cash figure allocated for 2002-03? How does that compare with \$6.949m?

**Ms MARTIN:** The \$4.806m is the total allocation for the public sector coordination output. Although your question refers to a figure of \$3.966m, I need to point out that page 23 actually shows \$3.133m against that output. The figure of \$3.133m is a quantity performance measure which represents the cost to government of maintaining the capacity to coordinate activities across the public sector. Both the \$4.806m and the \$3.133m figures are correct. The amount spent in 2001-02 for strategic and policy advice on public sector coordination was \$6.421m. The 2002-03 budget figures, in accrual terms, for Strategic and Policy Advice on Public Sector Coordination are \$3.966m and \$4.806m respectively, giving a total of \$8.772m. These are not cash figures and, therefore, are not directly comparable with the mini-budget cash figure.

**Mr CHAIRMAN:** There is no supplementary for that. I would ask the member for Nelson to ask his question 61.

**Mr WOOD:** I am excited. My question probably relates to the previous question to some extent. Chief Minister, in Budget Paper No 3, page 19, the allocation for Strategic and Policy Advice on Public Sector Coordination within the Chief Minister's Department has risen to \$8.7m, an increase of \$2.3m. Can the minister explain what it has done with that money and why the allocation has risen so much, especially in public sector coordination? Maybe you could briefly tell us what public sector coordination does?

**Ms MARTIN:** Thank you, member for Nelson. The government has strengthened the strategic and policy advice activity of the department by adding two new units: the Office of Indigenous Policy and Social Policy Unit. These units allow for the department to provide advice across a broader policy range than was previously the case. The two new units are also part of the expansion of the department's capacity to be more proactive in policy development and coordination across the whole-of-government.

Accordingly, additional resources have been allocated to key areas. The Office of Indigenous Policy was established to provide high level policy advice across the whole-of-government. The Office of Indigenous Policy is currently responsible for implementing key areas of the government's indigenous policy agenda, which I can go through again.

With the creation of the Social Policy Unit as part of the policy and coordination division, this unit has carriage of three major initiatives of government: the formulation of a social development strategy to provide whole-of-government and inter-governmental coordination of social policies in the Territory; the development and implementation of a Territory population policy; and the creation of a community engagement code of practice for all NT government agencies, and the development of best practice models utilising the four community engagement units in the Department of Chief Minister.

The establishment of the Office of Senior Territorians is to encompass strategic directions including the formation of an advisory group, whole-of-government coordination activities, information sharing and promotion. The Year of the Outback 2002 - this features a wide array of events, projects and activities taking place in coordination with other places in Australia.

The principle components constituting the \$2.3m increase in the 2001-02 estimates are: addition of capacity in the executive policy and coordination division including the establishment of social policy in it to strengthen the whole-of-government policy in public sector coordination capability - \$891 000 is the cost of that; establishing the Office of Indigenous Policy, \$661 000; Year of the Outback funding, \$330 000; risk management did not expend their full budget 2001-02 and, hence, this looks like an increase of \$350000.

**Mr DUNHAM:** Question 110 - it has been partly answered in that I understand some of the fees relating to his contract have been provided: please provide a duty statement, performance indicators and conditions of remuneration for Bob Collins. Is Bob Collins bound by the Code of Conduct for public servants?

**Ms MARTIN:** Which bits do you want answered?

**Mr DUNHAM:** All of them.

**Ms MARTIN:** All of them? Okay, I thought you had said it was partly answered. Well, this is a great question because it gives me an opportunity to expand on the role of Bob Collins in working for this government. Of course, it is not a role that commenced with my government. Bob worked long and hard for the previous government in producing his report *Learning Lessons*, which dealt with the important issue of indigenous educational outcomes.

I am very pleased that Bob agreed to continue in this role of advising the Territory government on the implementation of his important report. Bob, of course, is a Territorian of long standing and one with long experience and capability in advising government. He was a member of this Assembly and Leader of the Opposition for many years before becoming a Senator for the Northern Territory in 1987 and, for the last six years of his time as a Senator, between 1996, served Australia and the Territory with great distinction as the federal member in a number of key portfolios.

I cannot think of anyone more qualified to advise my government on matters relevant to the good government of our Territory. For good advice is good government, and Bob Collins delivers that in spades, as the previous government knows full well. Among his many activities, he is Chairman of the Board of the National Centre for Tropical Wetland Research and the Key Centre for Tropical Wildlife Management, positions that place him well to advise the government on tropical knowledge and desert knowledge through the Office of Territory Development.

In regard to his performance, this is a matter for my judgment as it was for the previous Chief Minister. I value his advice and contribution in both his *Learning Lessons* role and in his senior advisory role working closely with the Office of Territory Development. In 2001-02, Bob was paid \$83 278. As a consultant, Bob Collins is not bound by the Code of Conduct for public servants.

**Mr CHAIRMAN:** Are there any supplementaries?

**Mr DUNHAM:** I did have a supplementary, actually, but it was on Gerry's question. Can I go on to that? You talked about how that group did population work. Are you satisfied with their work, given that the tables that were produced for parliament, only mere weeks ago, show population figures that are totally at odds with your budget papers?

**Ms MARTIN:** I was not aware that the figures in that were at odds with our budget papers ...

**Mr DUNHAM:** Well, there is a series page on page 7 of 17 and it has an upper and a lower series and it deals with population increase between 3.9% down to 2.1%. As your budget papers will show you, it comes in 0.7%. Given that this is a contemporaneous paper like your budget papers, I am surprised that this area in your Chief Minister's Department is so far off the mark.

**Ms MARTIN:** There are two different projections there. The population policy has ABS long-term projections and our budget papers have our own. So, they are just two different methodologies. But in terms ...

**Mr DUNHAM:** So is this any use to anybody, this stuff that has been done here?

**Ms MARTIN:** Absolutely.

**Mr DUNHAM:** How can it be so wrong?

**Ms MARTIN:** It is not wrong. They are different methodologies; so that is ABS long-term projection. That is now, in part, under the Social Policy Unit. We are talking to the community right around the Territory about how Territorians feel about how to develop the policy options that are there before

them. It is an excellent initiative because one of the things that we are all aware of is that we need greater population in the Territory. There are a lot of issues associated with that.

**Mr DUNHAM:** Yes, that is correct. Matters of population are very important to us, particularly when we are talking to the Commonwealth about formulae that are driven by population. I note that the Treasury advice is that the Commonwealth, next year, is looking at 0.7% being our growth again and we are arguing with them that it is variously 1.2% or 1.3%, depending on which number you pick out of your papers. However, it would appear that this specialised unit is way, way, way off the mark when you are starting to talk about the projections that are necessary for your budget documentation.

**Ms MARTIN:** This document has users for specific purposes: the ABS long-term projections. Our budget papers are a very different thing. So, this is a policy paper that we will take to the community and talk about specific things. The role of Treasury is a very different one.

**Mr DUNHAM:** Except that they are both doing the same thing: they are extrapolating population trends, and they are looking to use these documents to plan for schools, buildings, services, submissions to the Commonwealth for additional money. The population factor is immensely important. One would have thought if you set up a specialist unit in your department that they would have, at least, some contacts with Treasury, and at least the data would reconcile. Something as simple as the population in 2001, you would think would be roughly line ball.

**Ms MARTIN:** They are different calculations and it does not undermine, as far as I am concerned, because you are saying that you do not like the methodology used, the importance of having a population policy and talking to our community about how they believe we should be working towards growing that population.

**Mr DUNHAM:** I think it is a great idea. All I am saying is it makes departments look rather foolish when they produce two different trend lines and they are both being used for the purpose of advising pretty much the same minister - Treasury, Department of Chief Minister's Department - both advising on population trend lines, and they are radically different by a factor of 300%. Doesn't cause you any policy schizophrenia or anything like that?

**Ms MARTIN:** I can walk and chew gum.

**Mr CHAIRMAN:** Anyway, are there any more questions about this particular output area? I would like to talk to the member for Drysdale about that. I am biting my tongue about it, I will not get into it about population and ABS ...

**Mr BURKE:** No, move on, Mr Chairman.

**Mr CHAIRMAN:** No, but I have to bite my tongue. It is getting late, but it is an important issue to raise.

**Mr DUNHAM:** It is your prerogative.

**Mr CHAIRMAN:** Well, I will. If someone has done research looking at the provision of services in remote areas of the Territory, I can tell you there is a great disparity between ABS figures and the people who are actually there, and that is one of the problems. This is probably what these figures highlight. It is good that we have a projection running separate from the ABS, because it is more likely to be right - probably more likely to be three times what the ABS is saying.

**Mr DUNHAM:** Which one would you suggest is right?

**Mr CHAIRMAN:** No. Look, what I want to say is that that concludes consideration of this output group. You and I can talk about it another time, member for Drysdale. I do not believe that there are any outstanding written questions and answers that need to be tabled. In that case, I would like to go

on to the next output which is Output 1.2, Public Sector Coordination, where the member for Brennan has asked, I believe, some very important questions about Risk Management Services, and I turn it over to the member for Brennan.

#### **Public Sector Coordination**

**Mr BURKE:** Question 149: how many such services by Risk Management were done in 2001-02, and what average cost of revenue the department derived from performing these services?

**Ms MARTIN:** Risk Management Services conducted 94 reviews and audits in 2001-02. These were conducted using a combination of in-house consultant staff and external consultants. The average cost of each consultancy for 2001-02 was \$15 735. This cost includes both internal notional staff rates and external consultant rates. Revenue obtained from GBD for 2001-02 was \$20 527. No revenue was derived from other agencies.

**Mr BURKE:** Question 153: why is it estimated that 20% of target dates will not be met?

**Ms MARTIN:** Well the major point that you can derive from the question is that 80% of target dates will be met. Risk Management Services ...

**Mr BURKE:** I think we are smart enough to figure that much out.

**Ms MARTIN:** I am making the point. Risk Management Services' aim is to complete reports in time frames agreed. Prior to 2002-03, Risk Management Services did not maintain a benchmark against which it could compare performance data. A conservative measure of an 80% target for dates met was chosen as a starting point, based on measurement principles which are recognised across the consulting industry. Actual performance in 2001-02 showed that 4% of target dates were not met. Future performance measures will reflect targets based on this achievement.

**Mr BURKE:** Question 158: why is it estimated 20% of client agencies will find risk management services - essentially internal audits - not valuable?

**Ms MARTIN:** Again, the important point to take from your question is that Risk Management Services is confident that at least 80% of its clients will find its services highly valuable. It should be understood that the function of Risk Management Services is much broader than that of traditional internal audit service. Risk Management Services provide a range of services to chief executives to manage business risk, improve business performance, and to meet their statutory obligations, which is good management practice. Agencies are not required to use the services of Risk Management Services, and may choose to utilise external service providers on a full-fee-paying basis.

Client satisfaction is crucial to the ongoing work of Risk Management Services. A good indication of the value of Risk Management Services' work to client agencies is that, in 2001-02, 94 projects were requested by agencies and completed, using all available internal resources. Risk Management Services is also conducting a broad ranging client satisfaction survey to be completed by the end of this year.

**Mr BURKE:** Question 463: what is the department doing to ensure that it provides a valuable service for client agencies?

**Ms MARTIN:** Risk Management Services provides a business consulting and internal audit service to Territory government agencies. Risk Management Services works closely with agencies to determine their risk management and internal audit needs, and has a performance evaluation process in place to monitor performance on a project-by-project basis. The best indication of the value of Risk Management Services' work to client agencies is that 94 projects were requested by agencies and completed, utilising all available internal resources.

Risk Management Services is also undertaking a comprehensive survey of client agencies' needs



which, as I said, at the end of the year will be completed. This project aims to turn the level of satisfaction of client agencies regarding the broad range of services provided. So, it is doing the work.

**Mr BURKE:** Question 465: the average cost of Risk Management Services is estimated to be \$23 900 and 70 such services are expected to be performed in 2002-03. Is this sum of \$1.673m revenue to the department from other agencies; and if not, what are other agencies charged for these services?

**Ms MARTIN:** The sum of \$1.673m is not revenue to the department from other agencies. It is the sum provided from within the budget to the Chief Minister's Department for Risk Management Services to carry out its role. NTG agencies are not charged for these services, however GBDs and GOCs are. Should agencies require additional services, the chief executive of that agency can choose to supplement Risk Management Services' resources.

**Mr CHAIRMAN:** Are there supplementaries?

**Mr BURKE:** No. I have two questions, 181 and 189, that have been redirected to the Minister for Justice. They appear to me to be ones that the Minister for Justice cannot answer, because they refer to impact on whole-of-government financial positions, based on native title claims. I am happy to redirect them to him, providing I am assured that he will answer the question in full, on behalf of the whole-of-government, and not give me a part answer.

**Ms MARTIN:** It has been redirected. I am just not sure where.

**Mr CHAIRMAN:** If I could give the Opposition Leader the assurance this issue is raised within the committee - from our side, we have given the assurance that, where a question is being directed to a minister with principal responsibilities, that every endeavour will be made to answer that question fully. So, it is an issue that has been raised and from our side, we are keen to make the committee work, and that ministers should answer those questions.

**Mr BURKE:** You just said before, Mr Chairman, that the ministers can answer how they like, as in Question Time. If it is anything like Question Time, we have no chance of getting an answer.

**Mr CHAIRMAN:** I think you have done very well. Of course, I do.

**Ms MARTIN:** I am happy to answer that question. We have moved on from the output, I do not know what we ...

**Mr CHAIRMAN:** Well, we will close that output off. I can see the Minister for Justice agreeing here. I think he will take that question ...

**Mr BURKE:** We have not ...

**Dr LIM:** No, don't close it off yet.

**Mr CHAIRMAN:** We have not closed it off? Well, it is up to the Chief Minister; it is your call.

**Ms MARTIN:** Oh, right. I am happy to tackle the question. I have 181, is that the one? You said there were two.

**Mr BURKE:** Questions 181, and 189. I am happy to read the questions out. I am also happy to take the question as a written answer, provided it is provided properly.

**Ms MARTIN:** Okay. We will put them as written answers.

**Mr BURKE:** Have you got the questions there - 181 and 189 - I will read them for the record: what funding has been allocated in the 2002-03 budget to negotiate the settlement of native title claims in Alice Springs, Tennant Creek, Katherine and Darwin by December 2002? What other impacts on the Territory government's financial position might be incurred in the settlement of these claims? Will this deadline be met?

And 189, on land rights: what funding has been allocated in the 2002-03 budget to negotiate the settlement of Kenbi and other *Aboriginal Land Rights (Northern Territory) Act 1976* claims? What other impacts on the Territory government's financial position might be incurred in the settlement of these claims? What is the deadline for the settlement of these claims?

**Ms MARTIN:** I can answer them now if you like, or give you a written answer.

**Mr CHAIRMAN:** Hold on, is this a point of order, member for Nelson?

**Mr WOOD:** Just that we have a similar question, not exactly the same, so if it is handed in we will not see it. I would rather it entered in, please.

**Ms MARTIN:** Okay, it is not a particularly long answer. The first one is on the settlement of native title claims. With regard to Alice Springs, the government and the native title holders are presently discussing an indigenous land use agreement to complement the decision of the Federal Court that found that native title exists. The cost of government officers to participate in these negotiations are met from existing allocations. The government has provided a special purpose grant of \$50 000 to the native title body corporate; made available office space for 12 months; and offered the use of an NT Fleet vehicle for 12 months. The vehicle offer has not yet been taken up.

We also wish to resolve the Tennant Creek and Katherine native title claims by negotiation, and are working to securing significant progress by December this year.

Native title claims in Darwin area are presently being litigated in the Federal Court, and there are no settlement discussions in progress.

There are no other impacts on the Territory's financial position arising solely as a result of the decision to settle these claims rather than litigate them, except that settlement is likely to be a much less expensive process for government than litigation.

Any extinguishment of native title that has occurred since 31 October 1975 may have given rise to a legal obligation by the Northern Territory or Commonwealth to pay compensation to the native title holders, whether the native title claim is litigated or settled. Presently, there are no legal principles on the amount of compensation payable for extinguishment of native title. The settlement of native title claim may involve the payment of compensation for extinguishment of native title.

And the second answer: we are going to refer that second one to Attorney-General. That is 189. It has been referred to the Attorney-General's so the Minister for Justice will be dealing with that. We have his nod for that.

**Mr BURKE:** In that regard, if I could just pick up on Kenbi. You made the comment that we are talking about Kenbi, we are trying to achieve a negotiated agreement. I understood that a submission had already been through the federal minister's office. Is that not correct?

**Ms MARTIN:** Look, I will let the Minister for Justice handle that.

**Mr BURKE:** So, the Minister for Justice and the Justice Department is handling the Kenbi issue on its own?

**Ms MARTIN:** No, but that question has been referred to there and that will be handled by the Minister for Justice.

**Mr BURKE:** I just warn him that I have a number of supplementaries that may arise from that. I hope he can answer them on a whole-of-government basis. The second one, in particular, is: when is the deadline for these claims, in the government's mind, to be achieved? I will wait for his answer.

**Mr ELFERINK:** Just one very brief one. Chief Minister, you referred to the litigation over the Darwin native title claim. When did that commence?

**Ms MARTIN:** This month.

**Mr ELFERINK:** So, when I asked you the question before of whether you were aware of any such litigation, you told me no, yet you can refer exactly and very precisely to when this litigation commenced.

**Ms MARTIN:** Well it is a testing of a case, and it is quite ...

**Mr ELFERINK:** It is a very specific question. I asked you about litigation and you answered. You used the word 'litigation' in this particular instance very directly. Now, I asked you a very straightforward question, and I got several obfuscations and a denial from you saying: 'No ...

**Ms MARTIN:** No, I gave - because the question was not written, and because I had not been able to do the relevant research - a qualified response to you, I think you will remember. Now, if this particular ...

**Mr ELFERINK:** You said you were not aware of anything.

**Ms MARTIN:** Well, let me say that I am aware of the testing of the native title case in the Federal Court and my qualified answer 'no' includes that.

**Mr CHAIRMAN:** Well, I think the point has been made. I think the member for Daly has a question.

**Mr BALDWIN:** Just a clarification. The Leader of the Opposition, in his second part to that question, asked will the native title issues be resolved by December 2002. Is that your question that went unanswered?

**Mr BURKE:** No, I asked what the deadline was for that one.

**Ms MARTIN:** Sorry, which claim?

**Mr BALDWIN:** For the native title claims on Katherine ...

**Ms MARTIN:** For Alice Springs, we are determined to try and make sure that we can achieve resolution by the end of the year. With Katherine and Tennant Creek, progress is being made and we are hopeful to get that as soon as possible. I cannot give you a date.

**Mr BALDWIN:** But, Chief Minister, in your *Building a Better Territory* document, you have actually given a deadline of December 2002. Will that be met?

**Ms MARTIN:** We are attempting to make that deadline. I cannot tell you exactly. With more confidence I can say I have greater confidence in the Alice Springs one, but the work is being done. We are determined to reach those agreements.

**Mr BALDWIN:** So, this may be incorrect, then, is what you are saying?

**Ms MARTIN:** Those time frames are set so that the work can be done. The targets are there and I imagine that, going through that document, not in every instance will we meet the time frames but we are certainly determined to try.

**Mr WOOD:** If we could just go back to where we were originally on risk management. I do have a supplementary. Chief Minister, does the government have insurance risk management services? Does it look at risk management from an insurance point of view or because it is self-insured, it doesn't worry?

**Ms MARTIN:** It is not to do specifically with insurances. It has to do with business risk.

**Mr WOOD:** Some places undertake risk management to reduce their insurance claims and make sure people do not break a leg on ...

**Ms MARTIN:** We did seminars throughout the Territory using consultants with expertise in that area to talk to business, particularly the non-profit area, on those risk managements.

**Mr CHAIRMAN:** All right, are there any further questions on this output area? There being no further questions, that concludes consideration of this output group. I do not believe that there are any outstanding written questions. I would like to pass on to the next output area which is 2.1, and the output name is Territory Development. Once again, the member for Brennan has a series of questions but there are other questions from the members for Goyder, Port Darwin and Daly. So I hand it over to the member for Brennan on this output area.

#### **Territory Development**

**Mr BURKE:** Question 108: the mini-budget allocated \$2.891m funding for the Office of Territory Development. How much did the office spend in 2001-02? How does the increase of \$640 000 in Budget Paper No 3, page 22, for the Office of Territory Development, relate to the figure of \$3.164m?

**Ms MARTIN:** In the 2001-02 financial year, the Office of Territory Development's total expenditure was \$3.267m. The increase in actual expenditure from the mini-budget allocation, \$376 000, is directly proportional to the increased level of activities and costs for the Sunrise campaign bringing gas onshore to Darwin.

The \$640 000 increase in funding in 2002-03 to the Office of Territory Development fulfils an election commitment for an increase in funds for Territory development. The funds will be used to advance activities such as bringing Timor Sea gas onshore to Darwin; maximising opportunities arising from the port and rail developments for the AustralAsia trade route; investment attraction; knowledge and innovation; minerals processing; and other related activities.

The \$640 000 increase in funding has no direct relationship to the figure of \$3.164m. The amount of \$3.164m represents the cost to government - personnel and operating costs - for maintaining the capacity of the Office of Territory Development to provide strategic advice and directions on Territory economic development to it.

**Mr BURKE:** These outcomes are starting to look a bit woolly in terms of what they actually signify in real outcomes.

Question 117: provide details of staff numbers, positions and salaries paid to all personnel of the Office of Territory Development.

**Ms MARTIN:** As at 31 August 2002, the Office of Territory Development had a total of 26 staff, and I have a table to show that.

**Mr BURKE:** Thank you.

**Ms MARTIN:** The salary levels for all, except executive contract officers, are publicly available - so I have just given those levels, the AO8, ECO - and can be obtained from the Office of the Commissioner for Public Employment web site. Exact details of executive contract officers' salaries are not published; however, the designation provides a reasonable guide. I think you would respect that we do not want to see those salaries published.

**Dr LIM:** They should be on the public record, Chief Minister.

**Ms MARTIN:** The previous government would not have done that, and we will not either.

**Mr BURKE:** I do not think that is true. I have been advised that that is the case in the past. One you lot objected to.

**Ms MARTIN:** Being in government gives you a new understanding. We have it tabled, about to go round.

**Mr BURKE:** Thank you. Has a permanent director been found for the Office of Territory Development?

**Ms MARTIN:** A decision has been made, but it has not been yet made public because it is being finalised. It will probably be made public in one month.

**Mr BURKE:** Why is it taking so long?

**Ms MARTIN:** I might refer that to Mr Tyrrell.

**Mr TYRRELL:** The position, as you would understand, has required quite a range of skills to head up an office to cover those range of functions within the office. We have been through two exercises to try and recruit the right person for the job. We have recruited a number of senior positions within the public service - I forget how many it might be, probably somewhere between 10 and 12 positions. This particular one has proven most difficult to recruit to. But we have had an acting head, that means that work has gone on with a lot of good staff but, within the last month we have resolved the position, so we are almost there.

**Mr BURKE:** What is the relationship in terms of duties between Mr Collins and the director?

**Mr TYRRELL:** Mr Collins is a senior advisor within a number of areas of the government, including *Learning Lessons*, and also providing advice within the Office of Territory Development. The executive director is the person who is responsible for the office - responsible to me, as chief executive, and I, in term am responsible to the Chief Minister.

**Mr BURKE:** So would Mr Collins work to the director, or it would be an informal relationship, depending on how Mr Collins feels on that day?

**Mr TYRRELL:** In terms of his duties on Office of Territory Development projects, he works within the office as a special advisor.

**Mr BURKE:** Question 141: in relation to the Desert Knowledge Australia Symposium held in Alice Springs in August, detail expenditure provided by the department. (a) Was all the allocated expenses spent? (b) Were additional funds required by the organisers of the symposium; if so, how much? (c) What was the total cost of consultants and/or organisers? (d) Were public servants who attended the

symposium required to pay?

**Ms MARTIN:** The Desert Knowledge Australia Symposium was held in Alice Springs from 27 to 30 August. It was a great success. The symposium attracted more than 350 registered participants and provided a forum for a high level series of local, national and international speakers presenting a wide range of materials on desert knowledge. Key issues which arose from speakers' presentations were vigorously workshopped during the symposium. It has paved the way for Desert Knowledge Australia to progress. The symposium was complemented by the Outback 2002 Expo and the Alice Springs Festival activities, which were a large part of Outback Central 2002.

In response to (a) of the question, invoices for goods and services procured in holding the Desert Knowledge Symposium is stilling flowing in. However, expenditure will remain within the budget provided of \$487 000. For (b) no additional funds were required. For (c) which is total cost of consultants under organisers: Wana Ungkuntja, a local Aboriginal-owned company, was selected to project manage the Desert Knowledge Australia Symposium. The cost of this was \$186 791 which included the employment of a convention manager, arranging guest speakers, and coordinating travel for registerants. Public servants who attended symposium were required to pay. Cost for delegate depended on the amount of sessions attended and whether or not they attended the opening ceremony and the symposium dinner.

**Ms CARNEY:** Can I ask a supplementary question, Mr Chairman? I note that Bob Collins chaired parts of the symposium. The figures for the consultants that you read out - I think, \$186 000. Was Mr Collins paid from that \$186 000 or was that an additional expense?

**Ms MARTIN:** I refer that.

**Mr TYRRELL:** It is within Bob's employment. It covers a range of activities and that will be included within the amounts we pay him as a consultant.

**Ms CARNEY:** Perhaps you have misunderstood the question. The Chief Minister said that the consultants were paid \$186 000. My question is: has Mr Collins cost extra? Is that correct?

**Mr TYRRELL:** Sorry. No. As an ongoing consultant to the Office of Territory Development, yes.

**Ms CARNEY:** So, he was not paid a particular sum for that particular event?

**Mr TYRRELL:** No, no.

**Ms MARTIN:** One of Bob's key roles is the development of Desert Knowledge. That is part of his work within the Office of Territory Development - also the Tropic Knowledge. It is something that is a real focus of his activity. So, very appropriately, he was at the Desert Knowledge Symposium.

**Mr CHAIRMAN:** Member for Brennan, I guess you have the call on 611.

**Mr BURKE:** These are redirected questions.

**Mr CHAIRMAN:** Are they? Not on mine ...

**Mr BALDWIN:** From DBIRD.

**Mr BURKE:** How much has been provided in the budget to encourage and facilitate achievement for an aluminium smelter? What siting options are being discussed and what is the time line?

**Ms MARTIN:** Oh, 611: The prospect of the Pechiney aluminium smelter project in Darwin is obviously

an important one for us, to support bringing gas onshore from Sunrise. Pechiney is, however, at this stage selecting an aluminium smelter site in the world and is currently comparing Darwin with South Africa. Pechiney will only proceed with a feasibility study provided that Darwin is more attractive than Koega in South Africa; that it can achieve a satisfactory gas supply agreement with the Sunrise partners; and receive suitable backing from the Commonwealth. This is a priority project, together with the other potential mineral processing projects that are dependent on gas onshore, such as the Alcan extension at Gove and the McArthur River expansion.

Significant staff resources have been identified within the Office of Territory Development 2002-03 budget to encourage and facilitate all of these major minerals and processing projects in the Territory that depend on gas, including the development of an aluminium smelter. These resources will be devoted to reach an agreement on infrastructure at Glyde Point with Pechiney; negotiating project funding with the Commonwealth through Invest Australia; determining land and port requirements at Glyde Point for Pechiney in conjunction with the Department of Infrastructure, Planning and Environment; and the general project facilitation including securing the various clearances in conjunction with other agencies.

The time line for these activities could extend to the end of the year. If Sunrise gas is not secured for this project, prospects for the project will disappear as they require the cheap gas supply for electricity generation purposes. Investigation and preliminary design of the Glyde Point industrial state and port is the major budget cost necessary to support the aluminium smelter project. Halliburton KBR, with the Department of Infrastructure, Planning and Environment is carrying this out.

**Mr WOOD:** Supplementary on that question: will the site for the aluminium smelter be selected by the department before the community has a reasonable say in what is happening, or will it be a *fait accompli*?

**Ms MARTIN:** Glyde Point has been identified as a site for that major industrial ...

**Mr WOOD:** Yes, but it has not really come up for public - I know it has been cited, but it has not come up for public debate or scrutiny.

**Ms MARTIN:** If this comes about, which I certainly hope it does, there will have to be effective community consultation through the EIS and also the planning processes.

**Mr WOOD:** My concern was that the deal might be done and then the process comes after - that is what I am concerned about. I would rather have the process start now, with plenty of time, and then they know that they have a site that people are happy with.

**Ms MARTIN:** Some of that early environmental work has started. Projects like this one, a possible aluminium smelter at Glyde Point, are always dependent on proper EIS processes.

**Mr WOOD:** The process has started earlier, not like the present one?

**Ms MARTIN:** It started in 1998.

**Mr WOOD:** Yes, but the community consultation has not. I know from being on the Litchfield Shire Council and talking to Woodside, that that the public has not really had a say, and I am just saying, that is the way I think it should work.

**Ms MARTIN:** Okay, point taken.

**Mr BURKE:** Chief Minister, you said that Halliburton has been given the consultancy. Part of the question was: how much has been provided in the budget to encourage and facilitate the achievement? How much is Halliburton being paid and where does that appear in the table of

consultants?

**Ms MARTIN:** Halliburton KBR is doing the investigation and preliminary design of Glyde Point industrial estate, and that is through the Department of Infrastructure, Planning and Environment, so any costs will be identified in that agency's package.

**Mr BURKE:** Take a question to that agency to provide the figures on the cost of that?

**Ms MARTIN:** I imagine if that question has been put, that will be there.

**Mr BURKE:** Well, I want to write one to that agency.

**Ms MARTIN:** I am sure it is there.

**Mr BURKE:** Question 620: regarding the Sunrise national interest campaign, how much money was spent on this campaign in 2001-02? Detail where money was spent including consultants, visits by ministers, visits by departmental staff, advertising, hospitality. How much has been allocated to this priority area in 2002-03?

**Ms MARTIN:** The Sunrise national interest campaign, as you are well aware, is a critical one for the Northern Territory. Following research commissioned by government and conducted by ACIL, details were released on the economic benefits of bringing gas onshore and, from this, the national interest campaign developed momentum.

In answering the question: for the year 2001-02, total expenditure on the Sunrise campaign was \$384 925. Items include consultants, \$201 624 - the details of that are: ACIL Consulting, \$112 895, for economic modelling of gas demand and supply for Australia, projections of future demand, benefits to the NT and Australia domestic gas versus the FLNG from Sunrise; Hawker Britton got \$8201 plus \$47 992 for national advertisements in the *Australian* and the *Australian Financial Review*. Ventnor Consulting, \$5975 for information comparison of North-West Shelf incentive from the Commonwealth government; Houston Energy \$4889, report on other country's government policies and involvement in gas development; Project Consulting Services, \$5337 for report of pipeline economics, gas competition issues, including PNG pipeline policy in methane.

For printing there was \$90 375, and that covers production of ACIL reports, newsletters, fact sheets, maps, Team NT material, design layout and distribution costs. For advertising \$49 825, of which \$47 992 is already included under the consultants, as it includes national advertisements placed by Hawker Britton.

Departmental travel is \$20 140. Minister's travel, \$15 000 for myself and minister Henderson. These were multi-purpose trips which included meetings with state Premiers, Commonwealth ministers, CEOs introducing companies and potential customers.

For 2002-03, spent and committed expenditure to date as of 12 September, was \$271 500, including consultants, \$147 500. That was: ACIL, CIE, P Jenkins, G Mcloughlin, Houston Energy Group, Project Consulting Services. These consultants are providing work to support the Sunrise domestic gas case. Marketing of \$184 000 includes market research by McGregor Tan and UMR and that is \$150 000 approximately. Production of a brochure on Darwin's competitive advantage, \$34 000.

The bringing of Sunrise gas onshore is of critical importance to the Territory. It requires a huge effort on the part of the Office of Territory Development and Team NT. So far this financial year, \$271 500 has been spent or committed on the campaign.

**Mr BURKE:** You have mentioned Hawker Britton as consultants on the Sunrise gas project. Were they involved in the Labor Party campaign either locally or elsewhere, and did they get this contract



via a tender process or via a certification of exemption? If the latter, why?

**Ms MARTIN:** Hawker Britton have been paid \$8201. Yes, they were involved with Labor. The process for Sunrise was a certificate of exemption. I might just pass to Paul to talk about that.

**Mr TYRRELL:** It was a certificate of exemption because the work had to be done quickly and it was important that a national firm experienced in national lobbying - communication specialists - were able to do that work quickly and effectively.

**Mr BURKE:** What was the nature of that work again, just to remind me?

**Mr TYRRELL:** It was to develop a communications strategy in terms of communication between the governments and key players and also, importantly, to develop the advertisement that appeared in the *Australian Financial Review* - you will recall that. It was developed and put into that publication which had quite a successful result.

**Mr BURKE:** None of the consultants listed seem to be outside of the area of economic modelling in the broader sense, or engineering-type modelling. Do you have any consultants employed under the broader hat 'lobbyists' in terms of engaged by government to act to influence key decision-makers, or is that all being done locally by your own people?

**Ms MARTIN:** Can I refer that to you, Paul?

**Mr TYRRELL:** We do not have a lobbyist. The communication is being done between the government and the federal government and between the various players: the producers, the gas customers. It is important that, of course, we do have that direct contact in developing a relationship with the customers - the customer base - and trying to convince the producers about bringing Sunrise gas onshore.

We do have a consultant employed in Paul Scott in Canberra, who does provide an important coordinating role in Canberra, given his knowledge of the key people within government and within the Prime Minister's Office. That provides some assistance not only with the Sunrise campaign but, of course, in a number of other areas.

**Mr BURKE:** Can I ask the Chief Minister when you last spoke directly with minister Macfarlane or the Prime Minister on this issue?

**Ms MARTIN:** I spoke with the Prime Minister three weeks ago, I think, by phone, and minister Macfarlane not since - I cannot give an exact date for that. Paul Henderson, as minister assisting on OTD, met with minister Macfarlane last Friday.

**Mr BURKE:** Thank you.

**Mr CHAIRMAN:** How about 621?

**Mr BURKE:** It is all right Mr Chairman, all you are doing there is just getting tired. We are asking the questions.

**Mr CHAIRMAN:** Oh no, I am enervated.

**Mr BURKE:** With regards to Hawker Britton being allocated a contract that was provided by a certificate of exemption, can I ask you whether the decision to use Hawker Britton was a recommendation by the department to you, or a recommendation from you to the department?

**Ms MARTIN:** I cannot give the details of that. Hawker Britton were a company with a national profile and, when you consider that, for what we paid, and the impact that we got from the work they did, it was absolutely critical in turning around the decision by joint venturers to review the national domestic gas case. It is extraordinary good value for money.

**Mr BURKE:** So, Hawker Britton, on a certificate of exemption - I am sure the CEO could answer if you cannot remember - did the department search this company out or, based on your interrogation of those who would be best to do the job, did you recommend to the Chief Minister Hawker Britton be engaged?

**Mr TYRRELL:** When you are looking for specialist firms like that, obviously there is a discussion with a range of people to identify people who could deliver the service. There was not, in something like this - that is what a certificate of exemption is for, where something is high priority and urgent and we need to move quickly to identify someone who can actually do the work. These procedures come about by considering a number of discussions and inputs with people.

**Mr BURKE:** It would be a similar decision to the previous government using Wirthlin, that sort of process - the best people for the job. You would understand that process, Chief Minister, would you?

**Ms MARTIN:** Well, I would consider in this case, considering the time frame that was there and the success of the strategy that was put in place with Hawker Britton, that we got enormous value for money. They certainly targetted where we need to go. Those advertisements that appeared in the *Australian Financial Review* were critical as part of the reason that the joint venturers decided to review the domestic gas case - absolutely critical.

**Mr BURKE:** So you got value for money for Hawker Britton to design an advertisement to go into a couple of national newspapers at a cost of \$53 176 - exclusive of the cost of the advertisements - and that is value for money?

**Ms MARTIN:** No, the ads cost \$47 000.

**Mr BURKE:** No, but that is not included in Hawker Britton's consultant fee. That is a separate amount, or is that the total amount, including the cost of the advertisement?

**Ms MARTIN:** Separate amount. That was the cost of the advertisements - the amount for them was \$8201.

**Mr BURKE:** So where it says 'consultant fees', that, in fact, is wrong. It is not the consultant fees, it is actually the cost of the total campaign as designed by Hawker Britton, is that right?

**Mr TYRRELL:** Yes.

**Mr BALDWIN:** A supplementary on this one. A certificate of exemption will give a reason for why that particular company has been chosen. Perhaps the Chief Minister might like to explain the reason that was on the certificate of exemption, because it is very specific about why you would give this particular company a certificate of exemption.

**Ms MARTIN:** Can I refer that to my CEO?

**Mr TYRRELL:** As you may be aware, when you do get a certificate of exemption, which is eventually endorsed by the Procurement Board, that is a test of the reasons put down. I have gone through what was required - it was a major issue for the Territory. In discussing the matter with a number of people, you identify who can do the job, who have the talents, who have a track record and you make a selection, and you put that down, and it is approved. That is the process we went through. I cannot recall the exact words on a certificate but you do, obviously, identify the talent, the ability of the people

to deliver, and what you are looking for - that is important - and the reasons why you are not going to arrange people to go through an extended procurement process which is not appropriate, in this case. That is what a certificate of exemption is for.

**Mr BALDWIN:** Usually though, it will explain in the format of the C of E, which companies have been approached and why one is better than the others, and why that one has been chosen. That is what I am trying to get to. There were obviously a number of companies, as you have said, that you approached, and that ...

**Mr TYRRELL:** No, I did not say we approached a number of companies.

**Mr BALDWIN:** So it was only this ...

**Mr TYRRELL:** We made an assessment based on the talent and ability of companies that could deliver nationally - which took us interstate - and decided on that firm.

**Dr LIM:** If there is a certificate of exemption for Hawker Britton to be the consultant, would the Chief Minister be prepared to table the COE?

**Mr CHAIRMAN:** COE?

**Dr LIM:** The certificate of exemption.

**Ms MARTIN:** Can I just get a perspective here? We were talking about a campaign, and anyone who has been involved - and certainly the Leader of the Opposition is, with his involvement in Team NT - the strategy to deal with the campaign to get domestic gas onshore from Sunrise is one that has emerged, and sometimes you have to act very quickly as the opportunity emerges. So that has happened over the last few months. The decision to move very quickly to get someone with some national expertise in developing a communications strategy that could do an effective target into the national market was very important. We moved very quickly with a certificate exemption, because the other process is slower and we had to move quickly. The Opposition Leader would be very aware of that. I recall at times, he said: 'Come on government, keep moving. Where is your strategy? We have to keep going at this'. And we were.

So, that certificate for exemption was for that amount of money - it was not a substantial amount. Most of the funds went to putting those advertisements in the paper which are extraordinarily expensive. And we had a great outcome. I cannot see what the problem is.

**Dr LIM:** I accept all that, but just table the certificate of exemption then, if there is no problem.

**Ms MARTIN:** We have a procurement process. It goes to the Procurement Board, and they were happy with the outcome. That is it.

**Mr BURKE:** You said that I have experience in these matters, and you would understand, firstly, the question would arise immediately why you did not pick a local firm. It indicates that no local firm had the capacity, and I doubt that they would like to hear that because I think they are quite capable, particularly for this type of quick effort. Secondly, you would also understand the opposition's concern when an organisation that was involved in your recent election campaign is quickly preferenced on a contract which, by the chief executive officer's words, included a decision greater than him. So we have some suspicions. You said others were consulted.

**Mr TYRRELL:** Only invited in making that decision.

**Mr BURKE:** In making that decision. So you understand our concern?

**Ms MARTIN:** I also put a context on that: for the sum of money it was, and for the outcomes we got, I think it is good value. We needed a company that had those national connections. Good outcomes, terrific.

**Mr CHAIRMAN:** Look, we are nearing 11.30 pm, which is the scheduled time for the committee to finish its deliberations. I am aware of a couple of things. Firstly, I guess, just counting up the number of outputs that are beside the Chief Minister's name, we are only about a third of the way through these things. So, in effect, the Chief Minister has been in the chair for nearly eight hours now, excluding the hour or so for lunch. We talked before about the Tasmanian model, where it is nine hours, bang, finish, no more.

I am very concerned about the lack of progress here. However, given the fact that we have probably had about three 10-minute breaks during the day, I propose to the rest of the core committee that we continue to 12 midnight in all fairness. I would like us to try to transact as much business as we possibly can over the next half an hour, particularly in relation to the written questions which are the basis of this estimates process. We will have to resume tomorrow with the Chief Minister. I am sure she is looking forward to that. I once again call on the member for Brennan and say those magic numbers to him: 621.

**Mr BURKE:** Mr Chairman, before I move to 621, given the answers with regards to Hawker Britton, were there any other of your consultants that were used for Sunrise or any other form of consultation, advertising or promotion work that were involved in the Labor election campaign; for example, Greenant?

**Ms MARTIN:** Greenant was not used in the Labor Party's campaign and were not used in Sunrise.

**Mr BURKE:** Okay.

**Ms MARTIN:** Can I make a point on this certificate of exemption and the comparison that seems to be drawn with something like Wirthlin Worldwide. Hawker Britton got a certificate of exemption for \$8000; Wirthlin Worldwide got one for \$164 000.

**Dr LIM:** But if you are so comfortable with Hawker Britton, table the certificate of exemption. That is all we ask for.

**Mr BALDWIN:** Show the reason.

**Ms MARTIN:** 621?

**Mr BURKE:** Question 621: how much money has been allocated in the budget to work with the rail consortium to achieve the landbridge target of 50 000 containers per annum by the end of 2007?

**Ms MARTIN:** The task of working with Freightlink, the operating and marketing arm of the rail consortium, to achieve the landbridge target and to maximise the value-adding opportunities from the AustralAsia trade route, is being coordinated by a dedicated group from the Office of Territory Development, namely the Business Developments AustralAsia Trade Route Group. The group has three full-time staff members. Total personnel \$400 000 and operational \$140 000; the budget for the group is \$540 000.

The Business Developments AustralAsia Trade Route Group has been actively building a strategic alliance with Freightlink. During 2002-03, the group will work in partnership with Freightlink to market the AustralAsia trade route to major importers and exporters in Australia and Asia. Preliminary planning has already commenced for a joint Freightlink/NT government marketing visit to targeted Asian countries in February 2003. Those countries will be determined following completion of market research that has, and continues to be undertaken, by both Freightlink and the Territory government. One example of this market research was a joint NT government/Freightlink survey of 22 major

importers and exporters at a logistic summit held in Perth this year. A report on that survey has now been completed and will be tabled in the Assembly in the October sittings.

The business development group has also been successful in soliciting Commonwealth funding to support its research and market intelligence work over the coming three years. Negotiations have commenced to finalise Commonwealth funding of \$100 000 per annum over three years for the establishment of an NT Freight Working Group which will include Freightlink. The Commonwealth has already agreed that its funding can be directed to strategic research to assist the development of the AustralAsia trade route and future landbridge freight trials.

**Mr CHAIRMAN:** Member for Brennan.

**Mr BURKE:** Oh, I thought there were some others before me but I am happy to carry on.

**Mr CHAIRMAN:** No you still have 718.

**Mr BURKE:** Question 718: how much money was spent in 2001-02 and how much has been allocated in 2002-03 in facilitating the construction of gas pipelines to Moomba. Detail how the money was and is to be spent.

**Ms MARTIN:** A new gas pipeline from Darwin to the Moomba gas hub is a major and necessary component of the domestic gas market that will justify bringing Sunrise onshore. There is a real market for gas from Moomba from the year 2006, when existing gas contracts expire with customers in New South Wales and South Australia. In addition, there are new potential customers seeking a gas supply source. For the year 2001-02, there was no specific allocation of budget for the facilitation of the gas pipeline for Moomba. Work costs were confined to personnel costs associated with meetings and briefings with potential pipeline contractors.

For the year 2002-03, there is also not a specific budget allocation pending a decision to bring Sunrise gas onshore. However, the issue of the Darwin-Moomba pipeline is a major component in the Sunrise Gas onshore campaign and, therefore, is covered by that activity. The facilitation process of this pipeline will involve the respective Ministers of the Departments of Industry, Planning and Environment, for environmental and infrastructure approvals, and the Department of Business, Industry and Resource Development for pipeline authorisation and licences.

**Mr CHAIRMAN:** If there are no supplementaries on that particular answer – sorry, member for Greatorex.

**Mr BURKE:** I just have a question - are we are just about to move out of that output area?

**Mr CHAIRMAN:** No, the member for Goyder has a number of questions and then we have the member for Port Darwin.

**Mr MALEY:** Question 532: can you provide details of funding in the 2002-03 budget for targetted promotional programs in Australia and overseas to raise awareness of Territory prospects and projects? (a) When will this program begin? (b) Provide details of the structure of this program.

**Ms MARTIN:** That is 532?

**Mr MALEY:** That is correct.

**Ms MARTIN:** The Territory marketing project transferred to the Department of Business, Industry and Resource Development on the closure of the Government Communications last year. In July, it was agreed that the project sat more comfortably with the Office of Territory Development which has a responsibility to promote the Territory as an investment attraction location. Our marketing manager

started work with the unit at the end of July to coordinate the project, which will tie in with the objectives of the economic development strategy, international trade strategy, and investment attraction strategy.

The Office of Territory Development and the Department of Business, Industry and Resource Development have previously collaborated on a package of material designed to promote the Territory to potential investors, based on a library of PowerPoint slides, fact sheets and revised 'at a glance' cards. A brochure outlining Darwin's competitive advantage will be printed this month.

The project is currently at the research stage to determine key target markets, and an initial budget of \$189 000 has been allocated for the project, which will promote the Territory as a place to work, live and invest. It will include material on relocating to the Territory, web-based promotional materials, and whole-of-government promotional material.

**Mr MALEY:** Supplementary in relation to question 532: Chief Minister, will any consultants or non-government organisations be utilised in raising the awareness of Territory prospects and projects in the year 2002-03?

**Ms MARTIN:** I might refer that to my Chief Executive.

**Mr TYRRELL:** We have not identified or appointed anyone to do that at this stage - to promote the Territory - apart from Bob Collins who has a role within the Office of Territory Development. So no, not at this stage. The package of material to support that is all the material that we expect for ministers who visit, whether it be investment bankers or whether it be targetting particular transport companies - so it is that sort of supporting material that is being produced. I guess consultants will be used to prepare that, but not in terms of actually marketing. at this time.

**Mr MALEY:** Chief Minister, you have already flagged a couple of projects by way of example, but could you articulate a bit more detail of what projects have been identified, or you expect would be identified, for targetting to raise the profile of those projects to overseas people and also to people within Australia?

**Ms MARTIN:** Those strategies are being developed now. I would be really pleased to organise you a briefing on it as that strategy emerges.

**Mr MALEY:** Okay, but in terms of subject matter, is there a general subject matter of what sort of projects you are likely to promote within Australia or externally? In a very general way.

**Mr TYRRELL:** Well, clearly, this is linked to the investment strategy, which is a subject of another question. It is part of that, I guess, attracting people to invest in developing industries in the Territory. There are two aspects to it, of course; that is, in terms of developing industries and major new projects within the trade route, or whether it be gas based industries, or whether it be industries that might spin off the back of Tropical Knowledge or Desert Knowledge. So, in terms of that, there is work to be done in researching the targets; for example, particular firms that you might want to come and invest in the business park at East Arm, which will be a part of the trade route, or whether it is just developing existing industries.

**Mr MALEY:** You would agree, though, that there would be certain portions of this promotional project - we talk about projects which is already on foot in the Territory; for example, the port, the railway - and the spin-offs that flow from that? That would be a fair comment?

**Mr TYRRELL:** Yes.

**Mr MALEY:** You talk about promoting the prospects and projects within Australia. How much money is going to be spent in the Territory promoting these types of projects and prospects to Territory people?

**Ms MARTIN:** I refer that to my CEO.

**Mr TYRRELL:** The large projects? Well, that has not been identified in specific terms yet.

**Mr MALEY:** Even in general terms then?

**Mr TYRRELL:** There are two parts to the question, that is related to 532 and 543, which is about marketing the Territory as a place to live, work and invest, and the other is investment attraction. Investment attraction can be two parts: one is for existing developers to reinvest, and develop and invest more; and the other is to actually get more investment from overseas. These are early days for these projects, so the investment strategy is currently being developed at the moment. It is due for release in December and we are finalising a program for this question here which was just answered.

**Mr MALEY:** You have answered my question in part, but perhaps I was clumsy in the way I explained it. What I am trying to extract from you is: how much money have you set aside to promote these projects to Territorians? You haven't made that decision?

**Mr TYRRELL:** At this point, we have not set aside anything, but that does not mean that, if it is appropriate during the year we will do it within the budget of 2002.

**Mr MALEY:** Question 543: will you provide funding details to develop and launch Investment Attraction Strategy by December 2002? What is the funding allocation of the 2002-03 budget for the implementation of the strategy?

**Ms MARTIN:** Investment attraction is an important part of the Territory's future economic and industry development. New investment is needed to grow our existing industries and businesses, and to stimulate the development of new ones. The development and launch of the Investment Attraction Strategy by December this year will be covered from the existing operational budget allocated for the Office of Territory Development. Overall funding for the implementation of the strategy will be determined when the strategy has been finalised and considered by government. Broad marketing initiatives to reposition the Territory as a place to live, work and invest are currently under way. An estimated \$150 000 from the 2002-03 budget for the Office of Territory Development has been allocated to pursue these marketing initiatives, including market research, developing of living in the Territory packages for new and potential residents, and the production of integrated communication materials to promote the capabilities, strengths and competitive advantages of the Territory to investors.

Greater investment will contribute to the longer term sustainability of the Territory, and increase wealth and prosperity for the whole community through increased employment opportunities, skills development and flow-on to small and medium enterprises. It should be noted that investment attraction is one part of Territory and industry development which has numerous facets, including markets, market development promotion, labour availability, training and development, availability of infrastructure, and the underlying costs of goods and services in the Territory.

**Mr MALEY:** I turn to the supplementary. Are you able to say, Chief Minister, what funding will be channelled into consultants or non-government organisations to promote this investment action strategy?

**Ms MARTIN:** We are not anywhere near making those kind of decisions. But again, I would say what Mr Tyrrell said: that we do have Bob Collins as a component of the Office of Territory Development. Also, an important part of doing that investment selling, or the attraction, is part of the ministers of the government. That is not the only aspect, but it is certainly a key one that I am very committed to. 546? Let us move on.

**Mr MALEY:** Question 546: provide funding allocations in the 2002-03 budget for the production and

distribution of the discussion paper on public/private partnerships. When will the discussion paper be released?

**Ms MARTIN:** Public/private partnerships represent a flexible range of contractual relationships between the public and private sectors, whereby private investment may be integrated into the supply and/or management of public infrastructure and achievement of service outputs. Benefits for the government with this procurement option include: the potential for long term savings; transfer of risk to the private sector; a focus on core service delivery by government agencies; and improved social and economic outcomes. A draft public/private partnerships policy framework is now available, and substantial guidance materials supporting the policy statement are being finalised. These will be used as a basis for industry, union and agency consultations over the next two months. Both local and national industry interests will be targetted, and include the construction facilities, maintenance, legal and financial services sector.

A program of consultations is being prepared and the process will be coordinated by the Office of Territory Development with the support of the major government agency stakeholders; that is, Treasury, Department of Infrastructure, Planning and Environment, and Department of Business, Industry and Resource Development. This process allows for the accommodation of appropriate feedback and amendments to the documents, and subsequent presentation to Cabinet for approval to launch, publish and implement the policy framework in December of this year. The cost of production and distribution of all materials associated with the initiatives are incorporated into the budget of the Office of Territory Development.

**Mr BALDWIN:** Mr Chairman, excuse me, can I just ask if that paper is publicly available?

**Ms MARTIN:** It will be.

**Mr BALDWIN:** It will be?

**Ms MARTIN:** Certainly. It is very important that this is publicly consulted. There are a lot of key industry sectors that want to see this. It is not just in the Territory but interstate as well.

**Mr BALDWIN:** I thought you said you had a draft framework, so ...

**Ms MARTIN:** Which is being finalised.

**Mr BALDWIN:** Not ready for public release yet?

**Ms MARTIN:** No, no. It is just being finalised.

**Mr BALDWIN:** So that also did not meet your August deadline that you had in your ...

**Ms MARTIN:** But very close.

**Mr BALDWIN:** So, when will it be ready for public release?

**Ms MARTIN:** The draft public/private partnerships policy framework is being finalised and, over the next two months, those consultations will take place. So, very shortly.

**Mr BALDWIN:** So, two months from now it will be publicly available?

**Ms MARTIN:** No, over the next two months those consultations will take place, so we will be talking about the PPP policy framework with industry groups to meet the December target.



**Mr BALDWIN:** December? It is an August target: 'publish a discussion paper on private/public partnerships by August 2002'.

**Ms MARTIN:** It is draft now, it will be finalised in December.

**Mr BALDWIN:** So it is being published in December.

**Ms MARTIN:** It will be finalised in December.

**Mr BALDWIN:** So it does not meet your target of August? That is my point.

**Ms MARTIN:** The important thing with a document as complex as PPP, is that we actually get it right. That policy support is very important. If you look at what has happened interstate, in the experiences of working with PPPs, you certainly have to get it right. If it does take just a little longer to get that into a shape where we do take it into consultation, that is important.

**Mr BALDWIN:** I agree, but I am going by your documentation that put the time lines in that said that we could go by those time lines. So, I am just asking the question.

**Ms MARTIN:** Yes, good, good.

**Mr CHAIRMAN:** There is a question 608 that is down under the name of the member for Araluen. However, I believe that it is actually a question that has been obviously asked and a very good question too, by the member for Port Darwin. I would call on her to ask this question please.

**Ms CARTER:** Question 608 to the Chief Minister: I note there was no allocation in the budget for progressing the provision of a convention centre in Darwin. Why is this?

**Ms MARTIN:** I wish there was. Government is committed to the establishment of convention centre facilities in Darwin and to experience the success of the convention centre in Alice Springs only encourages us further to, hopefully, in the future be successful with a Darwin convention centre. It is consistent with government's commitment under its economic development strategy to support Territory tourism and infrastructure development. But the task, as I think the previous government realised as well, is not easy. However, the task is not easy, as evidenced by the former government's efforts in testing the market and ultimately terminating the process due to the failure to attract proposals. That represented value for money for government and community.

This government has revisited the process in reviewing the position of the short list of respondents to the former process who, in indicating ongoing interest, provided no specific new proposals. Various options are currently under consideration by government, but respecting the commercial-in-confidence nature of issues associated with some of the options for convention centre facilities in Darwin, it is not appropriate to provide details at this stage.

The government's commitment to the convention centre will be assisted by a financial and economic benefit study being commissioned by my government. This is a major investment issue for government which may or may not proceed due to a whole range of commercial issues. Accordingly, a provision for capital has not been indicated in this budget. It is disappointing. But we are not giving up. It is just tough.

**Mr CHAIRMAN:** The member for Daly has a question, 631, a very good question it is too.

**Ms MARTIN:** I think it is an excellent question.

**Mr BALDWIN:** Thank you, Mr Chairman, I appreciate it too. What funding has been allocated in the 2002-03 budget to conduct a forum of research and development participants in Tropical Knowledge

in the Territory? (a) What date in September 2002 is this to be held? (b) A discussion paper was to be prepared by this forum by July 2002; could a copy of this paper be tabled. (c) What funding has been allocated in this budget term for the hosting of the symposium on Tropical Knowledge in 2003?

**Ms MARTIN:** Good question and thanks for asking it. The government has decided to initiate a Tropical Knowledge strategy, part of which is to seek collaboration with Queensland and Western Australia in the field. The goal is to position northern Australia, globally, as a region of excellence in tropical knowledge; and it is one of the first few world nations exporting its expertise in this area of the knowledge economy to the world. Activities include the promotion of expertise in areas like tropical savannas, health, indigenous tropical knowledge, marine ecology, flora and fauna, and the built environment. Collaborative networks across northern Australia are extensive.

Overall expenditure, in addition to personnel, for Tropical Knowledge in the 2002-03 budget will be around \$30 000. This includes expenditure on the Tropical Knowledge Forum, which is estimated to cost \$2500 and will occur on 1 October 2002. Participants from the Top End will be invited. The tropical knowledge discussion paper currently being considered by government is intended for use by the forum participants. The outcome of this process will form the basis of a strategy scheduled for release in November. A part of that allocation of \$30 000 will be spent on advance planning on the international Tropical Knowledge Symposium scheduled for the second half of 2003. It is anticipated some \$7500 will be spent on this task in 2002-03.

**Mr BALDWIN:** Once again, could I just ask: the discussion paper you said is nearly finalised for going to Cabinet, and that will be used for the participants in the forum. Will that also be publicly available?

**Ms MARTIN:** Certainly, I do not see any problem. This is a really strong initiative from this government.

**Mr BALDWIN:** So the forum is to be held on 1 October, which is two weeks from now.

**Ms MARTIN:** Yes, with invited participants.

**Mr BALDWIN:** So, when will we see that publicly released document, discussion paper?

**Ms MARTIN:** The discussion paper will be at the forum, and I would like to see it circulated as widely as possible following that.

**Mr BALDWIN:** Not before that, though, before 1 October?

**Ms MARTIN:** Well, member for Daly, if you would like a briefing, just ask, I can ...

**Mr BALDWIN:** I do not want a briefing. I am asking, specifically ...

**Ms MARTIN:** But I would be delighted to give you a briefing. I think it is a terrific project.

**Mr BALDWIN:** I think it is a terrific project too. But I am asking ...

**Ms MARTIN:** Good, then come and have a briefing.

**Mr BALDWIN:** Mr Chairman, I will just rest it there now.

**Mr CHAIRMAN:** Rest it there. Now the member for Brennan, I thought, had some supplementary questions in relation to this output area, or was I mistaken?

**Mr BURKE:** I think I would follow it with mentioning that question from the member for Nelson.

**Mr CHAIRMAN:** All right. If there are no further questions on this output area which was the Territory Development Output 2.1, that will conclude consideration of this output group and I do not believe there are any questions outstanding. That being the case, the committee will now proceed to Output 3.1 which is the NT Railway, which is a very interesting area.

**Ms MARTIN:** Mr Chairman, the minister for the railway has carriage of that, and that he will be in front of the committee tomorrow.

**Mr CHAIRMAN:** We need to resolve this because I have a number of questions against your name here. Terry, what is ...

**Ms MARTIN:** The Minister for the AustralAsia Railway has carriage of that.

**A member:** They were all referred to you.

**Mr CHAIRMAN:** So all of those questions there ...

**Mr WOOD:** No, not all

**Mr CHAIRMAN:** What is that?

**Mr WOOD:** I do not think all are, are they?

**Mr CHAIRMAN:** Terry, do you have clarification about this?

**Mr HANLEY:** No. I will have to get clarification.

**Ms MARTIN:** All questions dealing with the railway are appropriately dealt with by the minister for the railway.

**Mr CHAIRMAN:** All right. Thank you, Chief Minister.

**Mr KIELY:** Might I suggest that, given time - and it would be an ideal opportunity to get it straightened out with departmental officers - this is a natural break here rather than starting on another output. Tomorrow morning we can come back and ...

**Mr CHAIRMAN:** Yes, I am afraid I will agree with you - not afraid, member for Sanderson.

**Ms MARTIN:** Member for Sanderson should not be wussing out; I think we can keep going.

**Mr CHAIRMAN:** No, no. I will wuss out.

**Dr LIM:** Mr Chairman, not that I would speak on behalf of the member for Nelson, but I thought 81 would be relevant to the Chief Minister at the moment.

**Mr WOOD:** 65 and 81. Could I ask those two?

**Mr KIELY:** Wouldn't it be better to keep them all together? There might be supplementaries coming out of your questions and I think that would be an opportunity for the opposition.

**Mr WOOD:** Well, one is under the Department of the Chief Minister, and the other is about specific purpose grants to the Chief Minister's Department, so they are both relevant to the Chief Minister.

**A member:** The Chief Minister will still be here tomorrow. She is not going anywhere.

**Ms MARTIN:** But they are for Minister for the AustralAsia Railway, which is appropriately minister Henderson.

**Mr DUNHAM:** No, it is your appropriation.

**Dr LIM:** They are yours, not his.

**Mr BURKE:** You will still be here, anyway.

**Ms MARTIN:** But we have other appropriations - for example, in Arts. I have responsibility for Arts, but it is in the Community Development ...

**Mr BURKE:** Yes. I think if you see the questions, though, minister Henderson cannot answer them. They are whole-of-government appropriations that are under your railway outputs.

**Ms MARTIN:** I have been advised that they are appropriate for the minister for the railway. I am not trying to avoid it; that is just the advice I have.

**Mr CHAIRMAN:** Chief Minister, I think there is a point, there on the surface of it, about question 65. I propose that we adjourn now, but can we clarify that for the meeting tomorrow? The two questions were specifically 65 and 81. It may very well be, as you say, within the area of the other minister, so can we clarify that tomorrow?

I would like to thank members. It has been a long day. I do not want to bash your ear, but I will reiterate that at the end of tonight, I really expected that we would have completed the Deputy Leader and got into Education and Police but we are nowhere near it. We are nowhere near completing the Chief Minister, and it is a great concern for me. The opposition, in particular, should give some consideration overnight about how this business might be expedited. So, with that, I formally adjourn the meeting.

The Committee adjourned.