

The Estimates Committee convened at 8.00 am.

Madam CHAIR: Good morning, everyone. As Chair of the committee, I formally declare this public hearing of the Estimates Committee of the Legislative Assembly of the Northern Territory open, and I extend a welcome to everybody present. I acknowledge that we gather this morning on the land of the Larrakia people and pay my respects to elders past, present and emerging.

This is the 17th year of the Estimates Committee process. Many procedures adopted throughout previous hearings have become accepted practice and will be continued this year.

I will now outline how the committee will operate. In these hearings, the role of the committee is to examine and report on the estimates of proposed expenditure contained in the Appropriation Bill 2018–2019 and related budget documents; and the activities, performance, practices and financial management of the Power and Water Corporation, Jacana Energy and Territory Generation with reference to those corporations' Statements of Corporate Intent 2018–19.

Membership of the committee was established by resolution of the Assembly on 22 March 2018. However, pursuant to Sessional Order 16(2) any members of the Assembly may participate in the committees' public hearings and question witnesses unless the committee orders otherwise, but may not vote. Such members do not count towards quorum, which is three committee members (SO 184).

Furthermore, in the case of illness or inability to attend by a member of the committee, or where a member decides to stand down from the committee for a period of time, substitution can occur by following the procedure in Sessional Order 15.

To assist Hansard, I will advise the membership of the committee at the commencement of every session and will acknowledge, for the record, whenever there is a change of membership of the committee throughout the hearings. In the case of substitution of committee members, I will also advise for the record who the member is substituting for.

As in past years, ministers may make brief opening statements. Members will be able to question the minister on issues that have been raised within those opening remarks. However, where an issue can be directly related to a particular output within the budget, that matter should be addressed when the committee considers that output.

The matter of relevance of questions has been raised a number of times throughout previous estimates hearings. I intend to follow the lead of the Senate, which adopted a report of their Procedure Committee in 1999 in which the following test of relevance was determined:

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

While this general relevance test is very broad, questions also need to be relevant to the outputs under consideration.

For each agency, I will first invite members to ask questions on the minister's opening statement. I will then invite questions on agency-related whole-of-government questions on budget and fiscal strategy. I will then call for questions on each budget output as outlined in the committee's schedule. Finally, I will invite non-output specific budget related questions.

Once an agency or an output has been passed, it will not be revisited. Members may wish to clarify with ministers at the beginning of the hearing the most appropriate output to raise an issue.

The schedule giving the order of outputs has been provided to all members and is also available at the back of the room and on the Assembly's website. We will work through this document as the agenda for the committee.

Where a minister will be available for questioning on outputs administered by agencies that sit within other portfolios, these have been identified in the schedule in blue text. Those particular outputs need to be addressed at the time the responsible minister is appearing before the committee.

The previously accepted method of allocating questions throughout hearings has worked well in the past and the same process will be adopted during these hearings. I propose to invite shadow ministers to ask their questions first, followed by committee members. Finally, other participating members may ask questions.

Subject to the Chair's discretion, within that order, the committee has agreed to allow other members to join in with a line of questioning pursued by another member rather than wait for the end of that member's questioning on the output.

When a question is taken on notice, it is vital that its terms are clear for the record. When a minister or board Chair indicates that they will provide an answer at a later time, I will request the member who raised the matter to clearly and concisely restate the question. I will then ask the minister or board Chair if he or she accepts the question. If it is accepted, I will allocate a number, which will identify that question.

Agency officers and ministerial staff should take note of the question number and ensure it is clearly identified in any response given by the minister or board Chair during the public hearing process or at some later date. Answers to questions on notice must be provided to the committee secretariat by 12 July 2018. The start and finish times of each minister's appearance is inflexible and will be adhered to. However, there is no time fixed for the duration of each agency's appearance.

When questioning of an agency has concluded the committee will move on to the next agency within the minister's portfolio immediately. If a minister's time is exhausted before an agency is reached, that agency will not be questioned. Members will need to manage their questions to allow time for any agencies they wish to question.

Changes of the minister and agency will be tweeted throughout the Legislative Assembly's Twitter account, @LegAssemblyNT, to assist people knowing where proceedings are up to. Witnesses should be aware that evidence given to the committee is protected by parliamentary privilege. However, I remind witnesses that giving a false or misleading evidence to the committee may constitute a contempt of the Legislative Assembly. Officers should also be aware that they are not required to comment on matters of policy.

I note that all the microphones on the tables are normally on, although they do have an off switch if required. Subject to the directions of the committee, credited media are permitted to film the hearings and the cameras on the ceiling are providing a video feed that is being webcast and is available for broadcast.

The rules for broadcasting are in the Estimates Committee Information Manual 2018, copies of which are available at the back of the room.

Hearings will commence at 8 am, lunch is scheduled from 12pm to 12:30pm each day. Dinners are scheduled on Thursday 14 June and Tuesday 19 June at 6.30pm until 7pm. Other breaks will be determined at the Chair's discretion. For all breaks, I will indicate what time the committee will resume and ask for members and witnesses to strictly adhere to those times. Recommencement times will also be notified on Twitter.

For the purpose of the efficient recording of Hansard, I would request that ministers introduce those officials who are accompanying them at these hearings. When a minister refers a question to an officer, that officer needs to clearly identify himself or herself each time for the Hansard record.

THE SPEAKER'S PORTFOLIOS

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Madam CHAIR: The committee will now proceed with consideration of the estimates of proposed expenditure in accordance with the schedule for the consideration of outputs, commencing with Madam Speaker and outputs relating to the Department of the Legislative Assembly.

I note that while the administrative arrangement order puts responsibility for the Department of the Legislative Assembly with the Chief Minister, by convention Madam Speaker administers the department so we will now answer questions relating to the department's outputs.

Madam Speaker, I welcome you and I invite you to introduce the officials accompanying you.

The SPEAKER: Thank you, Madam Chair. I am pleased to make an opening statement as the first witness before the Estimates Committee again this year. This is my sixth successive appearance as Speaker of the Legislative Assembly before this committee.

With me at the table today is the Clerk of the Legislative Assembly, Mr Michael Tatham, on my left; Deputy Clerk, Marianne Conaty, on my right; and the department's Chief Financial Officer, Diem Tang. I will refer questions to them if and when required.

As you are aware I have no role in terms of the Assembly's budget. However, in the Northern Territory each year this committee asks me to step in for the relevant portfolio minister. I could provide a broad overview of all the activities of the department's administration and budget, but I will leave most of that for your questions.

My opening statement today will concentrate on what I believe is one of the important areas of our department and that is education and plans for further outreach. As you would be aware, during May 2014 the department commenced a series of seminars called Know Your Assembly—that was four years ago.

The Know Your Assembly seminars are now four years old and have been attended by 864 people since their inception. One hundred and sixty one people have attended in the past year. This has been a great outcome for the department and improved the understanding of the role and functions of the Legislative Assembly of the Northern Territory, with the focus on teaching about the distinction between the executive government and the parliament.

The seminars have been made available to public servants, legal practitioners, media professionals, industry groups and community groups. This attendance figure is in addition to the 4563 school students we have engaged both here and through the Outreach program, the 1567 people who have come in on our public tours, 633 who have attended events such as Law Week and Commonwealth Week, 1294 who attended open day last year, and those on specially arranged individual tours.

In September this year, I plan to take the Mace on an educational tour down the track of the Territory. Not to educate the Mace but to make it a focal point for visits I plan to make down the track to schools and communities. You might see the Mace pop up on our Facebook page at schools and other community locations such as the electoral offices, police stations and of course, schools. I will be heading out with Craig Muir from our education team and the Clerk to take parliament to the people.

We will hopefully get as far as Mutitjulu after presenting a Know Your Assembly seminar in Alice Springs. You might see some traditional owners and young people with the Mace at Uluru, who knows? Planning is well under way for that trip and I hope to engage as many members along the way—for example Katherine, Tennant Creek—and you, Madam Chair.

As part of the education role, the department is continuing to improve its presence on social media. More than 1000 people now follow the department on Twitter, and in the absence of a standalone website with video on demand and a smooth search function, the Assembly has continued to utilise the resources of the Northern Territory Library's Territory Stories platform for the retrieval of *Hansard*.

User feedback on difficulties with search functions is being addressed right now, and our instructional YouTube video is in the planning stages to help members and other people wanting to search *Hansard*. Any member who would like a cameo role, please let me know.

Electronic availability of tabled papers is progressing well, as is the electronic circulation of bills and explanatory statements upon introduction, which has reduced paper copies being necessary.

I conclude my opening statement by commenting on the annual members survey. Members were surveyed last year against questions relating to Budget Paper No 3 and the performance measures reported against it annually. Sixteen responses were received in 2017, two more than the previous year. The best return rate was in 2013 when 19 members responded.

Aggregated responses scored well over 90% satisfaction levels in each category. Each year I reiterate at the commencement of the survey that when the survey is conducted, each non-return counts as 100% satisfied with the department across all criteria. This approach permits totally satisfied to allow their views to be scored automatically. I trust all the members of the Estimates Committee took the time to answer the survey.

I thank the committee for this opportunity to make an opening statement and welcome your questions.

Madam CHAIR: Thank you Madam Speaker. Are there any questions from the committee members in regard to the statement before we proceed to the outputs?

Mr HIGGINS: If I could just make a comment—if that is alright. Thank you, Madam Speaker, for that opening address. It is interesting you have done this for six years. That is pretty good. I would like to thank all the public servants who answer the global questions on your behalf. I think they have also done an excellent job in getting you ready, just from what you have read in your opening speech. I think education is one of the most important things that comes out of the Assembly.

I know in my travels, I find the lack of understanding by a lot of people on how the parliamentary process goes is a bit disturbing. I think the involvement in schools is to be commended.

The SPEAKER: Member for Daly, when we do Know Your Assembly, we conduct a survey of people afterwards and generally the responses are very positive. Maybe the Clerk can comment on some of the comments coming back from particularly NT Government employees.

The CLERK: Thank you, Madam Speaker. The responses to the surveys of the Know Your Assembly participants is universally—‘we did not know what the distinctions were between the executive and the Assembly’; ‘we got to meet members for the first time’; ‘there was an exposure to the parliament that we found much more than the superficial experience we have had in the past’. It is generally very positive. The only negative feedback is that there is a question of a bit more interaction, so we are going to look at how we can get them up and moving around during the Assembly presentations.

Mr HIGGINS: I think that is one of the things you people have achieved over the last couple of years that should be commended.

Madam CHAIR: Thank you, Member for Daly.

Mr WOOD: In relation to Madam Speaker's comments, *Hansard* is the most important thing, especially for Independents because they do not have much else to back them up. Are there changes that are going to occur with Hansard to enable people to—for instance, if I want to look up what questions I have asked over the last year, will I be able to find that? The old Hansard—I could put my name into Hansard and find out exactly what I had asked and what speeches I had made. The new Hansard, I find it very difficult.

The SPEAKER: I agree, it is difficult. How it came about was the search engine capacity was changed. Mr Clerk can probably explain. We are getting there.

The CLERK: The platform that we used to run on, the Lotus Notes platform, is no longer supported by the Northern Territory Government so we had to move to a new platform. What we have done is entered into an agreement with the Northern Territory Library with regard to all the information that they store and can be retrieved.

As Madam Speaker said in her opening statement, there will be a YouTube instructional video put together to assist people a bit more because we have had some feedback that people cannot find things. We have had one-on-one instruction sessions with people and the feedback from that is, ‘Oh, so it actually can be found; it just requires me to have a bit of a better understanding of how to do it’.

We understand it is a little counterintuitive, perhaps. It is not a really great search function. It is not a function we own, as a department, so we are reliant on what the Northern Territory government provides to the Northern Territory Library. We will put together that instructional video and hopefully over time we will have a much better ability for people to have a search function for the *Hansard*.

The SPEAKER: When it is done, we will also be running training courses or sessions for members—so they can walk through it—and the electoral officers and research people—such the people who are helping you, for example—will understand how to access the information.

Mr WOOD: The other important part of Hansard is the ability for the public and the media to access what has been said. How do you get that out to the public through the new Parliamentary Library Service process—which, when you look at it, is still complicated compared to what was there before. It would be good to see how you approach opening up *Hansard* for the people?

The SPEAKER: Yes. That Territory Stories—the one we have referred to—is having a facelift, technologically speaking, in June this year—as we are speaking. I have the notes here. The interface with the updated additional computer fields makes searching Legislative Assembly documents easier, which is Hansard as well as tabled documents and Questions on Notice, for example. Hopefully, in the next month or two you will see some much-needed improvements.

Mr WOOD: Thank you, Madam Speaker. Madam Chair, can I ask a question so we do not have to go past—I have a question in relation to one of the strategic issues that is written in the budget on page 39. I have no idea where it would go in relation to our outputs. It probably will not go into Assembly—well, I am not sure where it should go ...

Madam CHAIR: Member for Nelson, in the next section I will be asking for agency-related whole-of-government questions in the budget, so that is probably where it goes.

Mr WOOD: My problem is I am not sure where it goes in that ...

Madam CHAIR: No, this is a general one before the outputs, so we have not started the outputs yet.

Mr WOOD: All right.

Madam CHAIR: Are there any other questions in relation to the Speaker's statement.

Mr HIGGINS: Just to close off on the *Hansard* issue, one of the things I had in the output area was what sort of costs are we looking at for that?

The SPEAKER: Northern Territory Libraries undertaking the cost, so none to the department.

Mr HIGGINS: That is all right.

Agency-Related Whole-of-Government Question on Budget and Fiscal Strategy

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2018–19 that relate to the Department of the Legislative Assembly. Are there any agency-related whole-of-government questions on the budget and fiscal strategy?

Mr WOOD: Madam Speaker, on page 39 of the budget paper under Strategies Issues, it says:

Consideration of Parliamentary Privilege in the context of the Independent Commission Against Corruption Act and development of relevant memorandums of understanding with Northern Territory Police and an Independent Commissioner Against Corruption.

Could you please explain what that means?

The SPEAKER: Give some details, sure. I will do a little and then I will hand to the Clerk. When the inquiry or hearings were on about this bill being drafted, we had input. We put in a submission and the Clerk has also had discussions with the Solicitor-General's office and the department of Justice because of the very specific parliamentary privilege and accessing documents that are considered to be parliamentary privilege. There have been issues—as we all know—in the other states where there have been clashes. I will hand over to the Clerk to explain further.

The CLERK: Member for Nelson, the development of the ICAC act took quite a long time through the Department of the Attorney-General and Justice. We were on the working group with that department and spoke with them about the clauses in the bill that were being developed around parliamentary privilege and the intersection between the Legislative Assembly and the broad powers that the Independent Commissioner Against Corruption will have—or does have now.

The discussion arose about protecting parliamentary privilege, as was a recommendation in the Martin report and how that would be balanced. The Speaker, on behalf of the Assembly, commissioned a briefing from Mr Bret Walker SC, who is arguably Australia's pre-eminent privilege lawyer. He has provided a lot of advice to the parliaments of Western Australia, New South Wales and Victoria on matters of privilege, particularly where it intersects with ICAC.

Matters that arise with regard to that are questions of if the ICAC issues a search warrant and the papers of the search warrant may be privileged, how is that dealt with? That is now dealt with under the act. There is a process under the act for how the Supreme Court will be involved with regard to dealing with a claim of privilege. If a search warrant is executed on a member's office or their home, the papers that are in dispute would be dealt with in a separate way under that.

The output also talks about a memorandum of understanding. There was a specific recommendation in the Martin report that there be a memorandum of understanding between the Legislative Assembly and the Northern Territory Police. This has not yet occurred, there have been some preliminary discussions but it does not seem to have gone any further than preliminary discussions. There have been discussions around search warrants between this agency and the Northern Territory Police for somewhere near 10 years, and they have not progressed beyond that.

There is a memorandum of understanding in the Australian Parliament and the Australian Federal Police about what they will do with searching for documents that belong to members. It is an issue that should be dealt with before the Independent Commission against Corruption actually commences its procedures. Really, it is one that is left with the police to come back to us.

The SPEAKER: Just to add on to that—it is sort of related. As you probably know, the police cannot serve papers on anyone in this building, particularly members, because that is covered under the *Legislative Assembly (Powers and Privileges) Act*. If they are looking to do that, that person has to be outside of the precinct. That is sort of related, but around the peripheral.

Mr WOOD: It is new for this place because we have not had an ICAC before, so it will be interesting to see ...

The SPEAKER: That is why we need to have these discussions with the police and Attorney-General's department.

Mr WOOD: Thank you, Madam Chair.

Mrs WORDEN: Madam Chair, I have a question. I am in the same boat, I cannot find the particular output, so I am going to pitch here. I am interested in the work of the Commonwealth Parliamentary Association activities. I am wondering what your role is, and more specifically, the Northern Territory's role with the British and Commonwealth Women's Association? Could you explain a little bit more about that?

The SPEAKER: As you know, each branch has a Commonwealth Parliamentary Association branch and we had our AGM at the end of the year. Within each state and territory there is the Commonwealth Women's Association—Commonwealth Women Parliamentarians. I think it is a network, so all the female members belong to that network.

I recently attended on behalf of the NT in London, along with parliamentarians from Tasmania, New South Wales and Western Australia. There were other Australians there, but they were from the business community. One businesswoman from Darwin, Angela Tomazos from the National Australia Bank, attended as a businessperson.

How that came about is the Commonwealth Parliamentary Association in London wrote to all the regions. Australia is a region. The secretary is Tom Duncan in Canberra. He then, in turn, wrote to all the state secretaries and the Clerks' secretaries of the CPA and the CWP saying, 'we are calling for nominations of women and we want strong representation from parliamentary women to attend the Commonwealth Women's Forum', which was part of the week of CHOGM in London. It was a precursor to CHOGM. They had areas of youth, women, business and environment. That forum fed into the CHOGM's discussions.

So what we did in the Territory is we wrote to all members. Members for Katherine, Araluen and myself were nominated to be the Northern Territory Members of Parliament to go that the London function. The Attorney-General drew names out of a hat and that was how I got selected.

I met with the other parliamentary women. They had different groups over there. I am still drafting my report as to the outcomes of that to bring back here. There were about three or four days. The Deputy Clerk accompanied me. It is interesting that we are such a small jurisdiction and the problems in the big wide world are just so enormous. You sort of think, 'how do you actually start?' I learnt quite a lot from it.

I kept thinking, 'why are they focussing on Africa so much in a women's forum?' The reason is because that is where the problems are. To empower women to get into a position of prosperity, they have to be educated, which means they have to go to school. When we were there, the President of Sierra Leone addressed the group and made a commitment by his government that it is mandated that young girls will stay at school until Year 12. Whereas, most girls in African countries are pulled out of schools by about 7 or 8, either married or sent down to pick up sand. There are some horrific stories that came out. Also the countries in the Caribbean, they are also pretty bad too.

I am trying to get that together to put into a report for all the female members here, but also to use for all of us when we go to a high school in particular, to empower the young women to stay at school. It is so important to be educated. That then leads on to economic empowerment. If the woman has economic empowerment and an economic base, then she and her family in the community can prosper. That is how it came about.

Ms NELSON: Madam Chair, I have a question. There has been a lot of discussion from the public and driven by the media in regard to travel expenses through the CWA and the CWP. Can you briefly explain who covers the cost of travel? If I were selected, for example, to represent the Northern Territory at a similar event, who covers that?

The SPEAKER: The CPA. The travel people have been on—other members and I have gone to either CWP or CPA functions in Australia or overseas. I know you went to Paris. Minister Vowles went to London for a CPA function. Basically, they cover the cost. We may pay it out of our physical bank account in Darwin, but we are reimbursed. It is the CPA, not the Department of the Legislative Assembly. Those costs are covered by the CPA.

As you know, there is the annual report from last year, so you can see that our CPA has about \$10 000 in the bank. That is just from membership dues, interest and things of that nature. The Clerk has a few words on that.

The CLERK: As a matter of clarification, the Commonwealth Parliamentary Association headquarters in London—if they invite us to something, they will offer return economy-class airfare and accommodation. What is available to all members of this parliament under the Remuneration Tribunal Determinations is an entitlement to travel for CPA functions. If you are invited to a CPA function, your entitlement to travel is for a business-class fare, accommodation and all the allowances that flow from that. What the CPA may pay, may not 100% cover that amount.

What we have entered into with the Commonwealth Parliamentary Association in London is a relationship where we treat the reimbursements from the CPA as a non-reciprocal grant. That has been tested by our auditor, who has said that is perfectly okay. We have written confirmation from CPA headquarters that they think that is an appropriate way to deal with funds that flow from the headquarters. Because we have the absolute entitlement for members under the RTD, that is what funds the member from our point of view to begin with.

When some of the funds are returned from CPA headquarters, they are banked into the CPA account because we are a CPA branch and that is the audited account of the branch. That was discussed and agreed to at the AGM last November. It is a situation we have been dealing with for a number of years.

If, for example, I was invited—which I was in 2016—to travel to Zambia, I do not have an entitlement to travel under any Remuneration Tribunal Determination. The amount that was paid by the CPA headquarters to reimburse a portion of my travel to Zambia was refunded to the Department of the Legislative Assembly because it was government expenditure, approved by the government, for me to travel for CPA purposes. But, because I am not a representative of the branch per se, I was used as a resource person by CPA headquarters for that seminar in Zambia. There was a partial refund and that money went to Northern Territory Government consolidated revenue.

It is a process—because you have an absolute entitlement you could go anyway. CPA headquarters tell us that some branches, the more prosperous ones, do not seek reimbursement. We intentionally seek reimbursement, but we seek it in the way of a non-reciprocal grant for the CPA branch here. We have used those funds to pay for things like the mid-year executive committee meeting last year. We accumulated the funds and we paid about \$75 000 out of those funds to support an international meeting of the CPA here, without requiring the Northern Territory Government to pay those funds. The funds are used for CPA purposes.

The SPEAKER: It does not exactly involve travel, but you may recall that last week I sent a note to all women parliamentarians about funds that are available from the CWP, the Commonwealth Women Parliamentarians, for us to put on an event in the Northern Territory for young women. We tried this two or three years ago—Madam Chair, you were going to be involved.

I would still like some ideas on how we can do something here, whether it is a half-day seminar or full day seminar—or whether we do something in Katherine and perhaps draw people in from Queensland, Tennant Creek or Mount Isa. I am open to ideas. The funds are there from the CWP, which ultimately comes from the CPA.

Ms NELSON: I have one more question. I understand and appreciate the value of being a member of the CPA and participating in all of that but for someone that lives in Ngukurr, Lajamanu or Nhulunbuy, they might have a difficult time understanding why we are members or participants of CPA programs and travels. Why do we ...

The SPEAKER: Good question. I would say it is up to the member of that region to talk to the schools, the community leaders or whoever they may be. If you are talking about young people, there are youth delegates. We had the CPA Youth Conference here three years ago and each year we send a youth delegate from the Northern Territory to go to the international conference. One was in British Columbia. This year's was in Jersey.

The CLERK: That was paid for by CPA funds.

The SPEAKER: That was paid for by CPA funds—someone from the Northern Territory. That is why when this opportunity comes up, we send it to all members so you can use your network to explain—as we do every day—what our role is. You would be explaining how they can be empowered and network.

The feedback—I am still friends with the young fellow from London who was sent to the youth conference—he works for the woman who is the leader in the House of Commons—and also a young fellow in New South Wales who has just finished practicing law, and I think he definitely has a political career in mind. One is from the conservative side and one is from the Labor side, but that does not matter. We still share networks—the three of us—about things that are happening.

The youth delegate is one way to go out to some of your communities and your schools or engage with the principals who can identify young people that you might be able to bring with you in your teachings and learnings.

Madam CHAIR: Thank you committee, thank you Madam Speaker. That concludes the consideration of agency-related whole-of-government questions on budget and fiscal strategy.

OUTPUT GROUP 1.0 – PARLIAMENTARY SERVICES

Output 1.1 – Assembly Services

Madam CHAIR: The committee will now proceed to Output Group 1.0, Parliamentary Services, Output 1.1, Assembly Services. Are there any questions?

Mr HIGGINS: Madam Speaker, can you outline the impact that the government decision to build the \$19.4m car park is going to have on the Assembly, its members and its staff? I am looking also there for what detrimental impact there might be during the construction of that, and also into the longer term following the construction.

The SPEAKER: As we know, the tender has gone for the underground car park on the area we call Assembly Park. There will be some impact without a doubt, particularly for the Member for Nelson who is on that side of the building, and the Deputy Speaker. The contractor or the successful business has to ensure that there is as minimal disruption to the parliament and the precinct as possible.

I know that they have to be careful with the vibrations and the noise levels because of the computer systems in the Chan Building. If it gets to a particular level they are going to have to shut down. They will not be accessing the precinct, which is the laneway in, primarily because I did not get satisfaction that they had and would undertake a proper risk assessment such that there would be no impact or any safety issues in regard to members, but also everyone who uses that rear entry. Some days there are up to 10 or 15 contractors parked out on that hardstand, as you know.

I have been told—the Deputy Clerk is on a working group not only for State Square but also for this particular tender. The points will come up as the construction or tender process starts—as the safety panels go up, for example. At this stage they are saying that the Speaker's Walk and that garden on the north side will be staying, which is good news.

The last thing I want is for the main entrance into this building to look like a war zone because it is the premiere event. On TripAdvisor, I believe we are the 16th most desirable place when in Darwin. We are ahead of the Mindil Beach Markets. People want to come to this building. They want to just look around or meet people. At this stage I would say there is minimal impact, but the excavation is going to take the best part of

eight months and that is of concern to me as the Speaker. I am very conscious of minimising any detrimental impact on members and the building.

How they go about their business is entirely up to them. They can build massive buildings in the middle of Sydney, so I am sure they can build a large underground car park in Darwin.

Mr HIGGINS: What about the longer-term impacts? Do you see any longer term impacts on the precinct itself?

The SPEAKER: Once the car park has been built and the top has been landscaped again, there will still be items that are above the landscape, for example, the lift shafts. There will also be air shafts that will probably be above ground. Somewhere in that project area there is probably the need for substations to provide the power because it is proposed that it be a cyclone shelter as well. It obviously has to have ablution facilities and ...

Ms NELSON: Dual purpose.

The SPEAKER: ... things that are required. Yes. Thanks, Member for Katherine. I have yet to see plans of—and I guess it will take some time—once the car park is finished as to how they will redo the landscape. It is part of the government's vision to make the areas greener.

The DLA car park that is in the precinct out the back will remain as it is for now, but in due course, once the car park is completed, then we will look at how that area can be given up and landscaped to bring more greenery into the city and less hardstand.

Mr HIGGINS: Are you aware of any study that has taken place in regard to the impact of traffic with that car park, or will most of that car park be taken up by those people who already park in existing car parks?

The SPEAKER: When the Development Consent Authority signed off on the application, it said a traffic management study was required. I think there was one other study they had to do. It will be critical that that traffic management study encompasses not only—they will have to consult with us because of the access we have or the traffic from the rear entry.

Clearly, Bennett Street and Herbert Street will be very busy. They will be single-trailer trucks, but if you do the maths of 'so deep' by the size, you will see that in eight months of excavation you will be having truck movements—I do not know what their schedules are—about every 15 minutes, possibly.

The city council, police authorities and us through the Deputy Clerk, will be involved in the ongoing discussions as to impact. We will find out in due course how busy and disruptive it will be—not necessarily for the parliament, but for the town generally.

Mr HIGGINS: That is all.

Madam CHAIR: That concludes consideration of Output 1.1.

Output 1.2 – Members and Client Services

Madam CHAIR: The committee will now move to Output 1.2, Members and Client Services. Are there any questions?

Mr HIGGINS: Yes. My question on this one is around the number of members who have young families with babies. Have you done any investigation into the prospect of having a childcare centre within the parliament? It is past my—I have grandchildren. They have entitlement. There are some young families we have.

The SPEAKER: I agree, there are. About three or four years ago I looked at this situation under my own initiative because I thought it was something that could complement services of the department to members. A lot of our members—whether they are mothers or fathers—have young children. Having a day care centre or something of that nature involves Commonwealth legislation and it would have been cost-prohibitive.

That is not to say that we cannot look at having a room that we set aside as not a staff room, but a room set aside that is family-friendly where they could change nappies, feed or things of that nature. So far, the young mothers have not come to me with any specific issues. We make accommodation for some of the members who have asked for certain things. It is like, 'of course'—outside the Chamber, that is.

We can revisit it and refer it to the House Committee to see if there is some way we can accommodate a room, but to actually have a day care centre as they do in the federal parliament costs quite a bit of money. There is quite a lot of regulation.

Mr WOOD: Madam Chair, they have used my room for a nursery occasionally.

The SPEAKER: Yes, the Member for Nelson has given us his room as a nursery.

Madam CHAIR: Very kind of you, Member for Nelson.

Mr HIGGINS: The lobby is sometimes used for the same thing.

The SPEAKER: Member for Daly, we might ask the House Committee to revisit because there was a spouses' suite when the building was built where spouses and partners could rest and ...

The CLERK: I think one was spotted once.

The SPEAKER: One was spotted once. If we encourage members—it is a different mix, this parliament. We can refer that to the House Committee, Member for Daly, to revisit.

Mr HIGGINS: My next question is about the Declaration of Members' Interests. Who really has responsibility for ensuring that is up to date and accurate? I am not picking on any member here, but someone very important was married last December, and I note the register is updated in March each year, but it does not reflect that yet.

The other thing, of course, is that I recently was given a communications booster by Telstra that would go in the car. In the discussion, I was advised that other members have been given that. So there are certain things—and I am not questioning that people have not declared these, but who goes and checks that these things have been done? I mean, if we are going to be open and accountable—or is it just left up to the members?

The SPEAKER: It is the latter. It is the member's responsibility to ensure that they update their register as appropriate. If they receive a gift of more than \$300, as you know, they include it on the register; if they receive an upgrade of an aeroplane ticket, it should really go on; tickets to major events in Darwin over \$300; if they believe there is a potential conflict of interest or a perceived conflict of interest.

As you know, the register is now on the Internet through the departments, but it is a static register. If you have something you want to put on your register or your part then you go and physically send it to the clerk to put on. Then, come the next year, that updated register will go on to the Internet.

But to answer your question in short, it really is up to the members themselves to ensure that their register is up to date, whether adding things or deleting things, to the best of their knowledge. If you feel that there is something out there that is not quite appropriate, maybe then you should take that up with the other member. It is beholden upon all of us to ensure that we have our register up to date.

Mr HIGGINS: I am hoping that they are going to listen or read the *Hansard* from that question. That is all I have Madam Speaker.

Madam CHAIR: Member for Sanderson, do you have a question for this output?

Mrs WORDEN: Thank you Madam Chair. I am hoping it is the right output, but it has moved so quickly from the first one. It was a rookie mistake on my part. I note in the annual report that you use laws, not necessarily as a measure—but they are noted there, the laws that are introduced and then passed and there are some statistics around that. Obviously the annual report is quite dated now.

Are you able to provide the number of laws that were introduced and passed, essentially, for the whole of 2017, and then in 2018 up to 31 March—so the comparative figures if there is a possibility?

The SPEAKER: It is agency wide Member for Sanderson. We will just check for you.

Mrs WORDEN: In the annual report was on top of page 11.

The SPEAKER: So you want an updated one for 2017?

Mrs WORDEN: That would be nice—then if you could compare it to perhaps to the first six months of 2018? Just a comparative.

The SPEAKER: Bills brought forward 1 July. Should I just table it?

Madam CHAIR: I am happy with that.

The SPEAKER: We have them here, bills brought forward, 3; introduced, 29; passed, 21; assented, to 16; bills carried forward to June 2011, 11. I will table this document, it has also got total sitting hours, average meeting hours, number of meetings, bills passed, total questions asked, total papers tabled as well.

Mrs WORDEN: Sorry, does that go to 2018 up until 31 March?

The SPEAKER: Yes it does.

Mrs WORDEN: Great, thank you.

Mr WOOD: Madam Speaker, I think it is the only budget I like in the budget paper is the additional funding provided to meet members' entitlements under the Remuneration Tribunal Committee. What exactly is that? Is that in relation to travel?

The SPEAKER: No, it would be any changes. It would be \$400 000 for a determination No. 1, \$1m increase in repairs and maintenance—which was the economic stimulus. This is the budget compared to last—total budget. It is a combination of everything.

There is \$800 000 for repairs and maintenance to account for expense of relocation of electoral offices. A couple of the members had their offices relocated—the Member for Spillett and Member for Nhulunbuy. There is \$0.186m for the two Independent members' research officers. That was money we got in, which was different from last year.

Mr WOOD: Is that money for the research officers now reduced because there is only one research officer?

The SPEAKER: No, that has been paid. The Clerk is in discussions as we speak as to the ongoing employment of those positions. So they are still there for now.

The CLERK: The additional \$0.4m in the budget was for member's entitlements. When the RTD comes out we have to do the analysis of the additional salary each year for members and any other entitlements. The quantum of the cost for that is known once we get in to the new annual year—to January—because that is when the RTD comes into effect and we go back and talk to Treasury around what is required for any supplementation to the budget.

With regard to the researches for the Independent members, the research funding is ongoing till 30 June this year. There is a government consideration of a submission to continuing the funding. The funding is for two positions. One of those positions at the moment has a person allocated to the position, but the person is on personal leave at the moment.

Mr WOOD: Just in relation to the changes to travel, Madam Chair. That has gone from members being able to basically go within a set amount of money, which was \$15 000 per year. They will now be given a \$10 000 amount.

The SPEAKER: But not necessarily for travel.

Mr WOOD: No, that is what I understand. Has anyone looked at whether it is more beneficial to the taxpayer under the old system, where you only used money when needed rather than be given a blank cheque for \$10 000?

The SPEAKER: With respect Member for Nelson, that is not quite—and it is also a matter for the tribunal. There are two parts to your question. If any member feels that they wish to amend the determination's entitlements for members, they need to put in a submission. That is why the tribunal meets with every member individually. They also meet with me as the Speaker, the Clerks and also with the government in their official capacity. I know that there are some people—and the public. The public can put in submissions as well if they think it is appropriate.

The benefit to the taxpayer is definitely there. One of the driving reasons for changing the \$15 000 from travel is that not many members were using it. It is as simple as that. Not many members were utilising the \$15 000 that was dedicated for travel. The tribunal decided after discussions and submissions that the dedicated \$15 000 was not being utilised by members whilst allocating it. To compensate, as they saw it and as I understand it—the explanation to me—is we will increase everyone's electoral allowance by \$10 000, and if they wish to do some travelling—those who do travel, and a lot of them do not, as I was saying—then there is money there to do it.

The question then arises, where is the accountability for the expenditure of that money I have heard is in the public domain? Again, it goes back to the member. The member has to take some responsibility for how they go about their business as an elected member of this parliament. Whether they do that through presentations, at schools, on social media, talk about it in adjournment—where they went, what they did—then they send it out to the community. It is not for me, as the Speaker, to say there is no accountability. I believe there is. Ultimately, the accountability is at the ballot box every four years.

If members or other people feel that the entitlements should be changed, I strongly recommend putting in a submission to the tribunal that is on at the moment.

Mr WOOD: That is exactly what I have done, but it has not changed the system. My concern is that we had \$15 000 which, if not used, stayed within government revenue. It was not wasted. When I say 'wasted'—it was there for a specific reason. If you did not use it that is your business, but it stayed as government revenue. Now with the \$10 000, it will be used, but not necessarily for the original purpose. What I am trying to get at—overall from the public's point of view, was the older system a better system from the point of view of saving money?

The SPEAKER: I cannot answer that. That is up to the public. As I have said, the independent tribunal made the decision, taking in to consideration member's input and outside agencies input. If members wish to have that changed, they go back to the tribunal and convince them how it should be. As I said, it is the responsibility of individual members to be accountable in their job for what they do and how they do it.

Mr MILLS: So if it is \$15 000 per member available ...

The SPEAKER: Was.

Mr MILLS: ... was available, times 25. Now it is \$10 000 times 25. How much was it used under the old scheme compared to this scheme?

The SPEAKER: I do not have that figure. What I have is that the tribunal Chairman and the other members said to me that many of the members were not utilising the \$15 000 travel. Rather than allocate something that is not there, they saw fit to give some extra money into the electoral accounts for those members who may wish to travel to a conference or event or intra-Territory. In the case of some of the remote seats, this involves charter airplanes.

Mr MILLS: So where would that figure be able to ...

The SPEAKER: Which one is that?

Mr MILLS: When there was \$15 000 available for 25 members—but I know that not all of that was used. Now \$10 000 times 25 is definitely used. What is the difference between those figures?

The SPEAKER: The \$10 000 is not travel. The \$10 000 was just put into the electoral account for all members to do whatever. I am unlikely to fly anywhere for work, for example, so I will just put it more into my community. Mr Clerk has some other comments he would like to add.

The CLERK: Member for Blain, the \$15 000 allocation was available to members over the period of four years and could accumulate up to \$60 000 over the four year period. When the member travelled under the old clause 6 entitlement, which was that amount, they had to then submit a travel report. That was where the accountability came in and we could tell how much was spent on each trip. Those reports are no longer tabled because the entitlement is no longer available.

If you went back and looked through the old tabled reports, you would be able to make a determination about how much was spent by how many members. That is history now.

Mr MILLS: Yes I know.

Mr WOOD: I think it is an important part of history because we have been given \$10 000 to spend as we wish. Before we were not. We had an allocation of money that we could use for travel, but we might only have used \$2000 out of that allocation and we had to do a report. I think the question is, which is the better from the public's point of view?

The SPEAKER: I cannot answer that, Mr Wood. As the Member for Goyder, I do not have an issue but as the Speaker, I cannot answer that because you would have to ask the members of the public. Ask your electorate and your constituents how they feel about it. The \$10 000 is not travel, the \$10 000 was just going across the board all members.

Mr WOOD: I am not worried so much about how the public feel about it. I think they are probably confused about it. The issue would be the dollars and cents savings to the community.

The SPEAKER: The dollar and cents savings are better because the \$15 000 allocated per 25 members has been reduced dramatically. If you are saying \$25 000 was sitting there in the kitty and could be tapped into—that is no longer there. It is \$10 000 across the board for all members. The savings are there. The information about what was spent and who went where is in all the tabled reports—all the travel reports that I used to table as members travelled. Then we tabled an annual report that has all the costings in it as well.

Mr WOOD: We will have to ask our research officer to go and inquire into that.

Output 1.3 – Building Management Services

Madam CHAIR: That concludes consideration of Output 1.2. The committee will now consider Output 1.3, Building Management services. Are there any questions?

Mr HIGGINS: What revenue is forecast in 2018–19 for the use of Parliament House space and what is expected at the end of this year 2017–18? Can you give us any comment around that?

The SPEAKER: Are you talking about the functions that we have here and the money that generates?

Mr HIGGINS: It is more the use of parliamentary space, in other words what income we are getting from people paying for space in the building.

The SPEAKER: There are a couple of areas. Karen Sheldon is one of the contractors that pays for the café and the fourth floor kitchen. The ABC pays nominal fees to have a permanent booth here. The NT Library and the gift shop do not have any fees attached to them.

If you are referring to, as has come up before, whether the executive arm of government should be paying fees, they do not. Every member is entitled to a certain sized office in this building. We are the only parliament in Australia where the executive resides permanently in the building. In the other states and jurisdictions, they are in commercial premises and usually only come together when their parliament is sitting. At this stage, the government is just occupying the fifth floor of this building.

Mr HIGGINS: Without paying any rent as everyone else does?

The SPEAKER: I believe so. It does not show up on our books, anyway.

Mr HIGGINS: Can you tell us what security issues have come up in the last 12 months, and do we have any upgrades to security coming out of that?

The SPEAKER: We have not had any incidents in regard to individuals. I think there are two—definitely one individual who has been excluded from the precinct based on risk assessment. A week ago we had an evacuation of the building because of the unusual odour that went through the air conditioning system. In some ways you can call that a security matter.

When it comes to individuals and any incidents at the front or rear, no. We have not had any issues with any graffiti on the walls. I do not recall having a request, at least in this reporting year, for footage from the CCTV cameras out the front. Sometimes there has been inappropriate behaviour and people breaking into cars and the police ask for footage, but we have not had any of that this financial year.

Mr WOOD: Madam Speaker, where do I find the power bill for the Legislative Assembly? The reason I ask is that this building is not powered by Power and Water, but by a private company.

The SPEAKER: We do not have a bill ...

Mr WOOD: Well, that is good.

The SPEAKER: ... but we are negotiating the next contract. At one stage we had QEnergy, some years ago, but also Jacana. If you want information on the actual contract I will have to take it on notice.

Mr WOOD: Just because we are running out of time—who is the current company?

The SPEAKER: Power and Water is the successful tenderer at the moment.

Mr WOOD: Do you have solar panels on the roof?

The SPEAKER: No. I thought you might ask that. What took you so long? We get requests from time to time. We have investigated the prospect and feasibility and, basically, it is cost-prohibitive. That is the first thing.

The second thing is that the few businesses of reputable standing that have approached us cannot guarantee full-load power 24 hours a day, which we need.

The third thing is that—it sounds unusual—solar panels on this building in this climate will deteriorate more quickly than they would elsewhere in the Top End, say, Alice Springs or Tennant Creek. That is because of the extreme heat. That is not me saying it; that is from the businesses that generate power. We are on the coast so we get salt damage. For those reasons we cannot do it.

Mr WOOD: That is interesting, because a lot of people have solar panels on their houses.

The SPEAKER: That is correct, but they are not generating the level of power we have to generate to run this whole building.

Mr WOOD: I was referring to the deterioration.

The SPEAKER: It just costs too much money.

Madam CHAIR: Are there any other questions for this output? That concludes consideration of Output 1.3 and Output Group 1.0.

OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE

Output 2.1 – Corporate and Governance

Madam CHAIR: I will now call on questions relating to and Output Group 2.0, Corporate and Governance, Output 2.1, Corporate and Governance. Are there any questions?

Mr HIGGINS: Does the agency have any debtors included in that money? I imply any members owing money. Talking about travel—is there any un-acquitted travel relating to Members of the Legislative Assembly. If so, can you give some details of that?

The SPEAKER: No, there are no un-acquitted travel reports because there is a time frame in which members need to have it in under the previous determination. If they did not have it in they were chased up by our HR department.

Generally, as an agency, we do not have any debtors. Occasionally, some amendments are required between DCIS—which is the payee of money—and our department, but that gets resolved within the finance section.

From time to time some members do owe the department money. Sometimes they say they are going on a work trip, they get the TA paid to them and then, for whatever reason, they cannot go or do not go; that money then has to be paid back to the department. There are about three members who may be in that situation, or something similar. I am not at liberty to give details as that is a confidential issue. Sometimes they pay it in lump sums, and sometimes they have it taken out of their pay to get rid of the debt.

Mr HIGGINS: Do we have any idea on the total amount that is owed by members on that travel?

The SPEAKER: From \$700 to about \$2000 owing.

Mr HIGGINS: Thank you. No more questions.

Madam CHAIR: That concludes consideration of Output 2.1.

Our time has expired, Madam Speaker. That concludes consideration of outputs relating to the Department of the Legislative Assembly. On behalf of the committee, I thank you, Madam Speaker, for appearing today. I also thank the departmental officers who have appeared to provide advice.

The committee will now move on to consider outputs relating to the Department of Treasury and Finance.

The committee suspended.

MINISTER MANISON'S PORTFOLIOS

DEPARTMENT OF TREASURY AND FINANCE

Madam CHAIR: Good morning, Treasurer. I welcome you and invite you to introduce the officials accompanying you today.

Ms MANISON: Thank you, Madam Chair. I will make an opening statement in relation to my portfolio of Treasury. I have today ...

Madam CHAIR: Excuse me, Treasurer. I will get you to introduce the officials accompanying you and then I will invite you to make your opening statement.

Ms MANISON: I have with me today the Under Treasurer, Mr Craig Graham; the Deputy Under Treasurers, Mr David Braines-Mead and Ms Catherine Weber. We also have Mr Tim McManus who is the Assistant Under Treasurer for Finance and the Assistant Under Treasurer for Revenue, Mr Michael Butler.

Madam CHAIR: Thank you, Treasurer. I will invite you to make a brief opening statement and then I will call for questions relating to the statement. The committee will then consider the whole-of-government budget fiscal strategy-related questions before moving on to output specific questions, and finally, non-output specific budget-related questions.

I will invite the shadow Treasurer to ask questions first, followed by committee members. Finally, other participating members may ask questions. Other members may join in on a line of questioning pursued by the shadow minister, rather than waiting for the end of the shadow's questioning of an output.

Treasurer, would you like to make an opening statement?

Ms MANISON: Yes, Madam Chair. As Treasurer, I will address the financial and economic issues from the whole-of-government perspective related to Budget 2018–19 including the Territory's consolidated financial statements and fiscal strategy; Territory revenue including taxes, royalty and GST; the Northern Territory economy; and the overall cash and program position for the infrastructure budget; details of the individual agency budgetary matters, including specific infrastructure projects, will be addressed by ministers responsible for those portfolios.

In addition to whole-of-government financial issues, I will answer questions relating to Treasury and Finance as an agency, the Central Holding Authority, and the Northern Territory Treasury Corporation. As shareholding minister for the Power and Water Corporation, Territory Generation and Jacana Energy, I will also address issues in the budget that affect these government-owned corporations, including community service obligations, dividends and tax equivalent payments. Operational or other policy questions relating to the corporation should be discussed at the government-owned corporations committee hearing in next week's session.

Despite the fiscal and economic challenges we are experiencing, the 2018 budget delivers more jobs through infrastructure investment and targeted tax incentives, more people with our work to build our population and local employment package, and a brighter future for all Territorians by investing in generational change.

The 2018 budget saw further projected reductions in the Territory's share of the GST of about \$1.4bn over the forward estimates. This loss comes in addition to the \$2bn reduction incurred in the 2017 budget, resulting in an estimated cumulative loss of \$3.4bn over the budget cycle since we came to government.

As you are aware, GST accounts for around half of the Territory's revenue, which means reductions of this magnitude have a significant and detrimental effect on the budget. Because of our small size, we are unable to generate own-source revenue sufficient enough to offset that drop in GST. Cutting expenditure by this amount would require substantial reductions of government services, which would place further pressure on the economy and have a detrimental effect on our population.

To this end we are taking a considered approach to budget repair with a further \$234m in savings measures, approved in the 2018 budget, bringing the total cumulative savings measures to \$828m since the pre-election fiscal outlook.

We are also continuing to lobby the Australian Government and fight for our funding to ensure Territorians have the same access to services as other states. It is a positive step that the federal Treasurer has acknowledged the impact of the GST cuts and has committed to providing financial assistance in the form of a top-up of GST of \$260m in the 2018–19 budget. However, in the absence of a turnaround in the GST share, ongoing support of this nature will certainly be necessary.

We are continuing our dialogue—very constructive dialogue, I might add—with the Commonwealth to ensure the Territory's needs are being addressed. We are continuing to lobby them for looking at this ongoing issue of the GST.

The 2018 budget maintains the government's infrastructure spend to support jobs as the economy transitions from a period of sustained growth underpinned by the construction phase of the INPEX project. Despite the immediate challenges, there are significant upsides to the Territory economy, with a pipeline of major projects that have not yet reached final investment decision. These projects span a range of industries and provide new opportunities to diversify our economies, create jobs and bring more people to the Northern Territory.

The 2018 budget invests in generational change. We are giving children the best start to life through an investment in education and the 10-year Early Childhood Development Plan. We are reforming youth justice and the child protection system. We are tackling alcohol-related violence by implementing the evidence-based recommendations of the Riley review. This is all underpinned by our 10-year \$1.1bn Remote Housing Investment Package to improve housing and overcrowding in remote communities.

I am now happy to answer any questions the committee has relating to the responsibility of the appropriation bills and the budget papers, the Department of Treasury and Finance, the Central Holding Authority, and the Northern Territory Treasury Corporation. Thank you, Madam Chair.

Madam CHAIR: Committee, are there any questions relating to the statement?

Mr WOOD: Where does Territory Generation, Power and Water, and Jacana come into the discussion overall? Where do they come into the outputs?

Ms MANISON: They are on next week with those chairs to answer the questions.

Mr WOOD: You will not be there?

Ms MANISON: Yes. With regard to questions, where would it best fit?

Madam CHAIR: It might be agency-related whole-of-government questions on budget and fiscal strategy?

Ms MANISON: We are saying Output 2.0.

Mr WOOD: Thank you.

Madam CHAIR: Are there any questions from committee members in relation to the Treasurer's statement?

Mr HIGGINS: Yes. Firstly, thank you to all the public servants who answered the global questions. I know they have done a lot of work preparing that today. I think that needs acknowledging.

One of my questions is for clarification in where we ask questions in regard to the ICAC, children, fracking, alcohol reform and the Royal Commission into the Protection and Detention of Children in the Northern Territory. Where do they come up?

The other issue is that Budget Paper No 3 states that agencies have been directed to restructure and back-cast their outputs to capture services received free of charge from the Department of Corporate and Information Services within the corporate and governance output group under shared services received. This reason is quoted as 'to improve the comparability of corporate and governance expenditure across the government.

While the services provided by DCIS being costed across agencies would be considered a good accrual accounting practice, the back-casting of this has the effect of reducing budgets across most outputs three months before the end of the current financial year. Agencies effectively planned expenses around approved budgets, as outlined in the Budget 2017–18 budget papers, and three months before the end of the year the 2018–19 budget papers showed different 2017–18 budget figures which are considerably reduced.

What that means for this process—the Estimates Committee—is that the variations between the 2017–18 and 2018–19 budgets are a bit misleading, and the back-casting has not provided a realistic picture of how agencies have performed against approved budgets.

Can you explain why that decision was made? Then I will have some other questions.

Ms MANISON: Mr Tim McManus will answer that question for you.

Mr McMANUS: We took out the shared services and put them as a standalone output so we could compare more uniformly across government. Previously agencies had allocated them in various ways across various outputs. This gives us one central place we can refer to them. It will be this financial year—the 2017–18 year—that there will be that difference, but going forward it will be comparable across all agencies. It will be allocated in a consistent way.

There will be differences in 2017–18, but it is for the better going forward. It had to happen at some stage. It provides a clearer picture of what shared services and what the corporate overheads are.

Mr HIGGINS: My question was, why did we do it three months from the end of the year? We did we not do it at the end of the year, which would make it a lot easier for this committee to compare figures from one year to the next?

Mr McMANUS: We only report by outputs at budget paper times, so this is the time to do it. Rather than do it at the end of the financial year—again, next year we would have the same issue where the 2018–19 budget that is published now would not be the same going forward, because you would have to back-cast those outputs.

Ms MANISON: With regard to the questions about other portfolios—ICAC, the Riley review and so forth—the minister is taking those portfolio leads and responsibilities. We will be able to answer specific questions you have with regard to the implementation and cost of those reforms and issues. I am the Minister for Children, so I am happy to take questions with regard to the children's subcommittee of Cabinet.

Clearly, I do not have any direct line agencies reporting to me as the Minister for Children, but my task is to chair that subcommittee. We have been working on driving the early childhood plan—but the Departments of Education, Health, Territory Families, and Housing and Community Development are the agencies that have responsibility for the delivery of the programs within it.

Mr HIGGINS: The other clarification I want is around GST. I am a supporter of making sure we get our fair share, but I have a lot of confusion, like many Territorians. In Budget 2018–19—Budget Paper No 2, page 17 and again on page 45—it states that the GST received in 2017–18 was \$2.901bn. That is nearly \$3bn. This figure was down \$256m on the previous year of 2016–17.

Then in 2018–19, Treasury received \$2713m. The difference of decreases between 2018–19 and 2017–18 is therefore \$188m. The reduction in GST revenue received since budget 2016–17 is \$444m and the federal

government topped you up for \$259m in the 2018–19 budget to address that GST reduction. This means that the Territory is down \$184m since 2015–16. Where do you come up with your airy fairy figures?

Ms NELSON: A point of order, Madam Chair!

Mr WOOD: A point of Order, Madam Chair!

Madam CHAIR: Are you happy to accept the question?

Ms MANISON: I am happy to accept the question, Madam Chair. Thank you, Leader of the Opposition for the question because GST is an incredibly important issue here in the Northern Territory. Unlike other jurisdictions, the Northern Territory receives about 50% of our total revenue from the GST. Most other states have about 25% of their total revenue coming in from the GST. We are deeply reliant on the GST revenue. When the GST changes, it has a far larger per capita impact here than anywhere else.

Since coming to government, we have seen unprecedented swings and changes in the GST. This has had a devastating effect on the Territory budget. I was in Alice Springs last week and met with the Commonwealth Grants Commission. They are currently working on their 2020 methodology and looking at how the GST is distributed and calculated. This is the second year in a row that I have met with the Commonwealth Grants Commission and it would be fair to say that we had a very frank discussion. I raised with them my deep concerns about the volatility in the GST and the deep impacts that it has had on the Northern Territory. They acknowledge that it is a real issue and a real problem for a place like the Northern Territory.

Finally, after a lot of lobbying on my part—and I also thank you for the work that you have done with your federal colleagues as well—we have had the federal Treasurer come to the Northern Territory, acknowledge that it is an issue—the swings and volatility we have seen in the GST—and that it has had a profound impact on the Territory budget.

We have had a commitment with them, importantly, beyond this once off top-up to work with us further to look at sustainable GST going forward and the funding challenges we have had in the Northern Territory. I welcome that. We have had our Treasury officials working with federal Treasury on this. I am intending to go down to Canberra soon to continue those discussions with the federal Treasurer, because I have worked very hard at trying to help him understand the situation in the Northern Territory.

To go to your question about the figures and where we get our figures from. It comes to what we had when we came into government. The final budget delivered by the CLP and the pre-election fiscal outlook and the figures of what we had with our forecast revenue going in, particularly through the GST at that time. When you looked at the change that we had in the GST—when we came in we dropped down from \$5.2bn—in last year's budget we went down to \$4.6bn, which was our relativity from the CGC.

If you were to go off those pre-election fiscal outlook figures, the money we expected to have going into the budget—the money which we looked at and budgeted our election commitments around and how we were going to deliver services to Territorians—when you calculate that with the dropped from \$5.2bn to \$4.6bn. Then we have seen a record low of \$4.2bn in this calculation. When you add that all up, we would have lost \$3.4bn of revenue from GST. That is going from those pre-election fiscal outlooks and the final budget of the former government of what forecasted revenue we had going in.

You have to appreciate that services were geared up to that figure. It has had a devastating impact on our budget. As I said, you cannot cut your way out of it, you cannot tax your way out of this situation. When you look at the revenue that was coming in and where we are today, it has changed dramatically and it has been devastating. Like I said, I am glad that the federal Treasurer now acknowledges this and the CGC has acknowledged it.

Just to put it into context, our 10-year average for the relativity has been at that \$5.2bn level of what was coming in when we came into government. This has been unprecedented. The thing I have found so frustrating about it is that a lot of the influencing factors on that change of relativity have been out of our control. There have been expenditure patterns in other jurisdictions. When you are a small jurisdiction it is very hard to be able to take some of that volatility out of it. These are issues we are pursuing with the federal government. Like I said, I thank Treasurer Scott Morrison for the work that he is doing with the Territory. We are moving forward in a productive way but there is still much more work to do, Leader of the Opposition.

Mr HIGGINS: I tend to agree with all of your comments in regard to the decrease in GST, the implications of that and the reasons for it. My question has always been around the figures that have been put out. The last

budget of the CLP—from memory, I do not have it in front of me—was predicting a decrease in GST going forward. The PEFO, which was your pre-election one, then produced an increase.

The figures you are giving us are figures based on prediction, not on actuals. They are a figure where you keep saying the federal government has cut our GST. I am saying it has not cut your GST. The cuts in GST—the net amount I just quoted was \$188m in total. That is a hell of a lot different to what you are claiming. While I recognise that that decrease in GST has a phenomenal impact on us here—and I will continue to argue, like you, with the Treasurer in the federal government and say, 'You need to make recognition of this'. The issue I have is that you and I need to be using correct figures, not predicted figures, actuals. That is what we should be dealing in.

Ms MANISON: Leader of the Opposition, we came to government as I said, and went through a very thorough process where we did our election costings. That is something your previous government did. This was something we did from opposition ...

Mr HIGGINS: But it is easy to admit then that the PEFO figures were wrong.

Ms MANISON: No, because you go off the latest information you can access.

Mr HIGGINS: No, that should be your excuse for going forward and saying, 'Okay, we based our predictions on this and those figures have shown to be incorrect. They are not what is actually happening. So, we need to make an adjustment'. That I would accept. I do not accept the fact of saying, 'We have lost all of this revenue', which is not the case.

Ms MANISON: Leader of the Opposition, we went off the latest forecast at that time, what we had and could see going forward and what was in both federal and Territory budget papers. We looked at how you make these numbers work, if you get the privilege of coming into government, and work around those key recurrent commitments that you have. As we know, when you are sitting in this seat and in government, one thing you always have to keep a very close eye on is recurrent expenditure, because that is where your costs really come from in government.

We had the numbers at that time of what we were walking into. They were based on the latest figures we had coming from Territory and federal budget papers. That is where the Territory public sector was geared up to. That is what we had in terms of services, numbers within our public sector and what we worked our election commitments around. We have seen GST funding evaporate. It has evaporated to the tune of \$3.4bn less than we anticipated ...

Mr HIGGINS: That is the issue I have, Treasurer. It has not evaporated, the prediction was wrong.

Ms MANISON: No, what I ...

Mr HIGGINS: The prediction has proven to be wrong. Irrespective of whether it is Treasury here or it is Commonwealth, the prediction is wrong. The revenue did not evaporate. Right? It did not disappear. The Commonwealth did not take it. Okay? It was not there to take in the first place. It was purely a prediction.

The reason we have this process is to look at how you have expended your money over the last 12 months on what you predicted, and why those differences occur. It is not a matter of saying, 'We will blame someone else', it is a matter of saying, 'Is it money that really disappeared, or was it just a prediction that we now have to admit was wrong?'

Ms MANISON: Leader of the Opposition, we go off the figures of what we get—the latest figures. When we came to government we budgeted four years on that.

Mr HIGGINS: That is fine, what you were working on. Are those predictions now showing to be incorrect?

Ms MANISON: We went off the figures that were in place at the time in which we came to government. Okay? So, what we thought we had to use at the time we came to government was \$3.4bn in additional revenue coming in over the term of government ...

Mr HIGGINS: The Commonwealth has not taken that money, it is money you thought you had ...

Ms MANISON: It was what we were budgeting around.

Mr HIGGINS: That is fine and I accept that. I do not accept that the Commonwealth has taken that money from us. The rhetoric around that is the issue I want resolved here today—that is, no, we did not lose that, the predictions were wrong. The predictions have proven to be wrong because of the actuals, actually what is happening.

Ms MANISON: Leader of the Opposition, had you been successful in being in government, you would have been facing the exact same issues of what we had ...

Mr HIGGINS: I am not saying we would not have.

Ms MANISON: ... with regards to the drops in revenue that we have seen. What is so disappointing has been the fact that it has now taken two years, two massive drops in our GST, to get us to the point where we have got the federal government working with us and working with us very closely, because they recognise that this problem is very real. In a small jurisdiction where you have less capacity to raise your own revenue and when you see massive swings and changes to a relativity of this magnitude—and it has been a devastating magnitude—that a jurisdiction the size of the Northern Territory cannot tax its way out of it, it cannot cut its way out of it.

We made fair assumptions. We made fair modelling around the numbers that we had coming into government. When 5.2 has been your 10-year average, you would expect that you would be getting around that, going into government. We have seen the biggest drops we have ever seen in the GST over the last two years. It has been incredibly volatile. On a per capita basis, it has a far greater impact and affect. This has been devastating on our finances.

Had you been in government, you would be dealing with these same problems that we are dealing with. Nonetheless, what we are doing moving forward is we are tackling this a few different ways. I have been lobbying the federal government as hard as I can and working with the federal Treasurer on this matter. We have been working with the Commonwealth Grants Commission to help them understand this issue. You and I have both presented to the Productivity Commission around this issue and we currently looking at the issues around HFE and the changes that they are trying to make at the moment to equalise to the second strongest state.

We have been working with regards to delivering budgets that strike the right balance at the moment because we have revenues which have significantly declined through the GST. We also have a slowing economy, as you too well know.

So we have been working to build our economic base, to try to build as many jobs as we can. There is certainly no doubt that it is a very challenging time out there with the economy. We have the perfect storm of economic conditions. We have seen GST revenue decline to an all-time low, which has had a deep and profound impact on the territory budget. We are also seeing a slowing economy coming off record growth and what has been the biggest project that has ever hit the Northern Territory books.

It is a challenging time out there but, Leader of the Opposition, I make no apologies for fighting for our GST and doing what I can to bring more revenue back into the Northern Territory. When we came to government, we budgeted on having \$3.4bn more on the books. That is no longer the case because the GST has been so volatile.

Like I said, when I go to those treasurers' meetings, that the federal Treasurer acknowledges this is a real problem for a place like the Northern Territory. My other Treasury counterparts and colleagues also recognise what an issue this has been.

Now it is about making sure we get a better working relationship with the federal government to look at how we best protect the Northern Territory from these changes and these situations in the future. Whether it would be a CLP or Labor government, we would have been facing the same problem because we have services ramped up to the level they are at. We expected to have sustainable funding going forward, and the Northern Territory has never experienced such a huge drop in the GST before.

Mr HIGGINS: I completely agree with what you have said there. I will be down in Canberra in two weeks, so hopefully that is when you are there and we can join up and speak to the Treasurer at the same time.

Ms MANISON: I welcome you lobbying the Federal Treasurer as well, so good work.

Mr HIGGINS: I constantly do over the GST, but I also work on actuals not on predictions. I am glad you sort of admit that is the case.

Madam CHAIR: Thank you Member for Daly and Treasurer. The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill. We have the whole of agency next and then the outputs next. This is just in regard to the statement.

Member for Blain, any questions for the statement?

Mr MILLS: So the next is whole-of-government?

Madam CHAIR: Whole-of-government agency-related.

Mr MILLS: Does that permit questions about the global debt issues?

Madam CHAIR: Yes, whole-of-government questions on budget and fiscal strategy.

Mr WOOD: It will come in to number one, anyway. Financial management.

Madam CHAIR: Are you comfortable with that? I am just going to finish the script to go on to that bit there.

Mr MILLS: Provided I am able to talk about whole-of-government debt levels ...

Madam CHAIR: Yes, that will be in the next section. We are just finishing the minister's statement.

Mr MILLS: Okay, that is fine.

Madam CHAIR: Thank you.

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2018–19 that relate to the Department of Treasury and Finance. Are there any agency-related whole-of-government questions on the budget and fiscal strategy?

Ms NELSON: Thank you. I have one question, if I may. This just following on the comments from the Leader of the Opposition. Treasurer, how big of an effect have the GST cuts actually had to our GST revenues—the bottom line?

Ms MANISON: Thank you, Member for Katherine. Going back off the previous forecast of what we had and what revenue we had anticipated coming in from the pre-election fiscal outlook, in the overall context of where we got to it was about \$3.4bn from the 2017–18 budget it was about \$1.97bn there, and then from the latest CGC review it was about \$1.4bn.

Ms NELSON: Those figures are just based on what we would generally receive—what we had been receiving from the federal government in regard to GST, is that right?

Ms MANISON: This was going on from what I have just discussed with the Leader of the Opposition. This was going off the forecast that we had in place. Before you go to an election there is a pre-election fiscal outlook done at that time, which looks at the current state of play of where the Territory's finances are. The pre-election fiscal outlook put the books in to perspective, it had a look at the revenue forecast and projections going forward. Of course, accordingly, the opposition at the time—being us—and the government put forward their election commitments looking at the state of the books.

Ms NELSON: Treasurer, what would this budget actually look like without those cuts?

Ms MANISON: It would be looking at lot better.

Mr WOOD: Hypothetical.

Ms MANISON: Yes. If it had not been for those cuts, we would be very close to bringing it back to balance but those cuts have had a deep and devastating effect.

Madam CHAIR: Member for Blain, would you like to ask your question?

Mr MILLS: Yes, thank you. Thank you, Treasurer for your presentation. What is the current population of the Northern Territory?

Ms MANISON: The current population—about 246 000.

Mr MILLS: Okay, thank you. I see the current fiscal imbalance, could you identify that, please?

Ms MANISON: Where we are sitting at with our current levels?

Mr MILLS: Right now.

Ms MANISON: Yes. If you were to look at the budget papers and where we are at—if we are looking at the 2018–19 budget there, the net operating balance for the general government sector is at \$603m deficit. The non-financial public sector, which of course includes the government-owned corporations there as well as the general public service, you would be looking at the fiscal balance being in a deficit of \$1.214bn. Then net debt is at \$4.485bn.

Mr MILLS: ... and projected to rise to \$7.5bn?

Ms MANISON: In 2021–22 that net debt is projected to go to \$7.543bn. Let me assure you, Member for Blain, we are very focused on that figure and it is something that we want to work to reduce. To me, it is not a budgetary position I am comfortable being in, but that has been because we have had the massive swings in the GST that we were not anticipating.

There is a lot of work that is happening to look at how we bring that figure to a more manageable level. My concern is that I do not want to see net debt grow. We want to make sure that we bring the budget back to balance, but it is going to take several years of fiscal repair after the massive swings in revenue that we have seen due to the GST.

We are doing this a few different ways. Clearly one thing that we are having a very strong focus on is looking at our own savings within government and trying to run a tight ship. That has come along with some difficult decisions. Departments are now being asked to do more than ever before, but we are saying to them that their resources are very tight and they must be disciplined about their expenditure. If it is new initiatives that they are looking to undertake, then we are asking them to look at what services may they not require to keep providing. Where is no longer a priority of that agency? How can they find that from within?

We have made significant changes to our wages policy over the last few years, where we have gone to a wages policy that has dropped from 3% to 2.5% and now to 2%. It is a difficult discussion to go out there and have with our public servants because they work incredibly hard. It is an incredibly difficult discussion to have with the unions, because they are not pleased about it to say the least. Given our current fiscal challenges, they are some of the decisions that you have to make.

I am working, as I have said before, and I can see that the Leader of the Opposition is also working with the federal government when it comes to looking at those revenue issues around the GST and what more can be done with the Commonwealth to make sure that we have the maximum amount of revenue coming in to the Northern Territory and protecting the funding that we get coming in.

Mr MILLS: Thank you, Treasurer. I do not doubt your sincerity and I am pleased that there is that recognition of the magnitude of this debt going forward. I ask if you could advise the committee of Treasury's assessment of the risk. Where do the greatest risks for the Territory going forward lie?

Ms MANISON: The greatest risk for the Territory going forward would be ensuring that we keep a rein in on recurrent expenditure—demand pressures that come with day-to-day operations that come with running the government. We all know that we have always got a lot of pressure on our health, hospital system, corrections and policing systems—while making sure that we are delivering those key services.

We also have a very challenging period at the moment where we have an economy that is in transition off a record investment through that INPEX project. We are moving from the construction to the operation phase. That was a \$USD37bn project here in the Northern Territory. At full time capacity, there are about 9000 staff on-site, I believe they are down to about 6000. That will eventually decline to about 300 full time, with about

500 people when you have your repairs and maintenance activities factored into it. It has had a big impact here on the Northern Territory.

Population growth is definitely one of our greatest challenges, as you know. If we do not have that population growing, it has a deep impact on all the sectors right across the Northern Territory. One to highlight that is doing it tough is construction, particularly around housing and those tradies who work associated with housing. They are doing it particularly tough at the moment, which has a lot to do with the fact that our population is not growing at the rate that we would like it to grow because of the transition in the economy.

They are certainly some of the challenges that we have out there at the moment as well as of course the declining revenue that we have seen through the GST.

Mr MILLS: Thank you, Treasurer. The external risks around the capacity to service that level of debt—what is the current Moody's assessment of the economic status of the Northern Territory? What is its current credit rating?

Ms MANISON: Aa2 stable. I met with Moody's a couple of weeks ago. That is the second time I have met with Moody's. After the budget, you sit down as the Treasurer and you have a conversation with them. Moody's are very familiar with the Northern Territory. They come up every year; they spend a lot of time with Treasury and then they go out and they have a chat to some very important influencers within the Northern Territory economy.

For example, the last two years they have gone out and spent significant time with INPEX as well to get an understanding of the work happening out there. We do spend time with Moody's, giving them an understanding of what our priorities are, where some of the challenges are and working with them so that they can look at their credit rating and where they say the pressures on the Northern Territory are.

Mr MILLS: In your meeting with Moody's, did they refer to risk of further deterioration in the Territory's economic position regarding fiscal deficits?

Ms MANISON: As you know, Member for Blain, I am pretty frank in my discussions with people. I certainly outlined to them, as Treasurer, some of the challenges we have had with the transitioning economy and with what we have seen with the GST situation. They can see that themselves. They reported on that publicly as well.

Mr MILLS: They have reported that the Territory economy is at risk of further deterioration. Correct?

Ms MANISON: What they reported—they certainly said they saw challenges with the GST situation and those declining revenues.

Mr HIGGINS: If I can help you, Treasurer, *The Australian* reported on 2 May that 'the credit rating agency, Moody's, is warning of further deterioration and called the budget credit negative'.

These are specific and deliberate terms. It is basically saying that you are on a countdown to a downgrade. My question from that report is—helping the Member for Blain—what modelling has been done by Treasury on this upcoming downgrade, and what impact that will have on our coffers?

Ms MANISON: Let me be very clear that nothing has downgraded. Just so you know, on 23 April 2018 Moody's also issued a statement to say that the lifting of the moratorium on gas exploration was a credit positive. We had that a couple of weeks before we released the budget, and then we had further statements from Moody's. I have met with them as well.

I might hand this over to the Under Treasurer. We have done some modelling of what it looks like if your position changes and what the impact of cost that has on borrowing.

Mr GRAHAM: Leader of the Opposition, based on work we have done around previous Moody's decisions, we anticipate that a downgrade could increase the cost of borrowing by around 0.2%, which would impact on our borrowing cost forward estimates by about \$30m.

Mr MILLS: Has that been factored in?

Mr GRAHAM: Into the budget? No.

Mr MILLS: So when did this advice come to the Treasury?

Ms MANISON: It would be fair to say that I asked Treasury to look at these types of issues and have an understanding of it, because I am coming into an estimates process and I know you will be asking questions about it. It is something that I ask Treasury to have a look at to give me advice so we understand it and can provide you an answer.

It is not factored into the budget papers because it has not happened. We are continuing work with Moody's and continuing work across the Territory, of course, looking at our budget position. But it has not happened, so that is why it is not factored into those budget papers.

Mr MILLS: When the Treasurer and Treasury are promoting the economic case for the Northern Territory, it would refer to external risks, such as a credit downgrade, I am certain. It would also refer to the GST review and what that might look like for the Northern Territory. What is the worst case scenario regarding the GST review and how it might affect the Northern Territory?

Ms MANISON: You are talking about the Productivity Commission report at the moment into HFE?

Mr MILLS: Correct.

Ms MANISON: With regard to the Productivity Commission, there has been a body of work that the federal government has requested from the Productivity Commission to look at the issue of HFE. Make no mistake about it, this has been to look at the situation in Western Australia because we know their relativity has dropped to some pretty—we are at the other scale of them where yes, we get the highest relativity, but we certainly need that in recognition of how much it costs to deliver services here in the Northern Territory.

Whilst Western Australia—GST is a very hot topic. It is one thing that firmly unites a Liberal and a Labor government and oppositions together because they have seen significant declines in the amount of GST they get. I think they went to an all-time low of 35c to the dollar and are back to about 42c to the dollar. At every Treasurer's meeting I have attended, the Western Australian Treasurer brings up the same issues with the GST. The federal government has basically submitted to that, from what I can tell. It has done the Productivity Commission report. The Productivity Commission has stated that rather than equalising to the largest state, it should be looking at the second strongest state. If that is to come into place, we estimate that would mean a further \$30m loss of GST to the Northern Territory.

I do not want to see any further loss of GST eroded from the Northern Territory's bottom line. The federal Treasurer has received that report. Basically, the Productivity Commission issued its draft report. We managed to get it to hold public hearings across the country. I thank the opposition for its work with us on that. We presented there. South Australia and Queensland presented, as well as Tasmania. It would be fair to say that everyone is against this change to HFE, except for Western Australia—no surprises there.

The federal government apparently got that Productivity Commission report, but it has not released it yet. We are yet to see that report and what is in it. I know the federal government is looking at it closely. We are eagerly awaiting to see what is in it. That way, we can get to work on that as well.

I believe, Member for Blain, it will not change its position. I think they are going to change the distribution to equalise to the second-strongest state. That is the impression I have in the conversations I have had. We will see once it is released.

Mr MILLS: Could you state again—in your risk assessment that results in what effect for the Territory?

Ms MANISON: About \$30m a year.

Mr MILLS: Reduction?

Ms MANISON: Yes.

Mr MILLS: Right. Would the consideration—I do not know how serious it is—that the Territory become a special case and be put in a different category where we make application for our specific needs. Has that been considered and responded to?

Ms MANISON: We are having conversations with the federal Treasurer about the GST situation and what has happened in the last two years to our budgets as a result of the change of that relativity and the volatility

that has been within it. We are having a conversation about how to ensure more sustainable funding for the Northern Territory that also recognises the extremely high costs of delivering services in the Northern Territory because of our large Aboriginal population and large percentage of people who live in remote areas.

Another issue I have been lobbying the federal government about has been with regard to remote housing. With GST and HFE, the distribution of the GST does not recognise historical deficits in need or infrastructure. It makes it very difficult when we are an economy that has developed a lot later than the rest of the country. We are playing catch-up. We have the highest level of disadvantage in the nation. We know that is just a fact. As I said, a lot of that is driven by the fact that we have a high-percentage Aboriginal population, high levels of disadvantage and higher populations living in remote areas.

We have lobbied them about a few other things. One has been where they can—ensuring that where there is funding coming into the Northern Territory for a good reason to target some of that historical deficit, particularly in infrastructure—to make sure we do not lose it in our GST calculation, so we see it quarantined from GST. The federal Treasurer can decide what is quarantined, by jurisdiction.

We have had several pieces of correspondence with Queensland and Western Australia about the northern roads package, and we discussed this at the last northern Australian ministers' forum. Roads is a classic example. We get money to target the beef roads and northern Australian roads. That comes in on one hand and then we pretty much lose the same amount of money in the GST on the other. There is well-intended funding to target that infrastructure deficit, yet we are losing it in the GST on another hand. We have been having conversations with them about how we can better protect that type of funding.

Remote Indigenous housing has become GST calculated as well. That is something we are saying, 'You need to make sure the remote Indigenous housing is also quarantined from the GST calculation too'. Again, that is targeting where we have extreme infrastructure deficits in the Territory. We do not want it coming in on one hand and then losing it on the other. They are some of the complexities we are working on.

Mr MILLS: I do not want to go further with this, as I will leave time for other members. All that you say gives the clear indication that there is serious consideration of a new structure and a new model for the Northern Territory. What does that look like?

Ms MANISON: We are having ongoing conversations with the Commonwealth at a ministerial and departmental level.

HFE will stay in place, and we will get GST distribution as a result of HFE. We are having conversations about how to ensure we protect ourselves from the volatility we have seen in the last couple of years with the GST, and ensure that funding coming into the Northern Territory, which is targeted at deficits in infrastructure as well as disadvantage, does not mean we are further disadvantaged with the GST distribution.

There is a lot of work happening behind the scenes there. We have always been up front that those are our concerns with regard to the GST. Now we are working with the federal government to help them understand those challenges to find a way in which we can see more sustainable funding. This work is afoot at the moment, and it is continuing.

Mr MILLS: The other side of that is that we—the Treasury and the Territory—are concerned that we are getting our fair share. In that conversation, the Commonwealth's view is that we are acquitting that share well. That would feed into the model as well.

We can probably lead that conversation further, but that part is critical.

Ms MANISON: Agreed.

Mr HIGGINS: When you talk about excluding things from the GST calculation—I have written to the Commonwealth in regard to this. I think I have advised you of that.

Have we done any modelling on the impact of that and the different lots of funding? I am interested to look at that. When I argue with them, I do not have the resources of Treasury to give me those figures. Would you make some of that information available—not just housing, but roads? Roads has been one of my major concerns. I did that several months ago. I cannot remember what type of response I got back. I received acknowledgment, but it would be interesting if I can get those figures. I am down there again in two weeks. GST is an issue, but we all need to work together.

Ms MANISON: I am more than happy to get you a briefing with Treasury to help you on those points. We would appreciate it if we are all singing from the same song sheet, so to speak, when it comes to trying to get those issues sorted.

Mr HIGGINS: Have you written to the Treasurer about that specifically?

Ms MANISON: We have had many conversations. I have written—it was raised at the Northern Australian Ministerial Forum. These are conversations we have been having for some time, particularly regarding concerns about remote housing and roads, and how we can best protect that funding to ensure we are not penalised through GST distribution.

Mr HIGGINS: The problem I also have is that the interest bill that the Territory came to have—there is \$10bn in borrowings that we are predicting by 2020, which is about \$506m in interest. That is \$1.4m a day. What plans do we have in place to rein in that debt and borrowing?

Ms MANISON: It is at the front of my mind each and every day that I come to the office, because I do not want to see debt at those levels.

Mr HIGGINS: I think Moody's downgrade of 0.2% impact is only \$30m, so let us put that into perspective.

Ms MANISON: Nonetheless, as Treasurer, there are a few things we try to do—ways in which we direct our fiscal strategy. At the moment it is a fine balance because we are trying to ensure we keep an economy moving forward. We will see some significant contractions within the economy over the next two years. We are making sure we do everything we can to keep people in jobs and in the Northern Territory while ensuring we do not have to borrow more money and add to that debt level.

The work with the Commonwealth Government on the GST to protect revenue base—we need to see more work because it has been an unprecedented couple of years. After many conversations I am glad to see it is finally sinking through at a federal level—at the Commonwealth Grants Commission level—and people are finally understanding what a real, deep impact it has on the Northern Territory.

We need to grow our economic base. We need to diversify. We need to see more opportunities for private investment into the Northern Territory because growing our economy is the best way to ensure you pay down that debt. When you have more payroll tax and property tax receipts coming in, that is the best way to ensure we continue moving forward.

We are investing in infrastructure to support local jobs and create more economic development opportunities. In the budget we have given more support to major projects facilitation because it is important we get some of those projects over the line to final investment decision, because ultimately they will help diversify that base. We recently made an incredibly tough decision on onshore gas, which was around diversifying that economic base as well. We saw an independent inquiry that said, 'If you follow the full 135 recommendations, then you can do it safely'.

These are some of the hard decisions you have to make in order to diversify your economic base. There are a range of measures we are putting in place. I am looking very closely at expenditure in every department and agency, and am looking to put restraint in where it needs to be put in. We have had to make some difficult decisions around growth of agency budgets. Agencies are having to do more with less, effectively, or what they are expecting to come in. That is just the reality we are dealing with, with these tough fiscal times we are facing at the moment.

Mr WOOD: Can I just piggyback on that question? Do you have any real investment opportunities coming that we can put our finger on? I know you mentioned onshore gas and government investment into infrastructure, but what else is in the pipeline at the moment?

Ms MANISON: I think there is a very exciting pipeline of works coming up. Project Sea Dragon is coming closer, and when that reaches its full capacity it has the potential to be as big as our live export market when it comes to the amount of prawns being produced. Seeing expansion in aquaculture—there are a lot of mining projects on the horizon and coming closer to that investment decision that we are actively pursuing. We are looking at east Arnhem Land with the satellites.

There are a raft of major projects at the moment. That is why we have had to add to the major projects team's budget in this budget, because we want to make sure they have the resources to push them along as quickly as possible. We want to see more private investment coming into the Northern Territory and we want to see

diversification. It is not just about new opportunities; it is about ensuring you support traditional economically-strong bases in the Northern Territory too.

The Turbocharging Tourism package has been a significant investment of about \$103m over two years. With the INPEX transition, we also see that as an opportunity, particularly with the hotel rooms and plane seats we want to fill. We see this as a great time to go out there and aggressively market the Northern Territory to the rest of the country and the world to come here for a holiday. That is another example of how we have been working to get more people to come to the Northern Territory.

What we like about tourism is that it is external money that comes in and gets left in the Territory. It is not Territorians putting their hands into their own pockets.

Mr HIGGINS: You raised payroll tax in an answer before, saying it is a potential source of revenue. What we have done is actually given a reduction or exemption there for businesses that come to the Territory. We have ignored existing businesses in the Territory. When we looked at that payroll tax cut, did we do any modelling around then pushing up the onshore gas industry? If these companies come to the Northern Territory—some probably come from Australia—what impact will that have in the sense of being exempt from some of this payroll tax if they set their businesses up here? Did we look at any of that modelling?

Ms MANISON: Again, it is about that fine balance at the moment. Yes, I would like to raise as much revenue as possible from our own sources. Thirty per cent of the Territory's budget is from own-source revenue, but I think you have seen that we had an activity where we went out and put a revenue discussion paper out with the Territory. That was an incredibly difficult discussion to have with Territorians because nobody wants to talk about tax, particularly if it is about looking at ways in which it may possibly increase.

It was also about what others levers you could use to stimulate job creation and investment. At the moment we are facing some pretty difficult figures when it comes to population growth. We wanted to do what we could to support Territory businesses to employ Territorians. Through those revenue paper discussions—and I have had plenty of discussions before with the Chamber of Commerce, where some of the members of that board have given me very strong feedback about payroll tax cuts that they would like to see—we saw this as being an important activity to try and stimulate job creation but also support local businesses at a time when it is a bit difficult. We really want them to look at how they can prioritise Territorians.

We wanted to see mining companies prioritise local Territorians as opposed to interstate FIFOs. You could be an employee if you are based in Darwin or Alice Springs or Katherine flying into one of the mines rather than those interstate workers coming in across the border. We wanted to see them putting more effort into employing local Territorians and payroll tax was certainly feedback I got. Just so you know, we already have one of the most generous payroll tax schemes in the country. When it comes to the threshold it is much higher than other places when it comes to kicking in that payroll tax rate. I might just pass over to Mr Mick Butler of Revenue just to talk about the payroll tax changes that we made, where our payroll tax threshold sits at the moment and how it will work for local businesses.

Mr BUTLER: To contextualise it, with a \$1.5m payroll tax threshold—it is the second highest in Australia—the composition of our payroll tax base is that largely the small and medium Territory businesses are not in the payroll tax space. The bulk of our taxpayers tend to be businesses that operate in the Territory and one or more other jurisdictions, and largely tend to be national or international businesses. In a sense, the base as it exists already favours Territory businesses by generally insulating them from the effects of payroll tax.

In terms of the payroll tax changes that were made in the budget, two factors work into that. One is that those Territory businesses that are already in the Territory will benefit if they are paying payroll tax, because they will be able to put on additional employees. Up to two years of those new employees term will be exempt from payroll tax. It does have a benefit for both new businesses coming into the Territory but also for existing businesses, as they are able to grow their businesses without the impact of payroll tax.

Your other question was around fracking. We do talk with the onshore gas exploration industry and we have had the numbers around the sorts of employment figures they think will come into the base. We used those in adjusting our payroll tax forecasts. Although, in terms of the fracking debate they tend to be outside the forward estimates at the moment. We are working closely with industry around what sort of numbers we can expect to see come in there.

Mr HIGGINS: My concern around the payroll tax is if you are a business—I have run a couple of businesses and I know when times get tough, if you have good employees, you try and hang onto them. My concern is—

and the feedback I get is that—a lot of businesses in the Territory which are above that threshold have been retaining staff and simply covering their costs until, hopefully, things improve.

I think the fact that we are not helping them—it is easy to say they can expand their businesses, but the bottom line is they cannot expand their business. They are running right on the threshold now. What you have to do is compare to our budget that we are predicting here in the Territory, and it has a massive deficit out into the future. These people cannot do that; they are relying on borrowings from banks.

It is unfair that these people are being penalised—those people who are just covering their costs and just managing to continue to employ Territorians. They have dipped out. If it is such a small percentage of the employer base, why did we not take them into account? We have missed out on all of those small to medium businesses. They do not pay any payroll tax; they are exempt.

The group we are targeting is that group, which is currently employing Territorians and probably running very close to the edge. I have found that a bit disappointing. I am not disagreeing with adjusting the payroll tax at all. Then you get this feedback, which is okay. If we are going to have this new industry come into town, all of those people are getting a leg up.

Ms MANISON: It is a fine balance. We are trying to do what we feel is right to stimulate job creation. This was from feedback we had through the revenue paper discussions. For those business that do not pay payroll tax because they do not hit the threshold, we have a significant range of programs through the Department of Trade, Business and Innovation to support local businesses.

I received questions through the budget roadshow from smaller businesses that said they would like some incentives thrown at them as well. It is a fine balance. We are trying to pull a lever to stimulate job creation and from the feedback through the revenue, that this is a way we can do it effectively.

It is hard to keep everybody happy. We are trying to get the balance right, but we think this was the right decision to encourage businesses to do the right thing, employ Territorians or give people a go while things are a bit tight.

Mr HIGGINS: To close off on the overall thing, I think it is a simple question. Will we ever get a surplus? What are we planning on? When is it? Do we have any indication of that? When I look at the budget, it is going up. When to we see it start to turn down?

Ms MANISON: It will not happen in this term of government, Leader of the Opposition. We have been upfront about that.

Mr HIGGINS: I know it will not happen, but predicting it is what I am after.

Ms MANISON: Ideally, I would like to see that in the next term of government—whoever is sitting in the seat of government—whether it be Labor, CLP or the Independents' perfect world, Member for Nelson—a makeup of a lots of Independents creating a very interesting-looking government. We would be looking at trying to bring the budget back to balance in the next term.

This is something I am very focused on in looking at our fiscal strategy and how we get there, but ensuring we do it in a way that continues to support economic growth at a time when we have some very challenging figures in our economy due to that transition because of the INPEX project.

We are working towards that being in the next term. There will have to be some very heavy lifting in that time and a lot of discipline in government expenditure. It will be a hard job. I am hoping we have success with building the GST base with the federal government to see more revenue coming in and ensure we do not see the horror of what we have seen in the last two years with the massive changes to the GST.

We will get through this. The economy will grow. We will get through this period of economic change and the Territory has a very bright future. We will grow the population, see more major projects and see our economic base broaden. That is what we are working toward. It will be next term of whichever government that I am looking at working towards, getting the budget back to balance.

Mr HIGGINS: With next year's budget, we will be half way through that next term in our forward estimates. I will be expecting a downturn in the figures. Is that a valid ...

Ms MANISON: We will be working very hard. It is going to come with some very hard decisions and a lot of heavy lifting and discipline from within government.

Madam CHAIR: Member for Daly, any further questions?

Mr HIGGINS: No.

Madam CHAIR: That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.

Before we proceed to output groups I would like to take a 10-minute recess. We will recommence at 10.20 am sharp.

The committee suspended.

OUTPUT GROUP 1.0 – FINANCIAL MANAGEMENT

Output 1.1 – Financial Management

Madam CHAIR: Welcome back and thank you. The committee will now proceed to Output Group 1.0, Financial Management, Output 1.1, Financial Management. Are there any questions?

Mr WOOD: I have a couple of questions.

Mr HIGGINS: I am actually looking for ...

Madam CHAIR: Member for Nelson, while the Member for Daly is looking for his notes.

Mr HIGGINS: I was just crossing off the ones we have already covered, that is why.

Mr WOOD: Treasurer, what is happening to the Indigenous Employment Provisional Sum inquiry? Can you say what the cost of the inquiry is? What has the government lost in dollars because of the ...

Ms MANISON: Member for Nelson, I will stop you there. DIPL has management of that program so I will save it for the next session, if that is okay. I would like Mr Kirkman to be here because he can answer the exact details of that. If you want to get the rest of the question on record now, so then I can make sure he has it all ...

Mr WOOD: No, that is all right. I can come back to it later. That is okay.

Ms MANISON: Yes, okay.

Mr WOOD: I know you have spoken on it before.

Ms MANISON: Yes, it is definitely for the Department of Infrastructure, Planning and Logistics. It has staff auditing and controlling the whole program and the work around it. It has been working with police. That is where the question should go.

Mr WOOD: Okay, thank you. Madam Chair, I will do it then. I will try this one.

An issue for government is competitive neutrality. For instance, the government runs the Territory Wildlife Park—at a loss of \$1.5m last financial year. At the same time, it competes with a government-subsidised competitor. Did your Treasury department recently inquire into competitive neutrality, specifically in response to a concern received by Crocodylus Park? Has that inquiry been finalised? What was the outcome of that report? Will it be released to the public? If the inquiry showed that there was not competitive neutrality, what will the government do about it?

Ms MANISON: Thank you, Member for Nelson. Yes, we have received a complaint and a request to have a look at that very issue with regard to Crocodylus Park. I will hand over to Mr Graham to let you know where that is at.

Mr GRAHAM: Member for Nelson, yes. We did receive a formal complaint earlier in the year about Territory Wildlife Park and breach of competitive neutrality policy. We are nearing the end of the investigation of that complaint. We have received submissions from all parties involved. We are writing up the report and should have it finalised in the next week or so. Then we will present that to Cabinet. Then, depending on the outcomes of that inquiry, there will need to be either a policy response ...

Mr WOOD: Minister, will that report be eventually made public? It is an important issue.

Ms MANISON: I feel comfortable with releasing it if the party that has requested it is comfortable. My understanding is that they can be made public, so once the investigation is completed and finalised, yes, we will be more than happy publicly release the results.

Mr WOOD: Thank you. Sorry.

Mr HIGGINS: I am ready now. I crossed off the ones the Member for Blain had already asked ...

Mr WOOD: Wait ...

Mr HIGGINS: Go for it. That is okay, Gerry.

Mr WOOD: I will get a couple in on this.

Minister, on page 25 of Budget Paper No 2—I have to make sure I have it right—it states that net exports are expected to emerge as the primary driver of the Territory economic growth, increasing substantially over 2018-19 and 2019-20. How did you reach that conclusion and what products will be exported? If your answer is the LNG, how does that directly help the economy and a reduction in your debt?

Ms MANISON: I will hand over to the Under Treasurer to talk about the ins and outs of some of that analysis.

Mr GRAHAM: That is primarily the transition point for INPEX, for when the construction ends and production starts. The exports are primarily LNG related.

Mr WOOD: How will that help our economy?

Mr GRAHAM: INPEX has noted that there will be ongoing employment at the plant. There is, I guess, revenue that can be subject to payroll tax, stamp duties and things like that. I agree, it does not have the impact on the onshore economy that the construction phase had.

Mr WOOD: So the actual export of the product, we do not get a benefit from, is that correct?

Ms MANISON: It would be fair to say that I have reminded my federal colleagues on numerous occasions that we pay some really nice royalties to them, particularly from LNG—from offshore.

Mr WOOD: Page 27 of that Budget Paper No 2, mentions prospective investment projects in the pipeline that have not yet received final investment decisions. Could you say which of those prospective investment projects have not received final investment decisions?

Ms MANISON: We will go into some of those projects, but I do not have the slide with me that I was doing on my budget roadshow, which outlines that. There are some major projects which we have already forecast within the budget. They are the ones that are looking pretty rock solid, over the line and certain, whilst there are a raft of other major projects that have not been added to the forecast of the budget.

I will get that information for you, because I have a very succinct slide that I present to everyone on the budget roadshow, which shows you the column of what is in what is out, so you can see that pipeline. I will get that for you soon and I will put it on the record here, Member for Nelson.

Mr WOOD: I have another question from page 31 of your Budget Paper No 2. I had better make sure I am quoting from the right section. There is a mention of flat and negative population growth, which we know, but what has concerned me is we lost 350 soldiers, and of course their families, to Townsville when the ASLAVs went part of 2nd Cav. We also lost the tank battalions to South Australia. What efforts did the Northern Territory put in to try to retain those battalions and, naturally, retain those families and soldiers?

Ms MANISON: Thank you Member for Nelson. It would be fair to say that getting as much defence investment in the Northern Territory is something we are firmly focussed on, but it is not just about the infrastructure.

I am somebody who represents a defence electorate, particularly within the suburb of Muirhead. It is just the wonderful contribution that members of defence make to our community each and every day—and the fact that Darwin is a defence town. We have been for a very long time, particularly since the World War II. It is something that we are incredibly proud of. Our defence members make a wonderful contribution to our community each and every day.

There are a few different ways in which we lobby the federal government around defence investment. Like I say, when I talk about investment I am talking about people, not just infrastructure. We have our Strategic Defence Advisory Board and we have our Defence Advocate, Marg Staib, as well who we have got working in the Territory's interest each and every day.

Certainly I know that the Chief Minister had several meetings, of course, with Minister Payne. We continue lobbying the federal government through those different avenues. Defence investment is very important, we do not want to see more people transferred out of town. We would prefer to see more people based here in Darwin because they make a wonderful contribution.

From my example of someone who resides in Muirhead, where 30% of the residents are defence members, the investment they have made into growing the Darwin suburbs through DHA has been wonderful. Lyons and Muirhead are beautiful suburbs. There have been some great housing projects in the city. There have been some wonderful investments in Katherine. When you look at the investments that have been going into Tindal to upgrade the housing—what a wonderful part of the community they are there too in defence.

We want to see them continue to bring their people to the Northern Territory. The feedback we often receive from some of those families is that they want more resources to be put into schools. They want more ways to enhance their lifestyle here so they can have a fantastic time with their family. We work closely with them on that.

Mr WOOD: We have a 0.7% drop in our population. That is predicted. I understand Defence has its strategic reasons for moving people, but was the Territory government involved in this change? A large number of people in my electorate work in the Army. It is a big change not to have any Abram tanks or ASLAVs there anymore.

Was there any contact between the Department of Defence and the NT Government as to why this occurred? Surely it did not help our population growth?

Ms MANISON: Can I suggest this question is directed to the Chief Minister tomorrow, given that he has carriage of the Defence investment and those portfolios? He will be able to give you a bit more detail on what conversations and lobbying has happened, particularly from those boards and the positions we have appointed, such as the Defence Advocate. You will get a more fulsome response.

You would also appreciate that these events have not just occurred over this government; a lot of this has happened over previous governments as well. I have no doubt in the efforts that have been made, whether that be the previous CLP Henderson government in getting Defence people to stay here. I will get the Chief Minister to go through the full details because he has the full line of sight to that activity.

Mr WOOD: I have more questions, but I know the Leader of the Opposition ...

Mr HIGGINS: I have given you a bit of leeway there, Member for Nelson. That is good.

Mr WOOD: I will come back.

Mr HIGGINS: My question is—the net debt to revenue ratio last peaked at 58% in 2012 under the previous Labor government. The CLP managed to get that down to 27%, and it is now on tract to hit 119% by 2021–22.

I have run a business, and if I had that prediction I would be saying I would become insolvent and would need to take emergency action immediately. What emergency action is your government taking to stop that insolvency occurring?

Ms MANISON: Firstly, the Northern Territory will not become insolvent. I want to place that on the record.

Mr HIGGINS: If you were in business and were at 119% net debt to revenue, that would be the conclusion your bank and everyone else would make. That is the position I would look at in my business today and I would take emergency action. What emergency action will you take?

Ms MANISON: Thank you, Leader of the Opposition. Again, I stress that we are very focused on ensuring we see significant repair over the budget over the next few years. I keep coming back to the GST and working on the issue of revenue. That is one way in which we need to see better recognition of the funding needs of the Northern Territory coming into place, ensuring we are not seeing the volatility in the GST—and some of the areas we spoke about, where we get money on one hand and it goes out on the other.

We have put in some very firm measures within the public sector to look at our own expenditure. That is something we will regularly review. We are making some very hard decisions when it comes to the running of government and our own internal expenditure. Some of those savings we have forecast have included the dropping the wages policy down to 2%. We have about 250 voluntary redundancies that will take place. We have a position freeze, so no new positions can be appointed in government unless they are approved by the budget review subcommittee.

We have a lot of work to look at demand pressures across several agencies to ensure we are running as efficiently as possible. We have reduced the growth of agency budgets, which is making it far more challenging for agencies to do their job. We are regularly reviewing the budget position and agencies. We are keeping a very close eye on them. We will look at making changes if they are required. They are some of the decisions we are making.

What we are not going to do is—at a time when we know that the Territory is doing it tough—put up power prices by 30%, water prices by 40% and sewerage by 25%. We have made a commitment that we will not be selling our government-owned corporations. I have to say, in the previous term of government we saw a lot of those public assets sold off. We saw TIO sold. We saw the port leased for 99 years. They were some of the significant changes we saw under the previous government.

For us, the heavy lifting is ensuring we keep the internal discipline on, we work to facilitate more private investment through major projects, and get more people to invest in the Northern Territory. We are doing everything we can to support jobs, grow our population and, of course, grow the GST base.

Mr HIGGINS: Labor has been in government for two years. You are half-way through your term. The public and constituents are getting pretty bored with that excuse of blaming the previous government. It is about time you stood up for your own decisions. I think that is something you need to do.

In your answer you spoke a lot about looks. 'We are going to have a look at this. We are going to have a look at that. We are going to do reviews here and reviews there.' One specific thing you mentioned—which I will hone in on for a minute and ask a simple question about—is that there is a freeze on new positions. If anyone wants them they will be reviewed by the budget review subcommittee, I think. My question is, what about consulting and contract staff? Do they fall under that? Because in the last two years there has been a big increase in the number of consultancies, not just in Treasury.

Ms MANISON: We do keep an eye—a full list of all the consultancies will be provided to you by each agency. You will be able to look and compare. To do business in the Northern Territory you need to engage external expertise from time to time. But by no means do we ever expect agencies to substitute full-time jobs with consultants. There are some places where you have time-limited jobs, where particular expertise is required, which is very time limited, and you need to get the external expertise in.

We do look at consultancies. As a former Cabinet minister, you know it is certainly something you look at through budget processes of where those consultancies have been going out and where you can make savings. It is also important to remember that often a lot of these consultancies support local Territory jobs as well as providing important external expertise that you need from time to time.

That is something we keep an eye on. I never want to see frivolous use of consultants. I never want to see that when there is meant to be a full-time job within an agency that is ongoing, that it is instead replaced with a consultancy. We know they are more expensive in the long run. It is getting that balance right. Sometimes you need to use them because you need that expertise and it is time limited.

Mr HIGGINS: I agree that you need to use that expertise from time to time. You also need frontline staff. We are making our frontline staff come back through your budget review subcommittee. Are we doing the same sort of checking on these contracts and consultants? What check do we have in place for that? I do not think

it is good enough to just have faith that they will not move. It is easier to get a consultant than it is to get this budget subcommittee's approval to put on extra staff.

Ms MANISON: Every minister works closely with their agencies. They get a good understanding of what the agency is doing. I catch up with my agencies every week and ask them a whole raft of questions about what is going on, what their priorities are and what the government's priorities are.

Looking at consultancies, it is certainly something we ask questions about. When the department lets me know they are doing a particular job and how they intend to engage it, I will ask questions about the consultants and what they are doing. It is something that is reviewed. By all means, it is already very much imbedded into budget processes, having a look at consultants and the use of that across the Territory and government. It is something we will continue to do.

Mr HIGGINS: If a department wants to put on a consultant tomorrow, they do not have to go and get formal approval as they do with putting on additional staff.

Ms MANISON: That is not something we have called them on, but I would expect that each Minister, as responsible for their agency, keeps a very close eye on that expenditure. If they say that there is not enough justification for getting the consultancy on—if they see that consultancy budgets are blowing out, then they should be reining that in.

Mr HIGGINS: With that in mind, according to the Department of Trade, Business and Innovation's economy snapshot for May 2018, the \$7.5bn projected non-financial public sector net debt for the financial year 2021–22 per Territorian and per working Territorian figure is \$30 480 for every Territorian or \$54 608 for every working Territorian. How do you think putting that burden on every Territorian is fair? That is a pretty big debt.

Ms MANISON: We are going through a pretty extraordinary time at the moment where we have seen such huge changes to the GST, which have been unprecedented. We are dealing with that at the moment. Again, it is trying to strike that balance at the moment of making sure that the economy moves forward in a positive direction, particularly when there are some very challenging changes out there in the economy at the moment. There is a raft of work that we are doing because, ultimately, the best way to pay down debt is to grow the economy, jobs and our population. That is the best way to manage this very difficult situation.

Mr HIGGINS: So we put out a revenue discussion paper. Why did we not put out a debt discussion paper for Territorians to comment on? It is the same logic—open and transparent.

Ms MANISON: Leader of the Opposition, government is ultimately elected and will ultimately be judged in 2020 with regards to our performance. I have no doubt that we will be scrutinised with regards to our financial performance as well as our operational performance. Territorians understand that we have some big challenges ahead at the moment and that it has been an extraordinary time in the Northern Territory with where the economy is transitioning and with the GST. That revenue paper though, I tell you what, it was a good discussion to go out and have. We had not had a discussion at that level before.

Mr HIGGINS: The debt one would be a bad discussion to have; is that what you are saying?

Ms MANISON: I reckon you thought I would have been leading with my chin on that revenue discussion paper, Leader of the Opposition. You certainly put plenty of material out there on your part.

Mr HIGGINS: Got a good response did it not?

Ms MANISON: There was no doubt about that. It was a discussion that we had to have because I thought it was very important that Territorians understood that 30% of our own-source revenue is what accounts for the total Northern Territory revenue and that raising that revenue is difficult. It was important to get feedback about what different levers we could pull to stimulate growth and job creation. I think in many ways it was a brave discussion to go out there and have. Like I said, talking about tax is not too popular. Nonetheless I am glad we did it because we got some contemporary feedback from industry about their thoughts and views. It was an important time with the GST challenges to have that conversation.

Mr HIGGINS: I want to talk about tax and stuff. This vacant site levy sounds reasonable, but it is one of the biggest tax grabs in our history. The estimates that we have been given are that the vacant site levy will raise less per year than the interest payments on your debt for one day. This is a clear indication of the scale of the problem and the pointlessness of the tax. Why did we even contemplate introducing that?

Ms MANISON: I want to be very clear with this. We do not want to raise any revenue from this tax. This is something that is about a lever to stimulate investment around the Darwin CBD—a strategic investment—to revitalise the CBD. This is something where we will be sitting down with industry to work out the best way to go forward on this with regards to what are the types of incentives, but also the types of ways people will be able to invest in their property.

What we do not want to see are holes in the ground in the middle of the CBD for almost two decades. We know that we cannot, and we do not want to, force developers to go out there and put forward developments that they are not comfortable with. We do not want to go out and miss opportunities for some fantastic developments. We know that the market is pretty tough at the moment. What we do not want to see is significant parcels of land left to rot in a derelict state. We are looking at how you can activate those spaces—is it greening, is it looking at some sort of temporary or pop-up display? How can spaces become a more constructive part of the city rather than sitting derelict and vacant for a very long time?

We do not want to penalise those land owners. We do not want to penalise those building owners, so that is why we will be working very closely with them to put in a sensible levy that is workable and does reactivate some of our areas of the CBD.

Mr HIGGINS: Have we got any evidence or research that was conducted that sort of shows all of this? Will you table that? We are going to introduce a new levy a new tax. What evidence is there that it will actually have that lever effect that you are talking about?

Ms MANISON: For us it was about that we had a policy position that we want to revitalise the Darwin CBD and that we want to see reactivation in that CBD. We know that this is very bold and I have certainly had some very robust discussions with different parts of the property sector. I have to stress again, this is about putting in a workable system that is going to mean that we have some reactivation of the CBD.

I do not want to raise a single cent from this. I cannot stress that enough. Government does not want to raise any money from this. This is why we are going to work closely with the industry and gave it over a year before introduction, so we can work through some of those finer details.

Mr HIGGINS: There was no evidence or research, is your answer?

Ms MANISON: There are other cities that invest in activation of their CBDs. For us it was that we are a government with a policy setting where we want to see the Darwin CBD revitalised and reactivated to become a more liveable, workable and attractive place for everybody. We saw an opportunity there to look at ways in which we could look at having some means in place to get people to invest in activating their sites and not leaving them to become derelict.

Mr HIGGINS: If other states and cities have done it, why did we not go to them and say, 'What evidence have you collected?' and do some modelling from that?

Ms MANISON: We have had a range of work that has been taking place. We have had a look around other places to look at different systems in place and that is what we are working through. I wanted to give the industry good warning and actually work with them on what would be implemented so that is a process that we are working with them on.

Mr HIGGINS: The massive new mining tax is putting at risk \$5bn worth of investment and 4000 jobs, according to the Minerals Council NT and the Association of Mining and Exploration Companies. Why have you decided to introduce this massive new tax instead of tightening up on existing systems?

Ms MANISON: Thank you, Leader of the Opposition. Again, a very difficult discussion that was had out there and I have to absolutely commend the Minerals Council and AMEC for their constructive discussions and their very strong leadership through this process.

What we wanted to do was address the fact that we want to ensure that Territorians got fair recognition for the mineral wealth. If a mineral is extracted from the Territory that is non-renewable, there is some royalty and recognition paid to the Northern Territory. This was certainly not an easy decision. We have had the minerals department, DPIR, and we have also had the Department of Trade, Business and Innovation working very closely with a lot of these companies. We have tried to make sure that we have a very fair and affordable system in place that ensures the Territory gets its recognition for the mineral wealth, as well as ensuring it is workable for those mining companies.

We have changed from a profits-based system to a hybrid system where we have ad valorem until these companies hit where they will be paying their royalties on that profits based system. We have had that down at a very low rate of 2.5%, one of the lowest in the nation. We have also staged the introduction so it will happen over three years. For the first companies, it will be a four-year progression. It will not start until the first payment on 1 July 2019, which would be at 1% and then 2% and then 2.5% and any new mines that come on would be doing the 1%, the 2%, the 2.5% and it would be after \$500 000 of gross production value of the mineral.

What this is saying is that, if you come to the Northern Territory and you extract our non-renewable resources, you will be paying a royalty for them because once they are gone they are gone forever. We felt it was important that the Territory got that recognition—but also recognising that mining is one of the most important economic contributors to the Northern Territory. Our mining companies are incredibly important. There is a range of exciting mining projects on the horizon. We must do what we can to make sure we get them out of the ground and keep the Northern Territory very competitive for investment.

It was not an easy decision, but it was one that we felt the mining companies could manage. It gave the Northern Territory recognition for those non-renewable resources because mining companies have been able to set up, take the resource and never pay royalty to the Northern Territory. It manages that issue.

Nonetheless, we recognise that our mineral sector is very important and we will continue working very closely with it through this introduction, giving those new up-and-coming new miners as much support as we can to help them get out of the ground.

Mr HIGGINS: My initial ...

Ms NELSON: They have had an easy ride for a while now. We are not the only ones who are doing it. So ...

Mr HIGGINS: I disagree with that. My next question is that the Minerals Council and AMEC have been very critical of this decision. I will not ask if you can table any research that has been done on this or the modelling. My understanding is this has not been used anywhere else in the world. The thing is, how do we know it will have the impact? Both of those bodies are saying it will introduce massive, unnecessary uncertainty.

Ms MANISON: Thank you, Leader of the Opposition. Again, I appreciate that we have moved—change is difficult—from a purely profits-based system, where many mineral companies did not have to pay a royalty to the Northern Territory, despite extracting significant mineral wealth. We have moved to a very low rate ad valorem system to make up that gap in the interim. It is new and change can be difficult.

Again, I applaud the Minerals Council and AMEC. We have had some pretty robust discussions, but they are very well served by Drew Wagner and Warren Pearce in their leadership groups. It has been really helpful to speak to those mineral companies that have given their time to us. We had many discussions, hence why we ended up making changes to the scheme to deliver what we have, because we believe it gave the right contribution back to the Northern Territory, but it could also be managed by those mineral companies and not hinder investment.

I might hand over to Mr Butler to give any further details that might help with your question.

Mr BUTLER: Okay. The hybrid system in Australia is relatively novel. There are some examples in Tasmania and Western Australia that we were able to look at. Also, there are a number of Canadian provinces that utilise a hybrid mining royalty system. We had some models to examine—particularly the Canadian ones, given that they are rated quite highly in a global perspective on friendliness of mining activities there. We had those models to look at when we were developing the hybrid royalty system.

In the course of consultation with industry, the Department of Trade, Business and Innovation liaised quite closely with some of the major projects that were getting close to final investment decision. Feedback from a number of those was that, obviously, this hybrid system with a minimum amount of ad valorem royalty would not have a significant effect over the course of their mineral projects. As the Treasurer said, the level of mineral royalty chosen for the ad valorem rate is significantly lower for the average for the same minerals in other jurisdictions.

It is fair to say that if a mine was not able to commence because of a 2.5% ad valorem rate, then it would have been a very marginal project in any event.

Mr WOOD: Can I ask ...

Mr HIGGINS: That might be your opinion, but it is definitely not the opinion of the Minerals Council or AMEC.

Mr WOOD: Are you moving—Madam Chair?

Madam CHAIR: Member for Nelson, something following up.

Mr WOOD: Are you moving away from that?

Mr HIGGINS: Yes.

Mr WOOD: Can I ask a question then?

Madam CHAIR: Yes.

Mr WOOD: Minister, can you perhaps give us a comparison between what a mine like McArthur River would pay under the old or present scheme and the new scheme? Can we see what value this would be? I know it will be about in-confidence, but the Territory public would like to know what benefit this will be in dollar terms.

Ms MANISON: I might hand over to Mr Butler again, because we have certain legislation around royalty payments in the Northern Territory, as you do know. I might get him to answer those questions about that detail.

Mr BUTLER: I think, Member for Nelson, you know the first answer I will give you. We cannot identify individual mine owners and the effect of mineral royalties

Mr WOOD: I was looking at open and transparent government, but anyway ...

Ms MANISON: The legislation is what it is.

Mr BUTLER: However, obviously the way that we forecast mineral royalties is based on mining projects that are currently in place or that have reached that final investment decision. Mineral royalty forecasts do not include those mines that have not yet reached final investment decision.

When we look at putting in place this amount across those mines that are currently not in a profit-based situation—that are currently not paying royalties. What we are expecting to see is \$5m raised in 2019–20; \$10m in 2021–22 and increasing to \$12.5m in 2022–23. It is across those mines that are in a non-royalty paying situation, without identifying them individually.

Mr WOOD: So the \$12.5m would be steady, subject to any new mines coming on or an increase in production. Is that correct?

Mr BUTLER: That is our forecast based on our understanding of the production of those mines, as in place. If their production increases then we would expect to see additional royalty.

Ms MANISON: In speaking about that, can I just table this now Madam Chair, just in response to the question that the Member for Nelson had before. This is just a list that goes through major projects that were included in the forecast in the 2018–19 budget and things that have not been included in the future forecast. If I could hand that over, that would be great.

Mr HIGGINS: In tabling that Treasurer, can you tell us what new projects are on that list?

Ms MANISON: Just to go through what the projects listed there are, I will go to those not included in the forecast, because I think that is more relevant.

Mr HIGGINS: My question was new projects that had not previously been announced.

Ms MANISON: These projects we have been certainly working on for some time. We are, of course, going out and looking for any new investors that we can get—not any, the right investments for the Northern Territory.

We have Team NT doing a body of work and our Minister for Trade and the Chief Minister doing a great deal of work overseas. We have also have two of our other ministers who do quite a lot of work with interstate and overseas investors, the Ministers for Tourism and Culture and Primary Industry and Resources. Certainly the

Minister for Primary Industry and Resources has been back on another busy trip overseas to the states and China recently. We have also got our major projects team that we have working and looking at other investments.

Just to go through this list that was not included in the forecasts was of course the \$1.45bn project Sea Dragon; the Nolans Rare Earths mine; the \$850m Mount Peake mine, the \$750m Verdant Minerals and Ammaroo Phosphate Project; the \$119m Jervis mine metal project; the Chandler Salt Mine and some of the defence projects as well.

We have had a range of those projects. Some of the projects that were included in the budget forecast included, of course, the INPEX project; the Northern Gas Pipeline; road transport infrastructure; the luxury hotel, Barneson; some of the defence investments such as \$470m RAAF Base Tindal New Air Combat Capability project; the Delamere Air Weapons Range \$130m; and \$161m of upgrades of RAAF Base Darwin to support the P8 maritime patrol aircraft.

They were some of the ones that were not included. As I said, it is fair to say that we have invested in this budget as well, \$7m into the core projects. That was going through the Department of Primary Industry and Resources, which is all about going out there to attract more mining investment by getting a lot more work done within the feasibility of mining and what resources are out there. We have certainly been doing a raft of work to see what other investment we can get into the Northern Territory.

Mr HIGGINS: So it is fair to say none of those projects—I was trying to write them all down—are projects that you have started since you came into government? They are all projects that were previously spoken about. When we talk about—in your budget speech you actually say you need more jobs for Territorians through more private sector projects. The thing I was trying to get an answer on is, what new private sector projects you have created, but you have not created any. The issue I have is around jobs and trying to grow the economy in the Territory.

There was a commitment by your Chief Minister prior to the election, saying you will create 14 000 a year. We are two years in; that is 28 000. Plus, we have lost 5000 jobs out of the last count I have, so it is 33 000 jobs. You have actually caused us to go backwards. How are we going to address that and stop that from occurring? When are we going to start to address the 14 000 jobs? I noted that in one of the speeches the Chief Minister gave, he was talking about police recruitment—120 and all this sort of stuff. The re-assignment of people—those are not new jobs. I am talking about specific new jobs. How are we going to address that?

Ms MANISON: There is a raft of work happening to look at where we can facilitate more private investment and get some fantastic projects coming out of the Northern Territory. As I said, we have invested into that core project through the Department of Primary Industry and Resources to see what other mining investment we can pursue in the Northern Territory.

The Department of Trade, Business and Innovation has been doing a great deal of work when it comes to looking at more private sector projects as well, whether they are looking at Alice Springs for senior lifestyle retirements, the waterpark up here—of course in east Arnhem Land we have seen work on the space base. We have a raft of solar projects across the Territory being examined at the moment.

As I said, that difficult decision around onshore gas is going to generate some exploration activity to see if that stacks up and is feasible. We have seen some exciting developments in aquaculture, which is something we are very thrilled to be pursuing. The Chief Minister has also spoken about looking at industrial hemp as an industry in the Northern Territory to see what work can be done around those fibres and that industry. We have been looking at activity around soybeans, barramundi—there are a range of different industries we are working with and trying to stimulate more investment and job creation.

There are some really exciting opportunities for the Northern Territory in those areas, so we are pursuing that and doing what we can to get more of that investment.

Mr HIGGINS: I do not disagree that we should be pursuing these projects and they have great opportunity. My focus at this point is, where are the new private sector jobs? Where are the new industries? Where are the new projects? I am not seeing any evidence of that at this point.

Ms MANISON: But, this is the work that we are doing. We are currently midway through a lot of this work.

Mr HIGGINS: And you are midway through your term as well. You are two years in.

Ms MANISON: Yes, and we have been doing a lot of work. From day one we said these are some of the projects we would be working on and we have been. We are doing what we can to facilitate more investment. We are continuing to pursue the shiplift, for example. I acknowledge that was a project commenced by the previous government, but the heavy lifting and getting it out of the ground is happening under this government. We are looking at the marine engineering industry to support that as well.

There is a raft of work happening. We have some very exciting projects and investment on the horizon. We are doing the heavy lifting and the hard day-to-day grind of trying to get that investment up and running in the Territory.

Ms NELSON: We are starting some of those already, are we not? The Indigenous iconic arts trail is a new project. The car park ...

Mr HIGGINS: It is not private sector investment.

Ms NELSON: It is leading into that.

Ms MANISON: We are certainly investing in our tourism assets as well. As I said before, we are looking at some of our traditional economic bases, such as tourism. That has been a strong focus of ours as well.

Mr HIGGINS: If we have a look at studies that have been done—a moratorium was introduced. It has gone for over two years. Has Treasury conducted any research on the opportunity costs of that? How many jobs did we lose? How many billions in investment did we lose? If Treasury has not conducted that research, why did they not do it?

Ms MANISON: Leader of the Opposition, I certainly do not apologise for that moratorium because what it allowed us to do ...

Mr HIGGINS: I am asking about research.

Ms MANISON: But I think we need to look at that thorough independent inquiry that was done. If you were not to get onshore gas right, the consequences to your economy, environment, population and their lifestyle, could be devastating. We went through an incredibly important and thorough process.

Under the previous government an inquiry was done, but not to the extent of this inquiry. We are very comfortable with the work that was done by this inquiry because it was extensive. We had a panel of experts—it came to a range of scientific and cultural areas—looking at sociology, for example, as part of the assessments on fracking and its impacts. It was an extensive body of work.

It is important to get it right because if you are to frack, you want to make sure you are confident that you have the right regulation in place to protect the environment, make sure traditional owners and others get a real say in the process. If we are to go forward and see fracking, Territorians can have confidence that it is being done to the highest of standards to ensure people in future in future generations will not face adverse consequences as a result.

It was important to get that work right. It frames it up for future governments to point back to this important inquiry's 135 recommendations to show that is how you go about developing an onshore gas industry with certainty around ensuring the environment is protected. If there is a story or area that piques people's emotions, if they are worried about fracking—we have seen that. That is why it was important, because people did not have confidence when we came to government that the right regulation is in place, and the science was not up to date with fracking.

We have undertaken an extensive process. As difficult as the decision was, it shows that we can go forward with the 135 recommendations, strong regulation and monitoring and get this industry right. If it were to go forward without regulation, there could have been unforeseen consequences. It was important to get it right. That is why we put time and effort into this work.

I appreciate that at the time it stopped some exploration activity. Pangaea were clear about that with its case in particular. We have done the hard work and the heavy lifting; we are ready to move forward. There is a huge amount of work at the government's end on implementation of the regulation. I expect we will see exploration activity next Dry Season.

Mr HIGGINS: When we talk about exploration activity, I had someone come to me who had negotiations with one of the mining companies to put some roads and fencing onto a property. They applied to have the process started and were told 'no' until the regulations are in place. I understand that we need regulations around fracking. As the Environment minister I started the process of reviewing those regulations with a time frame of nearly 18 months, which a lot of people forget about. There would have been in place, and it would take time, but the moratorium was not there. Now, we have people involved in civil—roads et cetera—who are also being stopped from doing that work.

The regulations around gas need to be drawn up, but why are we waiting for all these other people who do not have jobs? The person who spoke to me raised the issue that he has a business and employs people, and he has had to sell one of his own properties in the worst time to be selling. What do you have to say to those Territorians you are continuing to stop today? They are not fracking or exploring; they are building roads and fences.

Ms MANISON: I would need to get more detail on that case, Opposition Leader. I am happy to get that person in touch with the relevant agency, ministers and so forth. The moratorium created frustration for some people and business, but it was something where we really needed to get the decision and process right.

Mr HIGGINS: Out of all those major projects that you had before on the list, would I be able to get added to that a list of those that have either capital or planning approval—which ones have already got finance and what their status is.

Ms MANISON: Can I suggest—you have the Chief Minister and Department of Trade, Business and Innovation tomorrow with their major projects team. That is something we will highlight to them that you will be asking that question and that way you can get more detail around that.

Ms HIGGINS: Okay. Did the government conduct any risk analysis or risk management planning around projects like Project Sea Dragon, the space base or the luxury hotel, and if not, why not?

Ms MANISON: Can I just get a bit more detail about the context of that question?

Ms HIGGINS: If we look at Project Sea Dragon, we have committed to fund a multi-million dollar road for them.

Mr WOOD: Two roads.

Mr HIGGINS: Two roads. What risk analysis did we do for if they do not get any of their capital finance?

Ms MANISON: With the rollout of the Keep River Plains Road and Gunn Point Road, I might defer that one to the Department of Infrastructure, Planning and Logistics in the next session. We have Louise McCormick who can explain to you how we have factored in some of that work to ensure that how we are rolling out—particularly the Keep Rivers Plains project—so you can understand some of that risk work that we have done around that, based on their final investment decision.

I am thrilled about the Gunn Point Road project. It is a worthy and great investment because it is not just about one particular project, it is about the opportunity it creates for recreation, fishing and future developments in a very special part of Darwin.

Mr WOOD: As long as we get that bit right.

Ms MANISON: With the particular detail about the rollout of that road associated with Project Sea Dragon, I think it would be more helpful to have the roads manager here and we can talk about some of the early works packages we have been doing before starting the actual seal because, ultimately, it will deliver very strong long-term outcomes for everybody.

Mr HIGGINS: I find it a bit ironic that government is going to spend money on these two roads and we have a project that does not have funding, but we will not let a Territorian build a road on a private property that is going to invest in people like the fishermen waiting on regulation on the gas fracking.

Ms MANISON: I need to get more details on that one. I will hand that one over. If you want to let me know the details, I will be happy to chase that one up.

Mr HIGGINS: When we talk about fracking and the investment, the government is going to invest \$5.3m to implement all of the recommendations. How did that figure come up? Is it the total figure? Is it just the start figure? If it is just the start figure, what is the total figure?

Ms MANISON: That figure was something that was calculated by—in looking at the recommendations of the inquiry. We went through and had a look at the inquiry and how you would go about implementing the full 135 and the resources you had to put in to do that. That was how that came to be. I would suggest that you put the question to the Chief Minister tomorrow to get the full breakdown of the \$5.3m because DCM took the lead in putting that information together.

It was very thorough and that was a question that we seriously asked ourselves in making the decision about the future of onshore gas, which was, how much does it actually cost government in implementing and ensuring that you fulfil your obligations of the full 135 recommendations? We knew that was something the community would want assurances about because, again, you are trying to stack up the costs versus the potential of what it could deliver. That was something that we seriously considered. For the full breakdown and details of that resourcing, the Department of the Chief Minister will be able to provide that for you.

Mr HIGGINS: You had a lot of fanfare about Team NT. Can you advise the committee what Team NT does Monday to Friday, or every day? What have they achieved so far? What will they achieve in 2018–19? How are they held to account? What is the openness and transparency? And how were they actually appointed?

Ms MANISON: Again, it will be a question for the Chief Minister tomorrow, having carriage for that in his portfolios. I will say I have met with Team NT on a couple of occasions. It has spoken to a lot of business and industry and is doing a huge amount of work on those three areas we want them to raise more business for the Northern Territory in, and complement the work already happening through government. Knowing we have three people across different sectors, with former Chief Minister, Clare Martin; former public service head, Mr Paul Tyrrell, who is well known for his work on the railway and INPEX; and Mr Dick Guit, who is the former President of the Master Builders Association, with long-time experience working in the private construction industry in the Northern Territory.

The three main tasks that we have for Team NT are going out to corporate attractions, to get those big businesses that already have an interest in the Territory—or want to have an interest here—to put their money where their mouth is, so to speak, and make that investment in the Northern Territory with corporate offices, staff and employees. If you are doing businesses in the Northern Territory, back it up with your corporate offices and be here.

One area that is the Member for Blain's—and we are hoping to utilise the Member for Blain's expertise in—is looking at those transport links with Asia, particularly looking at eastern Indonesia. It is something we have Team NT working on, but we appreciate that it is not just about those three individuals on the executive, we need to tap into resources of expertise we have in industry locally. The Member for Blain is someone with a great deal of expertise we are wanting to utilise in those areas. Anything that interests you, by all means, Leader of the Opposition—your expertise—everyone is there to represent the Northern Territory.

Corporate attraction and the travel links—and I am trying to remember the last one, my apologies—gas, selling our gas. We know we have excess gas through those Power and Water contracts. We are looking at ways we can further invite industries that need to utilise gas to come to the Northern Territory and set up here. They are the three main bodies of conversation they are having.

With regard to reporting the outcomes and so forth, and the selection process, I will get the Chief Minister to answer those questions tomorrow.

Mr HIGGINS: Okay, I will note that for him. The other one, which you may then want to refer to the Chief Minister as well, is how many policy proposals or projects have been put out for public consultations on the Have Your Say website? I know the debt burden has not been put out there, so that is one more we could have added.

Ms MANISON: It is fair to say we are a government that consults. We have conversations with Territorians. Have Your Say is a great tool for it. There have been a raft of different areas where we have had those discussions with Territorians. For example, Barneson Boulevard. We had a discussion about appropriate species of greening and trees people wanted to have there. We have had feedback about some of the CBD revitalisation in not just Darwin but Alice Springs as well. Generally, in today's communication world, when you consult with government it is not just about a newspaper advert or traditional mainstream media

communications to back it up through advertising on radio or TV—Facebook and social media—Have Your Say is a key part of that too these days.

Mr HIGGINS: What is the medium period for that consultation like? Who comes up with that? Who decides whether it will be put on Have Your Say? Is that a Cabinet decision or a departmental decision? Who is making the decisions on which ones and what is the time period that is around that? Or do you not have any rules?

Ms MANISON: As you remember from your time in Cabinet, when you get proposals from the department around initiatives, often communications plans are subject to that—how you will go out to consult the community, how you will talk to the community about it. Things that do not go to Cabinet but are day-to-day core business of government—you asked that question about what coms are going out to support this so Territorians can get information and access that.

It would be individually, project by project. I know through the Department of Infrastructure, Planning and Logistics, it is something I take advice on board from the communications expertise we have within the department. That will often be what they think is the best way of communicating these projects. Have Your Say tends to be quite a part of that.

I do not have the overall statistics of government of how long these things have been online but I think it might warrant perhaps another written question, Leader of the Opposition—agency-by-agency to how many have you done. I think that will be the best way to obtain that information because I think only agency-by-agency will be answer that one.

Mr HIGGINS: Is it mandatory then for that to be considered in a Cabinet submission or ministerial advice that is given to you? Is that being put out to the departments to say this must be a consideration in certain instances—it is purely a random process?

Ms MANISON: Not to my knowledge, Leader of the Opposition. I would expect that communications professionals give you advice on what the best mediums are for communicating a particular project, project-by-project.

Mr HIGGINS: Which raises another concern of mine. That is, what consideration is given to communication facilities that are in a lot of our remote areas? When we talk about remote areas, a simple thing is I do not have NBN at our place and I could not—cannot get NBN. I am 60 kilometres from Darwin. How are we addressing that issue in regard to the Have Your Say? The thing is, you have a lot of people who missed out on it.

Mr WOOD: Are we moving off financial management here, Madam Chair? I think we are still on section one.

Ms MANISON: I cannot believe that of all people in the world who do not have the NBN, it is you Leader of the Opposition, given how tech savvy you are. That must be pretty dreadful.

I appreciate it. One investment I was very proud of in this budget has been our remote telecommunications investment, which has been going off. It is going to be \$14m over four years from 2018–19 for the new remote telecommunications co-investment in addition to the \$8.5m investment for remote communications connectivity and capacity, which is going to the very heart of the issue that you say.

People in remote communities and in rural areas deserve to have the same connectivity to the Internet and telecommunications as what we have in urban areas. If we are to truly unlock economic development potential in the bush, we need to have proper Internet and telecommunications services.

The person driving that agenda, of course, is our Minister for Corporate and Information Services. It would be fair to say that, as Treasurer, I was very supportive of the remote telecommunications program roll-out in this budget. It is now about getting to the hard places, the more costly places around the Territory.

We want to see as much of the Northern Territory with high quality Internet and telecommunications services—because I know I certainly find with people from remote communities that now everybody has a phone, including seniors. This is how the modern world works. Having Internet services, we all know the frustration of when they go down and how you are tearing your hair out. It is amazing how just a small break when your service is particularly slow, how much it drives you absolutely crazy.

Seeing more roll-out of telecommunications and Internet services is something we are very supportive of. That remote telecommunications program is one way we are trying to get more access to it. With regards to those NBN discussions and where they are at with places that are not NBN accessible and do not have those reliable Internet services, Minister Moss will be able to go in to some of that work—but I feel for you.

Mr HIGGINS: My question was not that I have not got the communications, I was using that as an example that we put a lot of emphasis on this Have Your Say website. The thing is, we are not considering those people who do not have access to it. Those people that do not have access to it online are the ones that also do not have access to radio or the newspaper coming every day. There are a lot of these people who are being missed out.

Ms MANISON: Leader of the Opposition, I think they do. In all the communications materials that come through these are key considerations of where somebody lives is as to what style of communication you roll out. For example, is it something where you do have staff go on to the ground, into the community, do a roadshow or whole-of-community forum to do that consultation? These are key considerations. Access to the Internet—in different places you go to, different media is used. Certainly some of the Aboriginal media networks are clearly more important to be utilised when you are trying to communicate within remote communities than using the *NT News*. These are things that are considered project-by-project.

Mr HIGGINS: I do not think they are considered enough. If you have a look at some of those public forums—I am interested in getting a list of those public forums that have been held out at the areas other than Jabiru, Nhulunbuy, Katherine and Tennant Creek—maybe one or two of the larger communities. I would also like to find out which ones have been conducted in my electorate, in say, Woodycupaldiya, Emu Point, Nama and Wudapuli. Those areas do not have any other form of communication. People who are doing this need to get out there. That was my question on the Have Your Say website.

Ms MANISON: With remote housing, a lot of work goes in community by community to understand the housing needs. When DIPL are here they can talk a bit more about it, as well as when Minister McCarthy is on. That is an example of where community by community they need to sit down and understand what the needs are. Face-to-face communication is the only way to go.

Towards Zero, the Road Safety Action Plan, is something we took to a lot of remote areas and communities—knowing the level of trauma on our roads and the fact that Aboriginal people are overrepresented in the road toll. Most of our road deaths and injuries happen in remote areas of the Northern Territory. We consulted face to face with people in communities on that.

Mr HIGGINS: One of your pre-election commitments was to create an independent central data unit. Has that been established?

Ms MANISON: That is a question for the Minister for Corporate and Information Services.

Mr HIGGINS: With respect to the Northern Territory Infrastructure Development Fund, the first and only investment of \$10m was given to NT Beverages. Can you tell us what due diligence was conducted in regard to that investment?

Ms MANISON: The NTIDF undergo due diligence for every project it looks at and what they are looking to make investments in. There was a thorough process they underwent.

As with every project, they are not just investing willy-nilly; they do a considerable amount of work to look at the feasibility of projects. Les Fallick is the Chair of the NTIDF. I catch up with him on a regular basis. I have some more information for the committee today on the NTIDF. We are also happy to arrange briefings if anyone would like to catch up with Les Fallick or some of the local staff in Darwin.

It is fair to say we would give it a couple of years to see how it goes. The whole purpose of the NTIDF was to seed it with the TIO sale money to attract private investment to the Northern Territory from external sources. I have always been very clear with Mr Fallick that I do not expect investments to be made for the sake of investing in something. We want long-term return to the Territory and that they do what they were meant to do—that is bringing private money into the Territory and getting things established that might not have been feasible.

We are having a serious conversation at the moment about where the NTIDF is at and where its future leads. It is engaged with a lot of projects—and there are a lot of well-advanced projects in discussion, including

investments. If there was, for some reason, a decision to roll-up the NTIDF and for them to finish up, you would have to very carefully consider those projects and make sure you do not compromise them.

I am happy to table some information in regard to the operating expenses from 30 June 2017, estimated operational expenses from 2017–18, the project pipeline information from ICG, summary of committed capital drawdown to date, table of NTIDF board meetings and information summary.

Mr HIGGINS: My question is more about NT Beverages, but before I get to a final one on that—I understand the government has a seat at the board of the NTIDF. How active is the person sitting on that board?

Ms MANISON: The seat is held by the head of the public sector Ms Jodie Ryan. She was formerly there in her capacity as the Under Treasurer but then it was decided to keep her there for continuity. Mr David Braines-Mead next to me attends meetings as well as an observer. We have regular engagement with the NTIDF. Again, it is important to remember that this is something developed by the previous Treasurer, something very new. There are good intentions there in terms of bringing money into the Northern Territory, but it is not getting that investment that had been foreseen at this point.

Mr HIGGINS: You previously had a very brave water minister who brought in or removed the restriction on commercial licences in the rural area.

Mr WOOD: It has caused some local members some headaches.

Mr HIGGINS: That person has a very close interest in some of these. Are the people aware of the—on the NTIDF—that NT Beverages—the last time I wrote, and I am yet to see an ad following up—does not have a water extraction licence?

Ms MANISON: My understanding is that is still being assessed at the moment.

Mr HIGGINS: Why would we give \$10m to someone who does not even have a water extraction licence? In other words, this is the same as a mineral coming out of the ground; it belongs to all Territorians. There is no guarantee they will get it. It needs to be advertised publicly. When it was first put down, the bore that was there, and when they put a second bore down—a replacement one—that was the biggest flow of traffic through my office at Berry Springs. Why did we give \$10m to them when we have someone from government sitting on that board?

Ms MANISON: Again this is an independent board that made that decision.

Mr HIGGINS: Did the government point out then—you have said we have the minutes. Did they point out that there was a risk in this and that is that they do not have a licence?

Ms MANISON: Clearly, I would agree with you that having certainty around that licence would have been a critical component with regards to making the final investment decision that the board has made. With regards to the consideration of the extraction licence, like I said, I know that is currently being assessed. From what I understand, they knew that was part of the assessment going forward. In my risk averse mind, would I have been comfortable with that decision? No. If you are a water company, I would expect that you would have that part of that deal stitched up and done ready to go.

Nonetheless, the NTIDF is a board of some very thoroughly experienced investors. We have got ICG doing their due diligence work and this type of research. I will have to take on notice any further questions you have in regard to that extraction licence and some of those questions around considerations. I would be happy to get you answers from Mr Fallick and for him to brief you.

Mr HIGGINS: I will be asking the water minister some questions about why that licence has taken so long. I know it was applied for well over 12 months ago. The latest correspondence I had was that it would not—and I got this earlier in the year—it would not even be considered until August. If they are wanting to get \$10m from the NT Government, surely that should have been done prior to that.

Ms MANISON: Yes, the NTIDF board is independent. They operate fully independently of government. Those decisions that they make—yes, we have a representative there on the board and an observer. I would have to get you more information around the level of detail with regards to the assessments of the water licence issue.

Mr HIGGINS: I might just leave it there and give these other people an opportunity.

Mr WOOD: I did start off giving the Leader of the Opposition a bit of leeway and he took the entire ocean. I have to remind the Leader of the Opposition that the Independents do have an equal right to have questions; we just do not have the number of people to write them up.

Mine is a more mundane question, Treasurer. In relation to page—well it needs an answer because I drag myself through these pages as best I can—not a lot of them. Page 55 of Budget Paper No 2 talks about Commonwealth revenue. After that, there is the National Health Reform Agreement. It states—it will be better to read it:

At the February 9 2018 COAG meeting, New South Wales and Western Australia were the only jurisdictions to sign a new Heads of Agreement (HoA) on public hospital funding and health reform. The HoA forms the basis for a five-year national health agreement, beginning 1 July 2020, which will continue to see growth in Commonwealth funding capped at 6.5 per cent nationally per annum.

Why have we not signed up on the new heads of agreement?

Ms MANISON: We have.

Mr WOOD: Is this out of date?

Ms MANISON: Yes. Subsequently, as you appreciate, the budget paper deadlines are pretty tight. Just prior to the budget we agreed to sign up to the heads of agreement. The Health minister is now working on the bilateral details of that agreement. That body of work is happening now. Is there anything that we need to add to that?

Mr GRAHAM: No.

Ms MANISON: New South Wales and WA signed. South Australia now has, Tasmania and us, so it is progressing.

Mr WOOD: All right. I tried to give you mundane questions.

Ms MANISON: We have concerns though, with regard to hospital funding in particular. It is an area of high demand that, yes, the Commonwealth has wanted to move forward. We have been trying our best to get the best deal for the Northern Territory. We have concerns of whether or not that 6.5% will keep pace with the growth of hospital needs and requirements in the Northern Territory. That is why the Health minister is doing extra negotiation around that to attend to the areas where we see demand pressures, or areas we need to attend to and put more resources into.

Mr WOOD: Those are all the questions I have on that section, Madam Chair.

Madam CHAIR: Thank you. That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – ECONOMIC

Output 2.1 – Economic Services

Madam CHAIR: The committee will now move on to Output Group 2.0, Economic, Output 2.1, Economic Services. Are there any questions?

Mr HIGGINS: The Mid-Year Economic and Fiscal Outlook, MYEFO, for 2017–18 states that the Territory's headline economic growth rate strengthened to 4% in 2016-17, to a total gross state product, GSP, of \$25.4bn. Economic growth for 2016-17 was stronger than the anticipated 1% published in the 2017-18 budget.

Can you explain to the committee how there can be such a large discrepancy? That is 75% between what was forecast and what was achieved.

Ms MANISON: I will hand it over to either the Under Treasurer or the Deputy Under Treasurer. It would be fair to say that with the INPEX project, they were expecting to be exporting by now. That indicates what we already know, which is that there have been construction delays in that project. The continuation of that project beyond where we were expecting it to be has had economic benefits to the Northern Territory.

Mr GRAHAM: As the Treasurer explained, Leader of the Opposition, the timing of INPEX has been delayed. That, I guess, is affecting our forecast. The investment and employment effects of the scaling down of INPEX are basically being pushed to the right. That has affected our forecast between mid-year and budget.

Mr HIGGINS: How often do you do that modelling? How often do you redo that?

Mr GRAHAM: At mid-year report time and budget time. The mid-year report is an update of our budget forecast, so ...

Mr HIGGINS: Yes. So, we do not do any other modelling outside of that?

Mr GRAHAM: Not for economic forecasts.

Mr HIGGINS: Knowing the impact of INPEX on it, we are not doing any additional forecasting on that or keeping an eye on it? Recently they announced another delay. That would prompt me to say, 'Hang on, what will the impact of that be?' We do not do any on that?

Ms MANISON: It would be fair to say that there is regular, close communication with INPEX and government, since it is the most major we have ever seen in the Northern Territory. Knowing that any changes in the delivery time frame impact our economy, there is regular communication between government and INPEX about how they are tracking along and where they are going. It is just that where we formally capture some of those changes in our government reports is we have the two points of the year, which are budget time and mid-year report time and Treasurer's Annual Financial Report statements.

So that is where we formally capture some of that data into our formal documentation, which is all under the *Fiscal Integrity and Transparency Act*—FITA. They are the two regular reporting periods we have to do and produce. That is where those forecasts are captured. We still have those conversations to make sure we know how they are tracking along with INPEX.

Mr GRAHAM: That is right. In preparing those forecasts we monitor what happens between those periods, but it is reported at those points.

Mr HIGGINS: Page 13 of MYEFO in 2017–18 details the substantial service provisions being \$6.265m for 2017–18 and \$5.975m for 2018–19. This a \$290m reduction in service provisions. Can you explain what those cuts are?

Ms MANISON: Can we take that on notice, Leader of the Opposition, so we can get that documentation?

Question on Notice No 2.1

Madam CHAIR: Member for Daly, can you please repeat the question for the record?

Mr HIGGINS: Page 13 of MYEFO in 2017–18 details the sustainable service provision being \$6.265m for 2017–18 and \$5.975m for 2018–19. This a \$290m reduction in service provisions. Please detail to the committee where these cuts will come from.

Madam CHAIR: Thank you. The question asked by the Member for Daly of the minister has been allocated the number 2.1.

Mr HIGGINS: Page 27, table 3.2, lists Northcrest as a \$300m project, but the government and Northcrest previously described it as a \$1bn project. Which is correct? Is it \$300m over the forward estimates only, or is it \$1bn? It might be in the MYEFO.

Ms MANISON: Can we take that on notice as well so we can give you the forecast with regard to that program, because I am not sure what length of time they would be discussing. It is a project that goes over many years—what the total economic benefit would be.

Question on Notice No 2.2

Madam CHAIR: Member for Daly, I will ask you to repeat the question for the record.

Mr HIGGINS: Page 27, table 3.2, lists Northcrest as a \$300m project, but the government and Northcrest previously described it as a \$1bn project. Which figure is correct? Is it \$300m over the forward estimates only, or is it \$1bn?

Ms MANISON: We will have a look. If you are talking about the forward estimates—we know the life of the project is well over the forward estimates—we will try to get you the accurate forecast and put it in the right context so we are not giving you the wrong information.

Madam CHAIR: The question asked by the Member for Daly of the minister has been allocated the number 2.2.

Mr HIGGINS: You may be able to answer this one. In the same table, \$800m is put against the Northern Gas Pipeline. Is that work nearly completed? What work is left outstanding?

Ms MANISON: My understanding is—I will have to get an update for you tomorrow with the major projects team and Chief Minister. Last time I met with Jemena, things were going incredibly well. They were tracking along nicely and laying a huge amount of pipe every day. My understanding from the last meeting I had is that they were going to meet their targets. We will get the major projects minister to update you tomorrow on how they are progressing along.

Mr HIGGINS: You may have answered this question earlier. The final report of the Productivity Commission has been given to the Treasurer. Have you had any meetings or discussions with them in relation to that final report? If not, when will you be doing that?

Ms MANISON: I met with the Board of Treasurers the other day, which is all my Treasury colleagues bar the federal Treasurer. It is a very constructive working group. None of us had been given a line of sight as to when exactly we will be getting that report through, but I expect it will be shortly. Very soon, has been some of the chatter we have had from department to department, so we are eagerly awaiting that. I hope you raise the question of it with the federal Treasurer when you meet with him in a couple of weeks. I will certainly be discussing it with him upon receiving that report as well—soon, I am hoping.

Mr HIGGINS: Can you tell me how much money has been set aside for the Treasurer's Advance in 2018–19, and how does this compare to previous years?

Ms MANISON: Year to year, the Treasurer's Advance is about \$30m. As you know, the Treasurer's Advance is something, I do not like to promote too actively to my colleagues, Leader of the Opposition. The one thing all treasurers face is that their colleagues certainly all have their expenditure pressures.

Sensibly, most governments have a mechanism called a Treasurer's Advance, which is in place for the end of the financial year when there have been some unanticipated costs that come to government. Every government has Treasurer's Advances. They are very sensible to have. There is a final end-of-financial-year contingency to pay for things that have not been necessarily anticipated. We like to keep it at \$30m and that is where it is at.

Mr HIGGINS: How many years has it stayed at that \$30m for?

Ms MANISON: I will get Mr McManus to take the question.

Ms MCMANUS: Leader of the Opposition, it is \$30m and has been for as long as I can recall. It is a standard allocation.

Mr HIGGINS: Okay. Treasurer, can you give an explanation of the approach and methodology used in the budget for population estimates and forecasts in the forward years. How have we done that?

Ms MANISON: I will get one of our more technical experts to talk about projections. One thing we have done as government is work closely with CDU to have a good look at our population drivers and the areas of

population that we feel will get the best bang for buck, so to speak. This is why we have been looking at our population strategy, which the Chief Minister will release soon. It will be doing a lot of work to target those early career-aged women, those late career workers—people prior to retirement, and migrant workforces. For the ins and outs of those calculations, I will hand over to Mr Graham to direct how that is answered.

Mr GRAHAM: We do a range of population forecasts, we do long-run projections, which are published on the website and they are the result of a long-range forecasting model. We also do shorter-term forecasts, which are published in our budget papers, where we look at the different components of population growth, natural growth, net interstate migration, net overseas migration and—I guess—do trend analysis of those different components to give us a headline forecast.

Mr HIGGINS: Do we expand any of that to go out into the regional areas—the impact of policy on population movement and an impact on the cost of providing services in those areas? How do we take that into account?

Mr GRAHAM: We do regional forecasts on the projections. It is fair to say we produce those projections which can be used by agencies for planning purposes—for Education, for Health and things like that. I guess we provide the baseline information, the data which can then be used for agencies' planning purposes.

Ms MANISON: We also work with CDU, do we not? And the information they provide us.

Mr GRAHAM: We do co-operative work with CDU around more detailed demographic research, migration drivers and things like that. That has been used to inform the population strategy.

Mr HIGGINS: I presume we use the same formulas and methodology for doing the budget as opposed to MYEFO or the PEFO. Do they all used exactly the same methodology.

Mr GRAHAM: Yes.

Mr HIGGINS: Okay. I do not have any more questions.

Madam CHAIR: Are there any other questions for Output 2.1?

Mr WOOD: Yes, Madam Chair. Is this where we bring up Power and Water?

Madam CHAIR: Yes it is.

Mr WOOD: Treasurer, why did you sack the Territory Generation board?

Ms MANISON: With regards to Territory Generation, there is no doubt that structural separation has created a raft of challenges for Territory Generation. Their financial sustainability was becoming an ongoing concern for myself—their need for additional capital to go in to keep their cash balances at an acceptable level. When it got to a bit of a worrying point, I commissioned some external expert advice from Mr Jim Colvin, which came back in after he had a good look and embedded himself within Territory Generation and Treasury to understand some of those pressures.

After receiving that report, I had a discussion with the Chair of Territory Generation. It was my view that we needed a bit of a change of direction. The Chair had tendered his resignation. I have to thank him for his work and the board's work, because they were tasked with setting up Territory Generation and they had done their best.

There was no doubt that there were challenging times. We did want to see some new direction to take us through these changes, particularly with the solar industry there. We are now working with the interim board. I am pleased to say that the interim board has accepted to become the permanent board, with appointments going forward of Mr Dennis Bree, Ms Christine Charles and Mr Richard Galton.

Territory Generation, like all thermal generators around the country, is facing a time of significant change. We have a renewables policy and we have a goal of 50% renewable energy. Within our households alone, we have seen the uptake of solar PV on rooftops doubled in recent years.

Things are rapidly changing and with that, unfortunately, technology is not quite ready at this point when it comes to battery storage and being able to ensure that we can meet the ongoing challenges, which are presented by the fact that you always need to have a spinning reserve ready to go when you need to flick those generators on. The sun all of a sudden disappears, and there is cloud coverage and so forth. It is a

challenging time for Territory Generation. We are working with them closely to see how we can ensure that they are in a more financially sustainable position going forward.

Mr WOOD: So what was the major difference between your previous board's policy and the new board's policy?

Ms MANISON: I just think we got to a point where it was very clear that this government had a very different policy setting to the previous government when it came to a commitment to renewable energy. I have made it very clear to all three boards of Jacana, Territory Generation and Power and Water my expectations around efficiency. Due to structural separation, we have seen that what used to be the Power and Water Corporation has now become three separate government-owned corporations, which effectively requires three times the resourcing at the top: three boards, Chief Executives, Chief Financial Officers, Chief Operating Officers, HR sections and finance sections. I am constantly saying to all three of those government owned corporations that I expect them to operate efficiently—and having to make tough decisions around expenditure to operate efficiently.

The other thing I do always stress to them is that I never want it to be at the expense of reliability or compromising worker safety, because they do some very dangerous jobs out there, particularly the people in power networks and in generation. I say, by all means, I want you to operate efficiently but I do not want you to do it at the cost of worker safety.

Madam CHAIR: Member for Port Darwin, you have a question? Or are you following up, Member for Nelson?

Mr WOOD: It is slightly skipped, because I was going down the path of Territory Generation first. The other issue about the three boards is a question for later on.

Mr KIRBY: My question was in line with that, regarding cost. Is it possible to put a cost to structural separation?

Ms MANISON: I do not have a cost right now, but it is fair to say I remember sitting where you are sitting, asking the former Treasurer how much this would cost. He would say, 'a couple of million,' when it is a lot more than a couple of million.

Mr HIGGINS: Do not worry about that.

Mr WOOD: Can I get back to the original direction—Territory Generation. I note this article by Ashley Manicaros. He said:

If only it was as simple as flicking a switch, transferring how we get energy one day to a different model the next.

This isn't about delaying the inevitable integration of our renewables into our energy grid.

This is about how we do it without adding another billion dollars or more to the Territory's already staggering debt ... One that does not go away with the promise or the delivery of lower electricity bills.

My concern—and it is not just me—is that we can sometimes get lost in this wonderful idea of renewables. The idea of having 50% renewables worries me, as we have not done the actual homework. Forget batteries—I tell people it is lovely to have batteries. Go and boil your cup of tea or cook your roast and you will have no battery. You need a gas stove if the power is off.

There is a lot of hype around renewables. I am not saying it is not important. I just came back from my sister-in-law's place near Channel Point, which is entirely run on solar. I know how it can work; they also have batteries. We are going down a path of spinning reserve. We will need all our power stations in major areas. Has someone done a financial study to see if this is not just about government policy but actually stacks up?

Ms MANISON: That is an excellent question. Work was done by Alan Langworthy, which resulted in more work. That is the reality we are facing—making sure that as we manage the transition to more renewable energy we are able to take on some of the fixed-cost burden by having several thermal generators in place, which we still rely on to meet peak demand, because the renewable technology is not there yet.

That is why we are making sure we get the implementation of our renewable energy policy right. That is why we are doing additional modelling work on power networks, getting more information and staging this transition in an appropriate way so it does not become a cost burden to Territorians.

Renewable energy is here. It is a fact of life. I do not think we should be replacing thermal generators with thermal generators; it is not the way of the world. We should be aspiring to put in more renewable energy, but it has to be to the benefit of the consumer—Territorians—and not cost them an arm and a leg. That is why we are managing this transition very carefully and working through the numbers and the best way toward full implementation.

Mr WOOD: It also has to be beneficial to industry. We have a number of industries that rely on baseload power, which I do not think they can rely on renewables for. Some of the mining industries between here and Pine Creek do not rely on renewables and need baseload power.

If someone looked at the cost of keeping the power stations going, introducing a renewables policy and the cost of not being able to—at present, anyway—sell our gas. Is that added to the total cost?

Ms MANISON: It is a moveable feast. There is a lot of work happening between the Renewable Energy Unit in the Department of the Chief Minister. Treasury has a large role to play in this because it works with DCM and the government-owned corporations. There is a constant stream of information going, so they can understand the costs and the pressure it puts on the budget or what benefits it might deliver to CSOs.

That is a body of work that is ongoing, Member for Nelson. It would be fair to say, as somebody who has the ultimate sign off when it comes to the decisions to do with the finances of the government-owned corporations, that we ask the hard questions about what the actual cost to the Territory is with some of these decisions.

The thing I have tried to explain to people is that when you have three government-owned corporations, when you pull the lever on one it often affects the other ones. If Jacana does something then that can often affect Power and Water and Territory Generation. If Territory Generation does something, it can affect Power and Water and then Jacana. It is about understanding, 'Do we end up even at the end, or do we end up ahead or behind?'—trying to understand the complexities of those flow-on effects and how it affects our government-owned corporations.

Mr WOOD: Can you guarantee for the average consumer that their price for electricity will not go up because of this 50% renewable policy? That is what is being referred to in that article.

Ms MANISON: I guarantee you this government set a policy that we will not be putting their prices up higher than the CPI. That is the policy we have put in place. Of course, I want to keep the pressure on those community service obligations. I do not want us paying more than we need to. Ultimately, we want to make sure we have financially viable government-owned corporations. These are the questions we are asking and part of the work we are doing around renewables.

Madam CHAIR: Member for Nelson, we will reserve any questions for after the lunch break. It is 12.01 pm. We will return at 12.30. Thank you.

The committee suspended.

Madam CHAIR: Thank you, all. We will continue considering Output 2.1, Economic Services.

Ms MANISON: We are ready to answer one of the questions on notice. I might get Mr Braines-Mead to answer that question for the Leader of the Opposition.

Answer to Question on Notice No 2.1

Mr BRAINES-MEAD: The question was around the mid-year report and a table in there around sustainable service provision, which showed a drop in operating expenses between 2017–18 and 2018–19 from \$6.26bn to \$5.97bn. The question was, what is the difference?

It is made up of two or three items. One of those is savings and efficiency measures that were introduced as part of the 2017–18 budget. That largely does not take effect until 2018–19, therefore reducing the 2018–19 amount. The National Partnership on Remote Housing ceases at the end of 2017–18. It is being renegotiated at the moment, but that included around \$65m of property-tenancy management expenses that are obviously included in the 2017–18 number, but is not yet in the 2018–19 number.

There were also some one-off stimulus measures, like the Immediate Work Grants, and some increased repairs and maintenance in 2017–18, which are obviously not reflected in 2018–19. That is largely the difference between the two.

Madam CHAIR: Thank you. Are there any further questions for Output Group 2.1?

Mr WOOD: Mine was half-way through. I have to remember what it was. I think it was about the cost of upgrading the power station, bringing in a renewables policy and having to deal with the excess gas we have to pay for. Has someone done a study on that to say, 'This is what it will cost if we go down this path'?

Ms MANISON: This is the work we have been crunching through. This is work where we have had a look at different models of delivery, of single purchaser versus wholesaler, for example—and understanding what are the benefits to the consumer and what are the actual costs when it comes to operating these government-owned corporations.

We are having a look at it from the perspective where we can see the overhead view, I suppose, or when you can see Territory Generation and Power and Water and their gas obligations, and Jacana as the retailer. That is work that we have been looking at to understand where those price points are and how you best implement the renewables policy.

Mr WOOD: The question I asked before we took the break was regarding the cost of power. You said that basically you will only be going up by the CPI for cost of power. The question I ask then is, if that is the case—keeping the power station going, bringing in a renewables policy, still paying for unwanted gas—if that shows to be a substantial increase in the cost of producing power in the Northern Territory, to keep the power prices the same for the retailer, does that mean the government will have to subsidise the system to enable that to happen?

Ms MANISON: One thing we consider when we set those prices is what is the impact on the community service obligation? Does it get you ahead? Does it not? For this term of government, we have made a very firm commitment when it came to residential power prices that it was important to keep them at CPI. That is a decision we have made for this term of government. I would expect that we will look and review that in the next term of government to make sure we are comfortable with the position of where we do set those power prices. It would be fair to say that we would not be going to the extraordinary lengths of the previous government with their significant price increases. That is not a path we would be prepared to go down.

Mr WOOD: Your government made a promise before you were elected that you would have 50% renewables. If you find out that is not going to make good sense—I am not saying it is or it is not—that the cost of doing this is going to put a lot of pressure on the taxpayers subsidising that to achieve the outcome you want, would the government reconsider its policy and perhaps say we will just take 30% renewables for the time being?

Ms MANISON: We are very committed to the renewables policy, but we are committed to doing it in a sensible way and ensuring that we get the best value for the Territory and best value for consumers. Fifty percent by 2030 is our aspiration and what we are working towards, but we are doing this very carefully, Member for Nelson. We want to make sure that this transition is done in a way that does not have adverse cost impacts, particularly on the consumer and on the Territory's bottom line. We are working through that detail. The aspiration is 2030. It is what we have looked at and what we have been modelling around.

My main concern, sitting in the Treasury chair, is that I want Territorians to be able to afford to live here. I want a reliable power supply. I want to make sure that in delivering this renewables policy, it is not to the detriment of the Territory's bottom line of those GOCs, because they are very challenging at the moment. This transition is challenging. That is why we are keeping a close eye on it and doing that work.

From my perspective, it is about getting the transition right. We know that renewable energy is happening already and there is going to be more uptake of it in the future, so it is how we manage these government assets to take us through that journey in the most cost-effective way.

Mr WOOD: In relation to what the Member for Port Darwin mentioned about the three boards—and I have probably raised this before—our late Auditor-General spoke about this issue of having three boards and he basically said—and I was the one that asked when the previous government was looking at separating the three GOCs—that it could have all been done internally through an accounting system. I used to use the example of Origin Energy in Queensland; it only has one board and yet it has a whole range of different obligations. Have you given up the option of having one board to run the three GOCs?

Ms MANISON: At this stage we are not looking to amalgamate the GOCs. We are intending to keep them separated; we are not looking to condense the boards into one. I would want to do a bit more work around that to be satisfied that they can work together effectively. We have really come into government with a completely changed system. There has been massive change through Power and Water, Jacana and Territory Generation under the previous government.

My concern and focus was on making them all financially sustainable and viable and ready for the challenges of the future. To me, it was about trying to get them focused and operating efficiently with what we have. I think there can be further efficiencies found within all three of them. That is something I continue to work with those Chairs on.

Mr WOOD: In relation to power generation, there was a company called Northern Power Services that was going to set up generating capacity at Wickham Point. Is that going ahead and are there are other private companies looking at investing in the Northern Territory into generation of power?

Ms MANISON: Northern Power was before my time. My understanding is, no, they are not looking to proceed in the Northern Territory. We have several solar generators that are looking to set up in the Northern Territory. There are several significant projects. You would probably have to ask Rimfire Energy about its interest as well.

Mr WOOD: Have you had any contact with Tenax Energy, the company that was looking at ...

Ms MANISON: Many years ago I heard you speaking about these people. I have not had any engagement with them. I do not think I have seen any information come across my desk from them in the time I have sat in this chair, Member for Nelson. I have not seen any work done on tidal. There has been a very strong focus on solar.

Mr WOOD: The last contact I had with them, they wanted to get away from electricity and produce hydrogen.

Ms MANISON: Hydrogen seems to be the next big thing.

Mr WOOD: You will get me going on that now.

Ms MANISON: Yes. That seems to be the next port of call for renewable energy in this country. The focus at the moment is firmly solar, looking at battery technology, but there will be growing interest in hydrogen.

Mr WOOD: Finally, do I need to go to each individual company, or are you able to tell me whether Territory Gen, PAWA and Jacana are financially viable, or how much they are subsidised by?

Ms MANISON: I am happy to take those questions on notice and we can get you a response back over this week, prior to you catching up with them, with regard to where their CIs are at and any questions you have.

When we get the efficiencies in place, I believe all three of them are very viable. There is no doubt that Territory Generation has a few challenges at the moment.

Mr WOOD: Right. Should I put that on a question or should I just ...

Ms MANISON: Yes. If you would like to be exact about the information you want, because that was a bit broad.

Question on Notice No 2.3

Madam CHAIR: Member for Nelson, could you please restate the question for the record?

Mr WOOD: Could you provide figures for Territory Generation, PAWA and Jacana for their profit and loss, and how much the government is required ...

Ms MANISON: Through CSO?

Mr WOOD: Through CSO, to provide ...

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes, Madam Chair.

Madam CHAIR: The question asked by the Member for Nelson of the minister has been allocated the number 2.3.

Mr WOOD: Those are all the questions I have on that section, Madam Chair.

Madam CHAIR: Any further questions for Output 2.1?

Mr MILLS: I have a related question. It is a very similar question. Would you be able to identify the combined borrowings of the three entities?

Ms MANISON: We will need to take that on notice?

Mr MILLS: It looked like you were about to say ...

Ms MANISON: I will take it on notice and provide the information for you ...

Mr MILLS: Thank you.

Mr BRAINES-MEAD: Combined?

Mr MILLS: Yes.

Mr BRAINES-MEAD: It is \$1.384bn.

Mr MILLS: Can you then now ...

Ms MANISON: Disaggregate.

Mr MILLS: Yes, disaggregate.

Mr BRAINES-MEAD: It is \$200m for Territory Generation and \$1.184bn for Power and Water Corporation.

Mr MILLS: Thank you. And the combined debt and disaggregated debt against each of the entities?

Mr BRAINES-MEAD: Was that not the previous question—the combined debt?

Mr MILLS: No, that was the borrowings.

Mr BRAINES-MEAD: Okay. I can confirm there is no other debt.

Mr MILLS: Okay.

Mr BRAINES-MEAD: The borrowing is their debt.

Mr MILLS: Okay, thank you.

Madam CHAIR: Thank you, committee. That concludes consideration of Output 2.1.

Output 2.2 – Payments on Behalf of Government

Madam CHAIR: The committee will now consider Output 2.2, Payments on Behalf of Government. Are there any questions?

Mr HIGGINS: I have only one. The Community Services Obligation payment for regulated retail electricity tariffs shows on page 265 of Budget Paper No 3, a budgeted decrease in 2018–19 by about \$8.2m. Can you give us an outline of why that decrease in payment is?

Madam CHAIR: What page was that again, Leader of the Opposition?

Mr HIGGINS: Page 265.

Ms MANISON: We are just going to look at that information now and I will get Mr Braines-Mead to answer that question about the community service obligation there.

Mr HIGGINS: I have no more questions on that one.

Mr BRAINES-MEAD: Basically, the decrease in 2018–19 is due to savings through increased competition the electricity generation sector, particularly in the Darwin-Katherine system combined with some expected generation cost reductions in Yulara.

Mr HIGGINS: I know the savings would cover more than the \$2m of breaking corporations up.

Ms MANISON: I do not know what the total end figure is there. I cannot give that to you yet, Gary.

Madam CHAIR: Are there no further questions for Output 2.2? That concludes consideration of Output 2.2 of Output Group 2.0.

OUTPUT GROUP 3.0 – TERRITORY REVENUE Output 3.1 – Territory Revenue

Madam CHAIR: I now call for questions relating to Output Group 3.0, Territory Revenue, Output 3.1, Territory Revenue. Are there any questions?

Mr HIGGINS: My only question is more around looking at the revenue and the discounts we have given in regard to FIFOs and the payroll tax. What consideration was given to giving benefit to those companies that have been employing workers in the Territory long-term? Did we give any consideration to that?

Ms MANISON: Thank you, Leader of the Opposition. Again, we wanted to have the right levers in place to send a very strong message to industry—particularly in the mining sector—that we expect them to do absolutely everything they can to employ Territorians.

I think an example of a community where we have seen significant change in recent years from what it used to be would be Alyangula, where we certainly see less people there now based in the Territory and staying in the Territory. We wanted to look to ensure that we had all of our mining companies maximising local employment for Territorians and keeping people based at Territory addresses. There is a GST argument for it because the more Territorians we have, the more GST we get—but also to see those communities thrive, grow and to have people living here permanently within the Northern Territory.

We wanted to create more incentives for them to do it. We feel that this is an important lever to put the pressure on companies to really go that extra mile when it comes to employing Territorians above interstaters or people from overseas. We appreciate that there are some skills and expertise that are difficult to find within the Northern Territory, but we also appreciate there are a lot of jobs here that Territorians are absolutely capable of doing. We wanted to put the right leverage on them to do that. I do not know if there is anything Mr Butler would like to add to that?

Madam CHAIR: Member for Port Darwin, you have a follow on for this question?

Mr KIRBY: It was along the same lines, and in particular Groote Eylandt and areas that I have had some experience with. I know that there is a large—not influx—the mainstay of their workforces now FIFO. Can you just explain how some of these tax changes will help to right that or may change it in the future?

Ms MANISON: Yes, so effectively we are doing it a few different ways—that payroll tax exemption for those two years—it is that if a company is paying payroll tax replaces an interstate worker with a local worker—somebody based in the Northern Territory—they will get that two year payroll tax exemption. There are also a range of incentives that I will get Mr Butler to speak to when it comes to the changes about calculating deductions and how we go about it with those companies. We have deductions that we are ceasing and deductions that we are creating, so I will hand over to Mr Butler.

Mr BUTLER: Certainly. In the mineral royalties space, we are under a profit based royalty system there is a range of operating costs that can be deducted in the calculation in the royalties payable by a mining company. As part of the budget process, government has ceased providing a deduction for the costs of transport and accommodation of interstate-based employees. Under the former system, those costs could be deducted in the calculation of royalties. That will no longer be available.

On the flipside, there is also an incentive being put in place in the sense of allowing companies to deduct the costs of building, buying or renting accommodation for territory employees. So, I guess it works in both senses to increase the cost of employing interstate FIFO employees but to provide a deduction for the cost of accommodating Territory-based employees.

There is also an incentive for mining companies to invest in local communities that are affected by their mining operations by allowing a deduction for the costs of community infrastructure in those towns that are affected by mining operations—provisions of sporting fields, day care centres or things that provide an economic or social benefit to the community will also be allowed to be deducted.

Mr HIGGINS: Just continuing the question, but based on that answer—that, to me, seems a recognition that these mining companies do contribute a lot to the territory economy other than just their tax that they pay, their royalties. I am glad that you highlighted that for us because they do, in actual fact, have a large contribution paid to the Territory economy without actually just paying their royalties.

In looking at those royalties and the implication that I seemed to have this morning was that companies are not paying their fair share of royalties into the territory. That, to me, implicates some sort of tax evasion. Is there tax evasion in the Territory? If so, where is it and what are we doing about it?

Mr BUTLER: It is not a question of tax evasion or the evasion of paying enough royalty. The normal construction of a profit based royalty regime allows you to deduct the costs of the infrastructure set-up of the mine and the annual operating costs.

Mr HIGGINS: Which are contributing to the Territory economy?

Mr BUTLER: Yes certainly, it is the business of running the mine. That can lead to a situation where a mine quite rightly under the profit rate regime is in a situation where they are not required to pay royalties.

Mr HIGGINS: If I could just interrupt there? The answers this morning were implying that these companies are not paying their fair contributions. By saying that we are giving them deductions for inputs into the economy, like giving money to communities et cetera, they are contributing to the economy. The introduction of this hybrid scheme is not simply a matter of saying we are going to make up for taxes that are not paid; it is technically an increase in the tax burden on these mining companies.

Ms MANISON: I never implied that they do not make a contribution up front. We appreciate that to get a mining operation off the ground is a substantial effort. It takes years of research, approvals and gathering capital to make it all come together. In the Northern Territory, as well, it takes years of community consultation, particularly with traditional owners around access to land.

It is really important that we recognise that contribution that mining companies make. What we were looking at with this ad valorem system was simply that question. Once the resource is gone, it is gone forever and getting a recognition for that resource that is being extracted.

Mr HIGGINS: Could we not have got that recognition by just altering the rates?

Ms MANISON: We felt that this ad valorem system and the hybrid model was the way to go about it. We felt that was the fairest way to go about it, but also ensuring that we keep up with a competitive rate.

Mr HIGGINS: Expanding just from the mining area, is there any prevalence of tax evasion in the Territory? I am not just talking about mining, in all areas—payroll, everywhere. Are we aware of any?

Ms MANISON: I will hand this question over to our Assistant Under Treasurer for Revenue.

Mr HIGGINS: Without divulging too many secrets.

Ms MANISON: I have to say that I do not get cases across the table, but I will let Mr Butler go into that.

Mr BUTLER: I guess if I can take this in two parts. The first, just to go back to the question about the hybrid royalty. There is a particular situation in the sense that what we have seen is a change in the mining landscape where the profit-based regime perhaps was not as efficient as it could be. It works very well across long-term Tier 1 mines in the sense that they come to the point where they become a royalty paying situation.

We saw a number of smaller mines open up and operate for two or three years, and then move into care and maintenance in that situation, where they knew they were moving into a royalty paying situation. Adjusting the rate does not actually allow you to get a return to the community from those mines, hence the introduction of the hybrid system.

Mr HIGGINS: The Treasurer's answer was getting a return on the mineral coming out of the ground. If they are in repair and maintenance, you are not getting that coming out of the ground, so there is no return.

Mr BUTLER: No, those mines operated for a number of years extracting resources without paying royalty.

Mr HIGGINS: They had legitimate deductions.

Mr BUTLER: That was certainly something that came through very strongly through the community engagement in the revenue discussion paper, an expectation from the community that when they operated, mines should always be making a contribution even when those situations arose with the deductions. It probably highlights that the royalty system works across those long-term mines, but needed some adjustment for the shorter-term mines.

In terms of your question about tax avoidance, I guess there is always a risk in any tax and royalty system that there are people who are not as conscientious in meeting their obligations as is possible. We have what I consider a very strong and robust system. In the royalty system, I think we move quite quickly in the area of profit shifting or cost shifting that can play off of both systems. It is certainly something the Commonwealth is still grappling with in their income tax system. We have done that by really limiting the level of deductions that are available for costs incurred by businesses for their overseas expenses.

We allow these deductions for the cost of management fees and those kinds of things, only where they are occurring in the Northern Territory. It does not allow the companies to engage in those practices of accounting or shifting profits. We do not think there is an issue there.

In the tax field, in terms of finding people who do not meet their obligations, we have a very strong system of information that comes through. We collect from a range of sources including the ATO. It allows us to see if there are, for example, businesses that pay wages in the Northern Territory and allows us to data match against whether they are registered for payroll tax. Obviously, we conduct a range of audits on taxpayers that are in our tax base to ensure they are meeting their obligations. I do not think there is an epidemic of tax avoidance.

Ms MANISON: Leader of the Opposition, certainly at my last Treasurer's meeting, one thing we were briefed on was the federal government's work on the black economy task force report, which was to look at people who are doing business under the table and not paying their taxes. That was led by Michael Andrew AO. We had a briefing and a bit of a discussion amongst the Treasurers with regard to that.

We will be watching that work closely and working with other Treasurers as required with that body of work, because across the nation there are significant amounts of revenue that are missed because people are not doing it by the book and above board. That is something the federal Treasurer was turning attention to, to see how we could recoup some of those funds and keep a closer eye on it.

Mr HIGGINS: Under the black economy, I actually used the word 'tax evasion'.

Ms MANISON: That is literally what the report was called.

Mr HIGGINS: With the residential property prices, there has been a massive decrease in those over the last 12 months. What are we doing to arrest that decrease?

Ms MANISON: Leader of the Opposition?

Mr HIGGINS: Residential property prices have dropped drastically over the last 12 months, probably longer than that. What are we doing to stop that?

Ms MANISON: Population growth. That is where we need to nip that one in the bud. There are a couple of ways we have looked at it. The first has been the changes which we reintroduced to the first homeowner initiatives when we came to government.

They had changed under the previous government, particularly for established homes. There was a firm focus on new construction for new homes and we amended that to ensure there was significant stamp duty concession for those who wanted to purchase an established home. The journey for a first home owner is often not buying a new home, but a one-bedroom or two-bedroom unit, or an old three-bedroom post-Cyclone Tracy house, doing it up, building a bit of equity and moving forward.

We have reintroduced those stamp duty concessions. We have had great success since bringing them back into place. Five hundred and twenty-five have been taken up in Darwin, 301 in Palmerston, 89 in the rural area, 261 in Alice Springs, 34 in Katherine, six in Tennant Creek, one in the Tiwis and two in Nhulunbuy. This has been a great uptake, getting more people to make their financial commitment to the Northern Territory. I think we would all agree that those mortgages are the biggest commitment you will make in your life and it has a lot to do with where you choose to reside.

The First Home Owner Grants of \$26 000 are continuing to support that new home construction. It is very important to have them out there. We have support to get first home owners into the market and to keep these people here in the Northern Territory. Housing prices have dropped though, significantly in the last couple of years. Rents are still holding up okay, but the actual purchase price of properties has declined and—do I have the data here about property prices, can someone pull that one out for me please?

Population growth is something I spoke about earlier today. That is vital to this because, ultimately, you need people to create that housing demand, to stimulate that growth and the need for investment. What we need to do is ensure that we have more people moving to the Northern Territory and buying into the Territory. The Chief Minister is going to be releasing the population strategy very shortly. We have put some significant funding towards that in the budget but, ultimately, to increase housing demand, we need to have people moving to the Territory. That is what we are working on.

Just to give you a bit of an indication on housing prices and where they are at the moment. Median house prices in Darwin and Palmerston, going off the latest data here that I have from Treasury, a year ago they were about \$530 000; they are down to \$505 000. I think you would find a couple of years ago they were much higher. They were around \$600 000, I think. Alice Springs is holding up okay at—a year ago it was \$487 000, it is down to \$467 000. Katherine, \$349 000 down to \$310 000. Tennant Creek—we have seen significant change in that market—\$254 000 a year ago, down to \$151 000. The median unit prices in Darwin and Palmerston \$430 000 a year ago, down to \$347 000 and in Alice Springs, \$342 000 down to \$325 000.

The rents, however, are at a point where a year ago the median weekly house rent in Darwin and Palmerston was \$494; it is down to \$477. Alice Springs has increased from \$490 to now being at \$500. Katherine has gone from \$440 a year ago to \$410. This was for the March quarter of 2018. The weekly median unit rental price in Darwin has gone from \$375 to \$366. In Alice Springs it has increased from \$363 to \$390. In Katherine it has gone down from \$325 to \$315. We are seeing some significant changes and movements in that market.

We are glad to see that the first home owner initiatives have made a significant change, but what we really need is to make sure that we are keeping our population here and growing our population to stimulate that housing demand. I appreciate things went through the roof when we had some land constraints 10 years ago when we did see some rapid increases in the Darwin property market in particular. I think Alice Springs around the Intervention saw some big movement in their property market as well.

Nonetheless it is people's equity; it is people's investment. When house prices start to drop, people start to feel it deeply in their own personal wealth. Of course, we would like to see positive movement going forward—not to the rate where it becomes unaffordable, but at the moment the best thing we can do is get more people to move to the Northern Territory to stimulate housing demand.

Mr HIGGINS: I notice in Budget Paper No 2 on page 62, there are decreases in the next 12 months in the sense of stamp duty and conveyancing et cetera, but it seems to pick up after that—or is predicted to come back up after that. Why are we predicting that pick-up? What evidence do we have that things are going to pick up then?

Ms MANISON: I will pass over to Mr Butler to talk about that modelling.

Mr BUTLER: In respect to the conveyancer related duty, the expected increase in 2018–19 compared to 2017–18 largely comes across from our economic forecasts as to both the level of housing prices, but also the volume of the residential market and some expectation of a return to norm in the commercial market as well. It is a very difficult line of tax for us to forecast, and it is a highly volatile one. The indications we have—it is basically in line with the economic forecast for housing prices and the volume of the market.

Mr HIGGINS: So, who does that economic forecast on the house prices? Are we talking about a Treasury one or a federal one?

Mr BUTLER: Yes. Treasury does that.

Mr HIGGINS: Locally?

Mr BUTLER: Locally.

Mr HIGGINS: Specifically, it is the Northern Territory. What evidence do we have that has given us that picture? Is there any evidence there or is it just ...

Mr GRAHAM: It reflects our broader forecast around—we expect the housing market to bottom over the next 12 months and then start recovering.

Mr HIGGINS: I suppose the question was in the next area, which is home owner assistance, but it relates to this. Is the government aware of instances of negative equity in the residential market across the NT? How much negative equity do we have across the NT? That will have a big impact on that. Do we have that and do we know where some of that negative equity sits? In other words, is it sitting with public servants, people from interstate or corporations? Those factors, to me, would be a very good indicator as to what will happen in the housing market.

If we have a high negative equity and people have to start selling these houses, you will find prices will not come back. That, to me, is something we should know. Do we have that at all?

Mr GRAHAM: No.

Mr HIGGINS: Would we be able to get that in any way, shape or form?

Ms MANISON: How do you ascertain that? Off housing prices and understanding someone's personal borrowings?

Mr GRAHAM: Yes. We would need to do our own data collection. I do not think there are any public sources of information about that.

Ms MANISON: I would have no doubt that our friends from the banks would understand that.

Mr HIGGINS: Actually, I could get some information from the banks, but I will not disclose it.

Ms MANISON: How much information they share with us is another question. We catch up with the banks as regularly as we can and we always put to them the question of how their customers are going. Within my electorate, I have heard some stories of people selling up, and some of the pressures they have faced because they have had to sell their properties for less than they had purchased it for in the last couple of years. It is a reality. Some people are facing these very tough financial decisions at the moment.

The banks would have a very firm grip on where their clients are sitting at the moment. As I said, we keep in discussions with them to understand how they are feeling. I always find it very interesting when you catch up with your local bankers—especially the ones who have been here in the Territory for a very long time and went through the 1990s and some of the challenges then before things picked up in the 2000s—to get an understanding of what sectors are a bit soft, who is doing it tough and where the opportunities lie.

We will keep those conversations going. For Treasury to ascertain the fine detail about individuals and their personal circumstances, it is a bit difficult because we do not lend them the money.

Mr MILLS: I noted with interest last year, there was a *Four Corners* program that spoke about mortgage stress and had a classic definition of what mortgage stress is. At that time, if I recall, in the suburbs of Palmerston, it was 32% mortgage stress 12 months ago or more. It also had figures from across the country, the northern suburbs of Darwin and in Darwin. That was one of the hot spots.

That was 12 months ago. Are those figures known to Treasury and part of your assessment of what the implications were of mortgage stress 12 months ago, and what it could mean as INPEX winds down and incomes do not go into households? Is that debt not being able to be serviced?

Mr GRAHAM: No, that is not work that we have undertaken?

Mr MILLS: That is work that is available to you. It was a national project with some fairly classical definitions around what mortgage stress is. The levels obviously drilled down to suburbs in the Northern Territory.

Ms MANISON: I know the Housing minister tends to have a lot of conversations with his advocates in that area—people such as NT Shelter, NTCOSS and those types of bodies that have several different reporting mechanisms around those housing positions and housing stress. I think the definition of housing stress is when over 30% of the income goes into your rent or mortgage. You can understand how people skate a very fine line here in the Territory when you look at incomes and the prices people pay for property.

We look regularly at our population growth and the prices at which the real estate market is going to. We get regular data through that. We have conversations with the bank.

I recognise the point of what you are saying is—do we have a more formal mechanism of understanding housing stress and the impacts when you see a property market where prices are declining. Perhaps there is a bit more work that we need to do there and see what more analysis we can do, working with the banks, housing organisations and people like the REINT.

Mr MILLS: Thank you. To make a finer point, it is 12 months later with household incomes being affected by layoffs and so on. That 32%, 12 months ago means there are people who are forced to sell at a significant loss which has a flow-on impact across the whole residential sector. So, no comment on that? I think you have referred to that.

Ms MANISON: I have seen examples where other people have felt frustrated. I spoke to a local builder not too long ago who shared with me his frustrations that when people are trying to sell and get out quickly, and when the prices for that sale drop, it affects his house prices of what he has built.

I was speaking to a bloke who had a range of houses around a few different suburbs. He is a builder; that is the game he is in. He expressed his frustration that when a certain type of house is getting a certain price in a suburb, they sell up and it affects his equity and his properties and how much he can sell his properties when he needs to unload them—and how much he can borrow.

He wants to borrow more money from the bank, but what is the value of his property? There is no doubt that there are some challenges out there with the housing market at the moment.

Mr MILLS: It may be a little extreme to say this, but following the logic, looking at 12 months ago and as it is now, I am seeing neighbours and people in my electorate being forced to sell at significant loss. The consequences of that—could you see a collapse in the housing market of significant magnitude as the flow-on effects of having to get out of the market and having to cop massive losses?

Ms MANISON: I think at the moment with our population growth, clearly it is not a great time to sell. It is, however, a very good time to buy into the market. I am very optimistic about the future going forward and that we are going through a significant transition in the population. I keep coming back to the same word, INPEX. We are going through a significant transition because we are seeing a significant major project transition from the operation to the construction, and that is affecting our population numbers as well.

We have a raft of very exciting, new initiatives about to go out to target population growth. There are a raft of major projects, and the Chief Minister will talk to you about that further tomorrow during his time at estimates, having carriage of those major projects as well.

I am optimistic that things are very bright, but right now we are transitioning. The Treasury data I just spoke about is looking at the market pretty much hitting that low point this year. At the moment we do, however, have optimism going forward that those housing prices will recover.

Mr MILLS: I make the observation that optimism is a good thing. Being realistic is also important. Moody's may not be as optimistic as the government is, nor the banks. It is somewhere in that space that we need to have some truth coming so we can be genuinely prepared rather than being buoyed up by some sense of optimism. It has to be founded on something. We are seeing the reality of some severe challenges going forward. Anyway, it is just an observation.

Ms MANISON: I agree about realism, and you have to be realistic. I am going off the advice we have the number we have crunched, where we see the population going forward, and those housing prices. I think we will get through this, but there is no doubt that if you are selling a property right now, you will be feeling incredibly frustrated that the price you are getting today in 2018 is not what it could have been in 2013.

Madam CHAIR: Are there any further questions for Output 3.1? That concludes consideration of Output 3.1.

I would like to welcome to the hearings the Member for Nhulunbuy, Yingiya Guyula.

Output 3.2 – Home Owner Assistance

Madam CHAIR: We will now consider Output 3.2, Home Owner Assistance. Are there any questions?

No questions, they have been asked and answered. That concludes consideration of Output 3.2 and Output Group 3.0.

OUTPUT GROUP 4.0 – SUPERANNUATION

Output 4.1 – Superannuation

Madam CHAIR: The committee will now proceed to Output Group 4.0, Superannuation, Output 4.1, Superannuation. Are there any questions?

Mr HIGGINS: Treasurer, how does the government's policy on spending down the contingency reserve impact on the superannuation liability of the government? Does it have any impact?

Ms MANISON: I am sorry, Leader of the Opposition, I do not quite understand the question.

Mr HIGGINS: By spending down the contingency reserve, how does that impact on the superannuation liability of the government? Does it have any impact?

Mr GRAHAM: Leader of the Opposition, do you mean funding some of the surplus initiatives?

Mr HIGGINS: Yes.

Mr GRAHAM: It does not impact the valuation of the superannuation liability. That is valued separately and funded on an emerging cost basis as well as some is funded through the COSR.

Mr HIGGINS: What is the superannuation liability at the moment?

Mr BRAINES-MEAD: It is \$3.5bn.

Mr HIGGINS: What is it forecast to get to?

Mr BRAINES-MEAD: As the Under Treasurer alluded to, it is valued by an actuary for each of the schemes. The current liability is also based on the bond rate. It basically takes all the future costs on an emerging basis and discounts it back using what is called the 10-year government bond rate, used by accounting standards. There is some volatility there, if the bond rate goes up the liability drops, if the bond rate goes down the liability goes up.

You will see over the forward estimates that there are fluctuations in the valuation of our liability, based on what we estimate the bond rate, based on financial markets is likely to be. It fluctuates at the moment from \$3.5bn down to about \$3bn in the 2021–22. Part of that is because the bond rate. We estimate that the next

move by the RBA will be interest rates will go up and therefore the bond rate will go up accordingly and the liability will go down.

Also combined with that, the peak of the liability from the actuary is around 2020–21, so we should start to see the liability—because the majority of the schemes were closed around 1999–2000. We are now starting to see the peak of the liability and from there the liability profile will start to, as they are paid on an emerging basis, be extinguished out to about, I think, 2060.

Mr HIGGINS: Who gives us advice on that and the management of it? Do we do it ourselves or do you outsource it?

Mr BRAINES-MEAD: As far as valuing we use actuaries. We use two actuaries, Cumpston Sarjeant and PricewaterhouseCoopers.

Mr HIGGINS: No plan to change them in the foreseeable future.

Mr BRAINES-MEAD: No. Every three or four years there is a tender process I have to go through. But they are our current actuary providers.

Mr HIGGINS: How many different super schemes have we got at the moment?

Mr BRAINES-MEAD: There are half a dozen: NTGPASS; NTSSS; Commonwealth Super; Police Supplementary Benefit Scheme; LAMS; the Administrator's scheme; judges ...

Mr HIGGINS: Ex-politicians.

Ms MANISON: Not us.

Mr HIGGINS: LAMS is it? Oh, yes right. On the way to the slaughter, yes.

Mr BRAINES-MEAD: So, six and seven.

Mr HIGGINS: So all of those will gradually disappear by 2060?

Mr BRAINES-MEAD: Yes.

Mr HIGGINS: Do not live past there, Terry.

Mr MILLS: I will have a good shot though.

Mr HIGGINS: That is all.

Madam CHAIR: Any further questions for Output 4.1?

That concludes consideration of Output Group 4.0.

OUTPUT GROUP 5.0 – ECONOMIC REGULATION **Output 5.1 – Utilities Commission**

Madam CHAIR: The committee will now consider Output Group 5.0, Economic Regulation, Output 5.1, Utilities Commission. Are there any questions?

Mr WOOD: Treasurer, could you explain in detail the set-up costs of MyFuel NT and the ongoing costs? Can you show any data that shows this program is making a difference to fuel prices in the NT?

Ms MANISON: Member for Nelson, MyFuel NT is the first time we have had a mandatory fuel price reporting scheme in the Northern Territory so Territorians could have access to where the cheapest fuel was. Also, we would get thorough, detailed data on fuel, where it is going, and the prices on any given day so we can try to ascertain more of an understanding of the influencing factors on fuel.

It was recommended by the ACCC after the report into the Darwin fuel market. I have written to the Chair of the ACCC, Mr Rod Sims, on numerous occasions asking to have a further look at the Darwin fuel market because I would like him to keep a close set of eyes on it. He has said that having MyFuel NT is a good thing.

But the reality is that MyFuel NT came in place at a time when we saw world oil prices on the rise. We are now seeing some particularly difficult fuel prices around the nation. This will ultimately help us to understand some of those factors on it.

The establishment costs for MyFuel NT was \$250 000, but with an ongoing cost of \$250 000 which is to support staff and their work to ensure that companies are compliant.

To give you an indication about fuel prices and where things are at, at the moment, these are fuel prices I got from the department as of 7 June. The average fuel price here for unleaded petrol at the moment is \$1.55; Sydney is \$1.43; Melbourne is \$1.46; Brisbane is \$1.50; Adelaide is \$1.39; Perth is \$1.53; Hobart is \$1.57; and Canberra is \$1.55.

If you were to look at the terminal gate price of fuel prices on 7 June Darwin was \$1.40; Sydney was \$1.35; Melbourne was \$1.35; Brisbane was \$1.35; Adelaide was \$1.35; Perth was \$1.35; Hobart was \$1.40; and I do not have a Canberra one there.

Mr WOOD: They cannot get the ship in there.

Ms MANISON: Yes, I do not think they can. That is a good point.

The GIRD, which is the gross indicative retail difference, the margin between the terminal gate price and the retail prices—this date is different, however. If you were to look at that from 3 June, which was the latest indication I have been provided, we were sitting at about 10c on that day. But if you were to look at it this day, it is about 15c again. In Sydney it was 12c, in Melbourne it was 14c, in Brisbane it was 16c, in Adelaide it was 17c, in Perth it was 11c and in Hobart it was 12c.

It would be fair to say that since coming to government, one thing I have kept a constant eye on has been fuel prices. I have found it very frustrating that sometimes there seems like there is no rhyme or reason when you compare us to interstate markets and some of the influencing factors, understanding where some of those pressure points are. That is why it is good and positive to have the actual prices of fuel now, so we can start getting a better understanding of those key influencing factors, but most importantly, Territorians can shop with their feet—with the cars, so to speak—and they can actually shop at the cheapest place.

Look at the Darwin market, my hat goes off to FuelXpress in Winnellie. They keep doing the right thing, which is having the right prices. They are keeping their fuel prices substantially lower than the rest of the market. It is good to promote them in a very positive way for doing the right thing by Territorians.

We have seen significant jumps across the nation. I think the last ACCC report said we are experiencing four-year highs across the nation with fuel prices. It is important that people shop around. We will also have better information about fuel prices so we can understand what influences them a bit more.

Mr WOOD: Thank you, Treasurer. Part of the job of estimates is to see whether the government is using money wisely. We have one cheaper outlet. We are spending \$250 000 each year now to tell us we have one cheaper outlet. Darwin is not a big city. I can tell you that Puma will have \$1.55, United will probably have \$1.55 with a fraction of a cent's difference, and that is it. It is the same in the rural area. I do not need to look that up on an app; I just know that is the case.

Will you reconsider whether this is value for money? If you are not getting any reaction from them—it is a duopoly. If I felt there was some piece of legislation we could bring in—it might be something like the American legislation where companies can only own a certain percentage of the market and they are not allowed to own any more. I do not think we are getting anywhere. What else can you do to try to have real competition, which is what we need?

Ms MANISON: Member for Nelson, this has not been in place for a year yet. I want to make sure we give this a proper go. Like I said, it was a recommendation of the ACCC reports. When it comes to competition and driving competition, I trust the important work of the ACCC. With respect, I know we have had this debate a few times. In today's modern world, I think a lot of us refer to apps and the Internet rather than understanding from the long-term knowledge of where companies sit every day.

Mr WOOD: It is not long-term, Treasurer. I can do it by driving from Howard Springs to here. I can see the same fuel prices.

Ms MANISON: My world is pretty busy every day. When I want that information I will look at the app to see if it is worth driving down Bagot Road, or do I go up the road to Vanderlin Drive or cut through Karama today to get that fuel price?

That is the decision that I make. Everybody is different. We need to do what we can to promote competition and empower consumers with knowledge. I have always said that if we were just to save a cent per year on fuel prices, then that will save millions of dollars for Territory consumers every year and pay off the \$250 000 quite comfortably. Petrol is one of the biggest cost-of-living influences and factors that we all—most families—deal with in the Northern Territory. We are trying to make it more transparent and get more information.

Yes, there will be points of review to see how it is going, but without it being in place for a year yet—that will be an important point to see how things have been travelling along, looking at the integrity of the data and seeing what patterns can be put in place. At the moment the ACCC is saying this is a good thing and to stick with it and keep going. It is important to get this data and create transparency. Having more information will help make fuel companies more accountable at the end of the day.

It is just very unfortunate that at the time this was introduced, it coincided with world oil prices going up, seeing petrol prices going up around the nation.

Mr WOOD: Just some quick questions on that. There was an ABC interview with someone who deal with apps. They said straight out that these companies are immediately knowing where the prices are and matching them. They are not competing. Your app is being used not for what you want, but for their benefit.

Ms MANISON: I still think it is worth having. It is mandatory fuel price disclosure, reporting. We know what the price is on any given day. We have real-time data. If someone is smart, like FuelXpress, they will use that to drive best price and competition and get people to come and shop with them.

Mr WOOD: Last question on the fuel.

Ms NELSON: It is a convenience thing as well.

Mr WOOD: Convenience is not something that saves you money. The issue here is that with FuelXpress, I have a card and so do many people who get fuel through the government. Has the government considered giving us a card for FuelXpress or do you get a discount from the normal fuel outlets that would not make that worthwhile?

Ms MANISON: I might need to check where that is—I think that might be a question for DCIS, for the minister. I do not know if anybody knows off the top of their head. The percentage of government fuel cards and purchasing power within the fuel market is actually much smaller than I thought it was. I think it was in the vicinity of 2% or 3%. Do we have those numbers?

Mr GRAHAM: I cannot remember.

Ms MANISON: I am happy to take that on notice if you like, see if we can find that out.

Mr WOOD: The government would have a fleet, and in regard to whether they got a fuel card or not.

Ms MANISON: Yes, one of the recommendations was to diversify the amount of fuel companies that can be used. Just where that body of work is at, I will have to get the Department of Corporate and Information Services to update you on that, Member for Nelson.

Mr WOOD: Just one other question on this area. What reforms are you considering to the workers' compensation scheme and when do you expect those changes out for comment?

Ms MANISON: We have done a body of work around the administration of it as opposed to the changes that the Attorney-General is working through. We can talk through the administrative changes we have made in the management of workers' compensation but the actual body of work, the review of work, is with the Attorney-General. Would you like us to talk about the administrative changes?

Mr WOOD: Yes please.

Mr GRAHAM: Member for Nelson, last year we put the management of the public sector workers compensation scheme to the market. It was previously managed by Allianz and before that TIO. As part of

the sale of TIO, it was agreed that the right to manage the workers' compensation scheme would go to tender and that has happened now. There is a new provider in place that manages workers compensation claims for the public sector and that is done under a performance-based contract. That new arrangement is operating.

Mr WOOD: When you say for the public sector, does that cover the whole community?

Mr GRAHAM: No.

Mr WOOD: So what happens to workers' compensation for someone in an accident that is not in the public sector?

Mr GRAHAM: That is under the compulsory workers' compensation scheme that applies to non-public servants. The Department of the Attorney-General and Justice is responsible for that.

Mr WOOD: I can ask the Attorney-General some questions on that.

Ms MANISON: She will certainly be able to answer questions about where things are at with that.

Mr HIGGINS: We are on Output 5.1, are we not?

Madam CHAIR: Yes.

Mr HIGGINS: Utilities Commission. Can I find ...

Ms MANISON: Sorry, can I just go back to that fuel question with regard to government contract awards and saying to follow up with the DCIS minister. DCIS ordered a new panel contract to three fuel providers Puma, United and Indervon, which looks like it is in Alice Springs, in April 2018. I am sure you would be able to ask the full details around that with the minister when she appears.

Mr HIGGINS: Do we have the weighted average cost of capital for the Power and Water Corporation and do we have a breakdown of what that was 12 months ago and then say the PEFO and what has been the long-running average of that over the last few years.

Ms MANISON: Can you repeat that question, Leader of the Opposition? We might have to take that on notice.

Mr HIGGINS: Provide the weighted average cost of capital—that is, what you would actually pay for it—for Power and Water Corporation. In addition can we get details if that has increased or decreased since this time last year, has it increased or decreased since the PEFO was produced and can we get some sort of average of what that has been over the last four to eight years?

Ms MANISON: Given the level of detail and the historical context, we will have to go back and do a bit of work. It is not something we have today. We are more than happy to take that question on notice, Leader of the Opposition, and get an answer back to you with that detail that you were seeking.

Mr HIGGINS: Do we have that cost as at today? It does not matter, that is alright. We will take it on notice.

Question on Notice No 2.4

Madam CHAIR: Member for Daly, I will need you to restate the question for the record, please.

Mr HIGGINS: Please provide the weighted average cost of capital for Power and Water Corporation. In addition, please detail if the weighted average capital of cost has increased or decreased in the period since September 2016 and/or the timing of the PEFO. Please advise on the long-run average of the WACC for Power and Water Corporation.

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes, we accept the question.

Madam CHAIR: The question asked by the Member for Daly of the Treasurer has been allocated the number 2.4.

Mr HIGGINS: My next one is in relation to the commitment to underground power. Which areas will be undergrounded this financial year, and then over the forward estimates, and how did we actually select those? If we have not, how will we select them?

Ms MANISON: It is a good question. After Cyclone Marcus there will be a lot of people desperate to get undergrounded power in their area. What we have asked Power and Water to do—which is a body work that they are doing—is to look at their outages and what happened in Cyclone Marcus, but most importantly, to go back and have a look over previous Wet Seasons because it is not just cyclones; it is storms in the Wet Season, which we know which create problems. We are doing that body of work now to understand how we prioritise the work going forward and where the first areas of work will be.

The main thing that I have put to Power and Water is that my expectation is that they will look at where they can build the most resilience in to the system, where they can get the biggest bang for buck, so to speak, early on in the piece, understanding where those very high vulnerabilities are in the system. They can focus on those areas first.

Like I said, most people living in suburbs with overhead power would want it tomorrow, but the reality is that \$10m a year is a start. We will focus where we can get the biggest gains first, and that is yet to be determined.

Mr WOOD: And that will include the rural area?

Ms MANISON: Yes, so we will be looking around the whole Top End and Darwin network.

Mr HIGGINS: When we are looking at the bangs for buck or whatever, how much weighting are you giving to businesses? My feeling is that businesses soon to be left out in a lot of discussion around this—I am not saying you have left them out, but I think businesses are a key to having power restored. They are the ones that employ people et cetera. Are we giving some weighting to them in that review?

Ms MANISON: I have not had that work come back to me from Power and Water yet. It would certainly be a consideration, and something I want to know, because you are right—when you are looking at building resilience in to the system it is important to recognise that there is businesses you need functioning in a crisis.

Mr HIGGINS: Petrol stations, so you can get fuel for generators as well.

Ms MANISON: Petrol stations, groceries, people who conduct very important repairs and provide services. That is the reality of it. That is the body of work we have Power and Water looking at. It is the maximum building of resilience in to the system, understanding where we have the most vulnerabilities and then determining a program of works based on that.

I am yet to see that body of work from Power and Water, but it is something that I am very much looking forward to getting in place because the sooner we can start the program the better.

Madam CHAIR: Are there any further questions for Output Group 5.0?

That concludes consideration of Output Group 5.0.

Mr WOOD: Madam Chair, 5.1. There is a difference between the two.

Ms MANISON: We are happy to take questions on the Utilities Commission.

Madam CHAIR: We will stay on 5.0.

Mr WOOD: Well, it is 5.1 here. The Utilities Commission.

In relation to the Utilities Commission setting prices for the port, is this the first time it has been done since the port was leased?

Ms MANISON: I will hand over to Craig Graham.

Mr WOOD: It is just a general question. I just want to know if this is the first time it has happened.

Ms MANISON: There is a significant body of work happening at the moment. I just do not know if it is the first time.

Mr GRAHAM: My understanding with prices—the Utilities Commission undertakes prices monitoring. They do not actually set the price; they monitor it and report on whether the increase in prices can be justified by changes in costs.

Mr WOOD: That is what I read.

Mr GRAHAM: Yes, this must be their first monitoring report.

Mr WOOD: If the Utilities Commission recommends that the price is too high, for instance, the company writing the report does not have to stand by that recommendation?

Mr GRAHAM: My understanding is that they are required to justify why the costs have increased on more than, say, CPI or something like that.

Mr WOOD: Is that a similar system to how the Utilities Commission would work with setting prices for power, water and sewerage?

Mr GRAHAM: No. When it comes to network prices, the Utilities Commission actually determines the maximum amount of revenue that power and water networks can earn. With water and sewerage, the tariffs are actually set by government.

Mr WOOD: In this case it is the free market—the Utilities Commission says what should be a reasonable increase in the price?

Mr GRAHAM: With respect to the port? Yes.

Mr WOOD: I was under the understanding that they set it. Okay, I will look into that a bit more.

Ms MANISON: Can I say what I might do is—so we have Dr Pat Walsh and we have also recently taken on board two new associate commissioners on a part-time basis, Mr Lyndon Rowe and Mr Richard Owens, who are highly experienced individuals who come from a wonderful background of regulation. Sometimes it is a bit tough going to some of those briefings because it goes into the fine details of regulation and how you go about these things.

Dr Walsh is finishing up at the end of the year, but he briefs me as required to talk about where things are at. Last time we caught up on the port review.

If you or any other members would like to catch up with the Utilities Commission, they are in town regularly and we can get that organised to sit down and get across the port review at the moment.

Mr WOOD: I would be happy to do that. I think it is important ...

Ms MANISON: I apologise we do not have them here to answer those questions.

Mr WOOD: That is all right. I knew they looked at the port and considering the controversy over the port. I thought this was an important area that we need to check on.

Mr GRAHAM: Sorry, Member for Nelson, I think what you are talking about is the review the commission is doing of the port access regime rather than the prices that they charge. Is that right?

Mr WOOD: I do not think I brought that report with me.

Mr GRAHAM: I think that is the case. They are required to do the review after three years as to the effectiveness of that regime.

Ms MANISON: The *Ports Management Act* requires port access and pricing regime to be reviewed each determination period. The first review is due to be completed in November this year, three years after the regime began. The next review period will be in five years. The commission has published an issues paper

for consultation and is currently working on a draft report for consultation. That is around that port work, but in the meantime we will get them to give you a briefing on where they are at with that. Any other members are welcome to the same briefing.

Mr WOOD: Thank you.

Madam CHAIR: That concludes the consideration of Output Group 5.0.

OUTPUT GROUP 6.0 – CORPORATE AND GOVERNANCE
Output 6.1 – Corporate and Governance

Madam CHAIR: The committee will now proceed to Output Group 6.0, Corporate and Governance, Output 6.1, Corporate and Governance. Are there any questions?

Mr HIGGINS: I have a stack of questions here but I will cut down on them and put through the rest in writing for you. How many non-executive contract employees will be terminated or not have their contracts renewed to achieve the public service cuts announced in the budget?

Ms MANISON: I do not have that information in regard to public employment numbers. I think that is being managed by the OCPE. That would be best placed, with regard to numbers, to Minister McCarthy when he appears.

One thing I want to be clear about, when it comes to the way we are managing the difficult financial position at the moment, is that we will not be targeting positions that are on the front line and are essential to the Northern Territory every day.

We have a voluntary redundancy agenda, which is about 250 jobs over four years, because we believe that is a fair way to go about reducing some of those recurrent costs—also, giving chief executives more capability, when priorities of an agency change and they no longer require a position, to work with that individual. It is an incredibly difficult time in someone's life if their job is no longer required—to manage them out of that position in a compassionate and fair way.

There will always be jobs that are on a contract basis and are time limited. That is part and parcel of it. As we know, executive contract positions are time limited. With the non-renewal of those contracts—I do not have that data in front of me.

Mr HIGGINS: We were talking before about having to get approval through the budget subcommittee for new positions et cetera. What is the process around temporary contracts and is it any different to, say, executive contracts that are coming up for renewal? Or do we not have any?

Ms MANISON: Sorry, I do not quite get the question.

Mr HIGGINS: If you have someone on a temporary contract for three or six months, who makes the decision if that contract gets renewed? And executive contracts?

Ms MANISON: The chief executive of that department is responsible for the employment of the staff in the agency.

Mr HIGGINS: How many organisations have received grants for five-year funding?

Ms MANISON: That is not a question I can give the answer to. I think it is the Chief Minister ...

Mr HIGGINS: So, you do not give any grants at Treasury?

Ms MANISON: We give grants out for Treasury but I do not believe we have any five-year funding agreements.

Mr HIGGINS: Do you have any shorter ones?

Ms MANISON: Yes—were the grants in the written questions? First Home Owner Grants—that is one.

Question number 32 under grants and donations, you will see that between 1 July 2017 and 31 March 2018 Treasurer gave away \$3100 in grants, but a lot of those were focused on school awards to encourage people—to become accountants and economists, I suspect. We do need those.

Mr HIGGINS: How many claims of bullying were lodged by employees of the agency during 2017–18? That is implying that there were some. Were there any, and how many if there were?

Ms MANISON: We do not believe there were any lodgements of bullying within the agency.

Mr HIGGINS: Your estimated expenditure on corporate and governance is \$3.932m, and for shared services received it is \$369 000. How much was your ICT expenditure and how much is allocated in the 2018–19 budget?

Ms MANISON: Can we take that question on notice and I will get back to you about the ICT budget within the agency?

Question on Notice No 2.5

Madam CHAIR: Member for Day, please restate the question.

Mr HIGGINS: Your estimated expenditure on corporate and governance is \$3.932m, and for shared services received it is \$369 000. How much was your ICT expenditure and how much is allocated in the 2018–19 budget?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: That question will be allocated the number 2.5.

Mr HIGGINS: Do any of the contractors engaged to provide ICT services use fly-in fly-out employees to work in your agency?

Ms MANISON: Not to our knowledge.

Mr HIGGINS: How many fly-in fly-out people are employed by contractors to work in your agency? Do you know?

Ms MANISON: No.

Mr HIGGINS: Are there any local contractors who use fly-in fly-out employees to work in your agency. If so, please advise the names of the companies and the number of fly-in fly-out employees in each case. These questions are asked very specifically.

Mr GRAHAM: We will have to take that one on notice.

Mr HIGGINS: Do you want all three of them under ...

Ms MANISON: Yes, please. Put them on notice and then we will get you answers to all three.

Question on Notice No 2.6

Madam CHAIR: Member for Daly, could you please restate the questions.

Mr HIGGINS: Do any of the contractors engaged to provide ICT services use fly-in fly-out employees to work in your agency? The second part is how many fly-in fly-out people are employed by contractors to work in your agency? Are there any local contractors who use fly-in fly-out employees to work in your agency? If so, please advise the names of the companies and the number of fly-in fly-out employees in each case.

Madam CHAIR: Treasurer, do you accept the questions?

Ms MANISON: I accept the questions, Madam Chair.

Madam CHAIR: The questions by the Member for Daly have been allocated the number 2.6.

Mr HIGGINS: That is it on that one.

Madam CHAIR: Any further questions for Output 6.1? That concludes consideration of Output 6.1.

Output 6.2 – Shared Services Received

Madam CHAIR: The committee will now consider Output 6.2, Shared Services Received. Are there any questions?

Mr HIGGINS: No.

Madam CHAIR: That concludes consideration of Output 6.2.

Output 6.3 – Shared Services Provided

Madam CHAIR: The committee will now consider Output 6.3, Shared Services Provided. Are there any questions?

Mr HIGGINS: No.

Madam CHAIR: That concludes consideration of Output 6.3 and Output Group 6.0.

Non-Output Specific Budget-Related Questions

Madam CHAIR: Are there any non-output specific budget-related questions? That concludes consideration of the Department of Treasury and Finance outputs.

Mr HIGGINS: What about Output Group 7.0?

Madam CHAIR: Yes, we are coming to 7.0. That was the end of 6.0.

Mr HIGGINS: Yes.

Madam CHAIR: We are coming to 7.0.

CENTRAL HOLDING AUTHORITY

OUTPUT GROUP 7.0 – CENTRAL HOLDING AUTHORITY

Madam CHAIR: The committee will now move on to consider the Central Holding Authority business line.

Mr HIGGINS: Okay. In Output Group 7.0, can you explain what the unallocated savings of \$9.9m in Budget 2018–19 are and how they will be achieved?

Ms MANISON: I will get Mr McManus to talk through how it has worked with those voluntary redundancies.

Mr McMANUS: They are the savings that have been allocated to the voluntary redundancies—100 FTE in the first year. As they are recognised within each agency those savings will be allocated to that specific agency. As they roll through, the savings will come out of the CHA and be recognised in the agency that they are relevant to.

Mr HIGGINS: When you recognise those savings, how do you pick up additional redundancy payments, or are they then separate. This is just purely savings of ...

Mr McMANUS: That is the net savings from the redundancy payment the employee may receive, then the savings of the remaining salary.

Mr HIGGINS: So when we work out the redundancy repayments, we work off an average ...

Mr McMANUS: Yes, an average of employees of \$100 000 a year we work on, then whatever the conditions are attached to the redundancies, a portion of that will come out.

Mr HIGGINS: What portion do we use for the redundancy? Do you have any idea of that?

Mr McMANUS: We are working through it. OCPE is providing the detail on that. They would be able to answer that question better than us.

Mr WOOD: Just on that, because I had a question. This was one I could not understand, but you might have explained it. It does not seem to be in English. It says, 'Unallocated sustainable workforce budget repair measures in 2018–19 of \$9.9m'. Is that what the Leader of the Opposition said in ...

Ms MANISON: Yes.

Mr WOOD: Good. I will not ask the question then. Thank you.

Mr HIGGINS: Also in the Treasurer's Quarterly Financial Report from March, page 3 lists other property expenses of \$2.585m for the year to March. Can you explain in detail what this expense is and how it was incurred? It is \$2.585m, page 3.

Ms MANISON: Was that in the quarterly report?

Mr HIGGINS: Yes, the Treasurer's Quarterly Financial Report.

Ms MANISON: Okay. We might need to take that on notice, because we do not have that information here at this point. We will take that on notice and get that for you as well.

Question on Notice No 2.7

Madam CHAIR: Member for Daly, could you please restate the question for the record.

Mr HIGGINS: In the Treasurer's Quarterly Financial Report for March quarter 2018 page 3, it lists other property expenses of \$2.585m for the year to March 2018. Can you please explain in detail what this expense is and how it was incurred?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: I accept the question, thank you.

Madam CHAIR: Thank you. The question asked by the Member for Daly of the Minister has been allocated the number 2.7.

Madam CHAIR: Any further questions in regard to Output 7.0, Central Holding Authority?

Mr HIGGINS: I only had questions on the NTIDF, but I think we have covered most of those.

Ms MANISON: Just going back to the NTIDF, I do not think Leggies grabbed the information I was wanting to table before. Can I table that formally?

Madam CHAIR: We are going to table some documents from the Treasurer. That concludes consideration of the Central Holding Authority business line.

NORTHERN TERRITORY TREASURY CORPORATION

OUTPUT GROUP 8.0 – NORTHERN TERRITORY TREASURY CORPORATION

Madam CHAIR: The committee will now proceed to the Northern Territory Treasury Corporation. The committee will now consider the income and expenses of Output Group 8.0, Northern Territory Treasury Corporation. Are there any questions?

Mr WOOD: I think mine was answered earlier about loans to Power and Water from Territory Generation. It was put in another output group, so I will not repeat that.

Mr HIGGINS: How many applications for investment in Treasury bonds above \$100 000 were received?

Mr POLLON: Alex Pollon, NT Treasury Corporation. Our registry is maintained by Link Market Services so we do not actually see each and every application. We do require any application over \$100 000 to be asked of us for approval, but the exact number we would have to get from Link. If I had to guess it would be probably less than two dozen through the course of this financial year.

Mr HIGGINS: Would I be able to get the right figure on that if I re-ask that question?

Question on Notice No 2.8

Madam CHAIR: Member for Daly, could you please restate the question for the record.

Mr HIGGINS: How many applications for investments in Treasury bonds above \$100 000 were received by NTTC? Of those applications that were received, how many were approved and how many were rejected and why?

Mr POLLON: We can certainly get the numbers to you. I can inform you here and now that no applications were rejected and we use that figure to screen where the applications are going in terms of maturity dates, so we are able to measure the volume of applications coming into any one particular maturity. So it is just a screening.

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes, I accept the question.

Madam CHAIR: The question asked by the Member for Daly has been allocated the number 2.8.

Madam CHAIR: Are there any further questions for Output Group 8.0, NT Treasury Corporation?

Ms MANISON: Madam Chair, can I put a question taken on notice to 2.3 on the record and table this one?

Answer to Question on Notice No 2.2

Ms MANISON: Just to go back to the question from the Leader of the Opposition, question 2.2, page 27, table 3.2, the Northcrest project—what is the correct figure? A total of \$300m relates to the direct investment associated with the project as mainly associated with headworks, land development and preparation of the sub-divisions. A total of \$1bn refers to the indirect investment for construction-related activity such as building of houses, schools and other infrastructure. It is conservative and does not capture all the broader economic benefits that are estimated over the life of the 15-year project. Then we have the information with the media release attached as well.

Answer to Question on Notice No 2.3

Ms MANISON: With regards to question 2.3 about the profitability of each of the government-owned corporations following that 2018–19 statement of corporate intent. It goes through the net profit, loss, after tax 2018–19 budget, the 2019–20 projection, the 2020–21 projection and the 2021–22 projection. Then the community service obligation funding provided to each of the three government-owned corporations across the period 2018–19 for the SCIs. Again, you get the 2018–19 projection, 2019–20, 2020–21 projection and the 2021–22 projection. That goes through the detail for you so you can crunch through those numbers.

Mr HIGGINS: Have you given any consideration to invest in funds from the NTIDF into undergrounding power? I am thinking in regard to the business areas.

Ms MANISON: I think if you had a privatised power network that would be something it would look at, but we do not. I have to reaffirm our commitment that we will not be privatising our power network. We have learned from the mistakes—I know it is music to the Member for Port Darwin’s ears.

The experience we have seen in other jurisdictions is that once your power network is sold it is gone. You have lost control forever of the issue of power prices. People who purchase those networks have a great deal of control and power over electricity markets.

The aim of the NTIDF is to invest and make profit. Given that it is a government-owned corporation that does not fit with its mandate.

Non-Output Specific Budget-Related Questions

Madam CHAIR: Are there any non-output specific budget-related questions? That concludes consideration of this business line. This also concludes consideration of output groups relating to the Treasurer.

On behalf of the committee, I thank the Treasurer and the departmental officers attending today.

Ms MANISON: Madam Chair, I wish to thank all the very hard-working staff of Treasury. Budget is a very full-on process, to say the least. I do not think people every get to truly appreciate the huge amount of work on weekends and late nights that is done in Treasury at budget time.

From February to May they are flat out. They are the most professional group of people in the department and I cannot thank them enough for their services. They are not on the front line, so to speak, but without their very hard work the Territory government could not function. I thank them for all their work on the budget and estimates.

Madam CHAIR: The committee will now move on to consider outputs relating to the Department of Infrastructure, Planning and Logistics. We will have a 10-minute recess.

The committee suspended.

DEPARTMENT OF INFRASTRUCTURE, PLANNING AND LOGISTICS

Madam CHAIR: I welcome you, Treasurer, as the Minister for Infrastructure, Planning and Logistics, and invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of Infrastructure, Planning and Logistics.

Ms MANISON: Thank you, Madam Chair. I would like to introduce officials from the Department of Infrastructure, Planning and Logistics, who are here with me today: Mr Andrew Kirkman, the Chief Executive; Mr Fotis Papadakis, the Chief Financial Officer; Leah Clifford, Deputy Chief Executive responsible for Lands and Planning; Louise McCormick, General Manager of Transport and Civil Services; John Harrison, Acting General Manager of Infrastructure, Investment and Contracts; Simon Saunders is here because he might get some questions—he is the Executive Director of Transport Safety and Services; Doug Lesh, Senior Director of Planning; and we have other people who can answer questions that might come up today.

The Department of Infrastructure, Planning and Logistics provides key services and functions to the community across the Territory through land use and transport planning, infrastructure investment, building regulation and effective logistics supply chains. Since we last convened, the department has delivered and is continuing to deliver many of the government's priorities including the infrastructure program, planning reform, the Darwin city revitalisation projects, the Towards Zero road safety action plan and a raft of important infrastructure projects in remote communities, just to highlight a few.

The department's success in meeting these priorities has been achieved by working collaboratively with the priority industry sectors and community and across government. The department plays a lead role in delivering the NT Government's infrastructure program and continues to support the civil and building construction sectors, providing significant investment in roads, airstrips, barge landings and other transport access infrastructure, as well as investing in economic and community infrastructure for Housing, Health, Education and emergency management agencies.

This year, more than 50% of the Territory's infrastructure investment will be spent in the bush. That is something we are very proud of. From July 2017 to May 2018, 96% of the tier 1, and 131 of the tier 2, 3, 4 and 5 contracts have been awarded to Territory businesses. The department continues to identify a pipeline of infrastructure work that provides support to a broad spectrum of local businesses that make up the construction industry in the Northern Territory.

There are many important building and infrastructure projects that are being delivered and many that are now being rolled out by the department, boosting our construction industry over the next 18 months. We have seen the recent completion of the Palmerston Regional Hospital, which has been handed over to the Top End Health Service. It was done within budget and I commend the department for their outstanding work on that.

A 97% local development rate was achieved throughout this construction project. The \$30m Palmerston police station is under way. The \$8m for a new fire and emergency services centre is under way in Katherine. There is \$19.5m awarded for the State Square underground car park contract and works will commence shortly.

We have \$20m for the Alice Springs revitalisation agenda. We are working towards the national Aboriginal art gallery in Alice Springs and the national Indigenous cultural centre.

We have the first component of the \$18m PET scanner and cyclotron project being constructed to accommodate the PET scanner, and it is on target for completion going forward. We have the \$12m six-level car park at the Royal Darwin Hospital currently under way.

The \$25m new home for rugby league at Warren Park is under way. We have the \$18m jointly-funded Darwin indoor netball centre that is under way. The \$6.5m Tennant Creek integrated centre for early childhood award is in it for that project.

We have, of course, extensive investments in our arts trail across the Territory with \$10m for the Tennant Creek art gallery extension; \$10m for art gallery extensions in East Arnhem Land; \$4.5m for a new bushfires response centre in Livingstone; \$11.3m for the Ngukurr police station; and \$60m for the Maningrida police complex.

Significant funds are going into tourism infrastructure including adventure cycling tracks at West MacDonnell National Park; new interpretative displays in Tennant Creek; walking and bike trails in Nitmiluk National Park, and the wonderful work at the Hermannsburg Historic Precinct.

We also have a huge housing program out bush, including a \$308m housing program being delivered across the Territory—including remote government employee housing, HomeBuild NT, urban public housing and the cyclone recovery work.

An important body of work under way is the government's planning agenda as well, to restore integrity and confidence to our planning system. Widespread consultation was undertaken late last year and we are now considering the consultation outcomes, and we will be continuing that conversation with the community.

We have a review into swimming pool safety in the Northern Territory happening right now, and consultation is under way and open until 6 July. We will certainly be having further consultations with the community about that.

We have some other fantastic projects under way, including flood mitigation works in Darwin, Katherine and Alice Springs, and the Katherine logistics and agribusiness hub is currently under way. An industry needs assessment has been completed and master planning investigations are under way for the land, power, water and sewerage infrastructure needs for the proposed hub.

A safe transport solutions are a significant priority for this government to connect Territorians safely. We recently launched the Towards Zero Road Safety Action Plan, which will be a five-year plan to target our horrendous road statistics.

We have also continued to invest heavily in our roads and are investing in important infrastructure such as \$32m for Gunn Point Road. We will be investing \$7m to look at access to Point Ceylon at Bynoe Harbour, to support Project Sea Dragon. There is \$57m to upgrade the Keep Rivers Plains Road, which will be an important connection between Kununurra and Legune Station. We will talk further about that, as I know the Leader of the Opposition has highlighted questions that he has about that.

There is \$45m going out for the Barneson Boulevard project. We have more important work happening around the Litchfield Park Road and the very important construction at the Lower Finnis River bridge, which is taking many years of extensive negotiations with traditional owners.

The Adelaide River floodplain section of the Arnhem Highway is a \$78m project and tenders are anticipated to be released in August. There is \$35.5m for the Little Horse and Big Horse Creek upgrades work, which is well under way, with completion due in mid-2019. More work happening on the Sandover, with the Tiwi Island roads. We have very important work happening in Coolalinga—that is in the budget because we know it is important to upgrade those intersections with the development that has happened there. We are also looking at funding Ilparpa Road in Alice Springs, to finalise the extension and widening of that road.

We have a huge program for roads infrastructure, as I have just mentioned. Some of the other roads include the Plenty Highway, the Docker River Road, the Tanami, the Tablelands Highway and the Barkly Stock Route, to name a few.

The Buntine—the work continues there with about \$37.5m. A total of \$5m has been allocated in this budget to the Central Arnhem Road. We have allocated \$2.3m to widen the seal on the Millingimbi airstrip as well, which is very important to the Member for Nhulunbuy. There is \$4.6m to extend the Bathurst Island airstrip.

The Territory-Wide Logistics Master Plan discussion paper was released in April, with consultations now finalised. The master plan will maximise the territory's economic potential by ensuring our regions are well connected by efficient, safe and reliable logistics networks, while continuing to support Darwin as the northern Australia's gateway to Asia. We also need to develop our logistics hubs in important regional centres such as Katherine and Tennant Creek.

We would also like to acknowledge the hard work of the staff at the MVR. Over the last five years the MVR have delivered a number of reforms and increased customer satisfaction in service. There have been 156 900 licences issued and 195 400 vehicles have been registered so far this financial year. With 52% of transactions now completed online or through Australia Post.

The department has also facilitated the delivery of ridesharing services in the Northern Territory, providing Territorians and visitors with a wider range of transport options. Hi Oscar commenced on 1 February in both Darwin and Alice Springs. So far there has been 4014 ride share journeys completed with 3907 of those trips in Darwin and 107 in Alice Springs.

The department is a diverse agency that plays an important role in the community including emergency preparedness, response and recovery operations under natural disasters. With the recent effects of Cyclone Marcus, DIPL ensure essential traffic routes were safe and accessible, were instating the public transport network, coordinated waste and debris management and ensure government assets and public buildings were inspected and made safe.

They also worked with the Department of the Chief Minister's emergency operations centre, developing a visual mapping system that enable the recording of activity street by street following the cyclone event.

Madam Chair, the department has been kept busy and I look forward to answering any questions the Estimates Committee may have.

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

Mr HIGGINS: Firstly, I would like to thank everyone for answering the questions that were submitted in writing last April. I know you have done a lot of preparation for the minister today.

I want to get a question up front and out of the way. As soon as I ask it the minister will know exactly why I am asking it. You mentioned roads and stuff that is being done. With regard to the Wadeye road—you know when you and I have spoken about this—there is the lifting of the area from the bridge to the mango farm turnoff, commonly referred to as Yellow Creek. Part of that project was always to do Saddle Rail at the same time. The reason for that is that the \$20m-odd investment to lift that road from the bridge to the mango farm turnoff does not improve the access to one property whatsoever, or access along that road, without Saddle Rail.

Saddle Rail has been taken off the works programs. My question is, why did we continue to spend that \$24m—and do not take that the wrong way; it is part of the way to finishing it. But why are we not finishing Saddle Rail? You need Saddle Rail to get any access into Lizzy Downs or any of those properties west as well as all those communities.

Ms MANISON: Thank you, Leader of the Opposition. I think your example within your own electorate goes to the heart of the infrastructure deficit we have across the Northern Territory and the challenges in delivering infrastructure because, particularly when it comes to roads and bridges, it is so expensive.

We have come some way in the start of those projects, but it is about weighing up all the priorities each and every budget. I know this is an absolute priority for you, as the local Member for Daly, but as you can appreciate we have each and every member of this parliament fighting for different projects in their electorates. It is a start. It has not fallen off the radar. I believe it is sitting in the 10-year infrastructure plan.

Mr HIGGINS: It is a project in my electorate, but my concern here is that when we built the bridge across the Daly River it was a cost of approximately \$24m. We add to that Yellow Creek, and it is another \$24m or \$25m. We are now at \$50m. We spent \$25m between Peppi and Palumpa, and we are at \$75m. The thing is, one of the things that connects all those together is Saddle Rail.

We have invested \$75m on a road and bridge—the bridge was about eight years ago—and we still do not have that connectivity. The one thing missing is Saddle Rail. You finish Saddle Rail and you can drive from the Daly all the way to Wadeye, with the exception of when that river is over nine metres deep. At the moment, you cannot get through if it is over four or five metres.

My concern is not the electorate; it is a big investment that has no benefit. We have a \$75m-plus investment to no benefit.

Ms MANISON: We are chipping away at it. I might hand over to Louise McCormick to talk about that project and its future within the 10-year infrastructure plan.

Ms McCORMICK: Saddle Rail is designed and ready to go. We are planning to go out in 2019–20 because we recognise that is a missing link in Port Keats Road. Some of the other issues on Port Keats Road that the community has raised are about connection between Wadeye and Emu Point turnoff, so Peppimenarti and Palumpa can get through to the high school in Wadeye.

We have been talking with the community. It is designed and it is a \$30m project. Yellow Creek was ready before Saddle Rail, hence we went with it first. You are right; they were always meant to be done together, but the cost of it was such that we needed two bridges over Yellow Creek to get the immunity that we need to make it a better access road.

Saddle Rail is ready to go, and we are hoping to put that forward for 2019–20.

Ms MANISON: It is there, Opposition Leader. I know it is not tomorrow, but we are very much committed to delivering it in the future.

Mr HIGGINS: When is the time frame for the Wadeye/Emu Point one? You said that was designed.

Ms McCORMICK: The Wadeye to Emu Point one is not designed as yet, only Saddle Rail, so that will be the first one to go. Then we would work with the community on the next section between Wadeye and Emu Point.

Mr WOOD: I have plenty of questions, but just on the statement.

Minister, you mentioned the number of licences issued. I notice it says here, licensed drivers in 2017–18, 157 200; in Budget 2018–19, it is 157 200. Are we not expecting any extra people to have a licence? It does not seem to have gone up. Is there a reason for the figure being the same?

Ms MANISON: I will get Simon Saunders to answer that question.

Mr SAUNDERS: Can you repeat the question, please?

Mr WOOD: In the opening speech you mentioned the number of licences. In Budget Paper No 3, page 95, it says that there were 157 200 in Budget 2017–18, and in this year's budget it is 157 200. That gives the impression you have capped licences and no one can have one until someone else loses theirs. It is an unusual figure.

Mr SAUNDERS: It may be the difference between licences held by Territorians and transactions for licences, because there are fewer transactions than there are licences held.

Mr WOOD: You need a little number next to it so you can put that explanation in. The way it reads is that there is no increase in licences. I know we have had a slight population decrease, but it looks a bit funny.

I am interested in the Litchfield loop road bridge over the Finniss River. I just travelled that road yesterday and was surprised that nothing has happened; it is the same as it was 12 months ago. What negotiations have occurred regarding the site of the bridge? Are there any details on what arrangements were made to get that approval?

Ms MANISON: I will hand over to Louise McCormick for this one. It would be fair to say we are deeply committed to that project, but I am sure you and the Member for Daly appreciate how complex the negotiations have been between two traditional owner groups on each side of the river.

We have made some good, constructive progress going forward. There is a lot of communication with the TO groups, and we are deeply committed to go forward with the delivery of this project. We would like to see TOs working on this project.

I will have Louise McCormick to talk about the complexities and the delivery of this important project.

Ms McCORMICK: The Litchfield bridge has taken a very long time to negotiate—almost 15 years.

Mr HIGGINS: Do not jinx it.

Ms McCORMICK: There are two traditional owner groups north and south of the river and we have had to realign because at the moment, it is pretty much a hairpin bend the bridge is on. A couple of years ago, we actually struck an alignment that was agreeable to all traditional owners. From that point on, we then negotiated a land swap agreement which was executed in December last year.

We are now ready to go ahead and put the project out to tender. It has been designed and is ready to go. We have also set up some project leadership teams with both traditional owner groups, because there is a set of conditions we have to abide by under those land swap agreements which we are working through. It takes some time. Every time we have a meeting with the traditional owner groups almost the whole family comes along.

We want to get this right. It has taken a long time so we are taking our time to make sure we get it right. But it is ready to go out this year.

Mr WOOD: Should the road start this financial year?

Ms McCORMICK: Yes, hopefully this Dry Season.

Mr WOOD: Okay. I will leave my other questions.

Mr HIGGINS: It is a regular question I ask of the department or the minister's office.

Mr WOOD: There was a lot of traffic on that road yesterday and the day before.

Ms MANISON: It is fair to say we want this project done, but it is very important that we have the support of the traditional owners on their country. We have been working very hard with them around that. That type of negotiations, sometimes when it is quite complex and very historic and long, can take a little more time.

Mr HIGGINS: Will the end design be one bridge or two?

Ms McCORMICK: Just one bridge.

Mr HIGGINS: Okay.

Madam CHAIR: Minister, in your statement, you mentioned flood mitigation. Can you explain how those areas across the Northern Territory are identified and prioritised?

Ms MANISON: Thank you, Madam Chair. We have a range of flood mitigation projects that are taking place. We are continuing work that was started by the previous government. With regard to the sale of TIO, we have a raft of work happening in Rapid Creek. That is about to get under way, with our detention basin there. There is a huge amount of work that has already happened in Ludmilla. It would be fair to say that with the big rains we saw in the last Wet Season, we saw some pretty good outcomes there because we did not see some of those areas going under, where traditionally, when it gets really wet, we have had a few problems with the movement of water there.

There is work happening in the rural area at this point in time. There are two projects happening there or about to get under way ...

In Katherine, there is a raft of work happening. The Katherine flood mitigation program includes structural mitigation options assessment, flood resilience for the town planning measures to provide commercial land outside the flood zone in Katherine. We also, as part of the budget—something that had not been included by the previous government initially with its flood mitigation work was Alice Springs. A flood mitigation committee was established there. It has passed on its report.

We have looked at doing \$500 000 worth of digital modelling in this financial year. The following financial year there will be another \$500 000 in to design for the best flood mitigation solution for Alice Springs, looking at a detention basin there, or perhaps a series of detention basins to see how we can minimise flooding when that happens. We have also put in \$10m into the forward works for the construction of the detention basin/basins. There is a raft of work continuing around flood mitigation as well.

Mr WOOD: Thank you for the question. The issue of flood mitigation at Howard Springs relate to culverts that were put under Whitewood Road at Wadham Lagoon and some culverts that went under a private driveway.

Ms MANISON: Yes.

Mr WOOD: The culverts under Whitewood Road, which locked traffic for one month, were then sealed with steel plates and were not used this Wet Season. Can you explain why that culvert was closed off for the entire Wet Season?

Ms MANISON: I will hand over the Leah Clifford to talk about that area in the rural area and the flood mitigation works.

Ms CLIFFORD: Yes, there were some steel plates that were put over the culverts you mentioned. The culverts were put in place. They are high-flow culverts. We did not release the plates because the remainder of the infrastructure that had to be negotiated with landowners was ongoing, so we were not at a point where we could construct. Since that time, discussions have been ongoing. We have left the plates in place and the discussions with landowners has continued.

Mr WOOD: Have those discussions been finalised? I know the issue you are talking about.

Ms CLIFFORD: Yes, all the discussions with landowners have now been had and we are preparing to go to tender for those works—and obviously the detailed designs have been done.

Mr WOOD: I do not want to drag this on but you would have received a letter from me regarding it being closed off and quite a few animals like turtles and birds have been run over. You have a very big culvert

under that road which could be used as a wildlife crossing. I am just wondering why those plates could not be removed.

And the other thing, have you looked at the effect of that culvert in relation to dropping the lagoon too much? It is all very well to stop flooding, but if you ruin the ecology of the lagoon by dropping the water too much—has anyone looked at that because that is what I feel will open if you fully open those culverts in the Wet Season. I am happy to talk about it out of session if you want to.

Ms MANISON: It would be good to get an understanding of that because I would hate to see that we have a detrimental impact on any environment and wildlife there. If there are ways that we can enhance it—clearly, that is not the purpose and there is a lot of work that goes in with the flood mitigation, working in with the environment to make sure that we are getting that mix right.

Mr WOOD: Believe it or not, even though one set of culverts is blocked off, there was no flooding upstream of houses. There was flooding of blocks, but those improvements on the private driveway seem to have relieved the amount of water. The water around Australia Day was enormous and yet there was no flooding. There was some improvement for what was put there. The road was blocked still, but water found its way out of the old culverts and the culverts are there now. I am happy to discuss that issue of the ecology of the lagoon.

Mrs WORDEN: Madam Chair, may I add a question while we are on flood mitigation? I might as well stick on that. Minister, back in 2015, the Darwin Flood Mitigation Advisory Committee made some significant recommendations to government, particularly around the Rapid Creek flooding area. I have, in my electorate, the proposed detention basin. There does not seem to be anything happening on the site just yet. Could you let the committee know what progress has been made and when that work will start and complete?

Ms MANISON: Yes, I will hand over to Leah to talk about that. Unfortunately, due to PFAS, it did delay getting the project out of the ground, but there has been a huge amount of work in planning for this and modelling of this over many years to enhance the flood immunity there in the area. We are building that detention basin; it has been awarded now and is about to get under way with that work starting. I will hand over to Leah Clifford to answer that question.

Ms CLIFFORD: As the minister mentioned, there was a slight delay with Rapid Creek, with the PFAS that was found. We had to do some testing on that, which identified that it was well below the health requirements. Having finished that we had obviously done detailed design. As the minister mentioned, the tender has now been awarded. The successful tenderer is currently putting their traffic plans in place ready to start on the site and we expect those works to start in a couple of weeks for the detention basin.

Madam CHAIR: Minister, final question from me on flood mitigation. In regard to the funding for flood mitigation in the Northern Territory, would it be fair to say that the majority of it is spent in the denser populated areas as opposed to remote area access to communities? How would you fairly balance that out across the NT?

Ms MANISON: With us, when it comes to flood mitigation on roads, we have had a huge roads program over many years which has looked at flood mitigation. You would have seen some works in your own electorate when it comes to bridges and flood mitigation there. The Central Arnhem Road, we have pretty much ensured that over successive governments over the years we have worked on the targeted sections there to make sure we have got better all-weather crossings there. That is where those priorities are—bridges, culverts—tackling those areas that we know are subject to flooding. There has been a lot of money expended over years targeting those areas to make them more flood immune.

Mr HIGGINS: While we are on flood ...

Madam CHAIR: It is a hot topic.

Mr HIGGINS: With regard to the Daly itself, one of the suggestions of the previous government was for when the Daly floods, to actually have an evacuation centre at Daly. Some negotiations and design were done around that and it fits in with moving the school from Woolianna Road. The school is on development association land. It is all temporary accommodation. The issue is, why do we continue to evacuate people from Daly—the whole lot—when we could, in fact, build the school on higher ground, on the corner of Woolianna Road and the Daly River Road, and give people access back and forth?

Ms MANISON: Thank you, Leader of the Opposition. I know it is an issue you are quite passionate about. It is something where we take guidance on those projects from two different agencies, one being the Department of the Chief Minister where it coordinates emergency responses to flooding and emergency events, but also clearly the Department of Education and their work.

I might get you to raise that question with the Chief Minister tomorrow about what has been happening with the emergency services planning around that, just because we do not have immediate plans at the moment. It is a very important question to ask. I just think it would be better placed with the Chief Minister to understand what the thinking is from the emergency planning perspective.

Mr HIGGINS: Yes.

Madam CHAIR: Thank you Minister.

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

Madam CHAIR: The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2018–19 as they relate to the Department of Infrastructure, Planning and Logistics. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

Mr HIGGINS: Last year you announced a so-called record infrastructure spend of \$1.75bn. According to Budget Paper No 4, you promised the infrastructure program is on track to underspend by \$10m. The capital works are on track to underspend by \$220m, and there is a \$300m reduction for the infrastructure program in this year's budget.

It is interesting that it has been very difficult to ascertain from the government, especially the Chief Minister, the total program allocation for the infrastructure program as opposed to the cash figures. Which programs or projects have been put on the back burner or simply been shelved from the infrastructure program? How do you explain that underspend?

Ms MANISON: Thank you, Leader of the Opposition. It is a very important question. Infrastructure is a priority of ours, particularly since we have seen private investment stripped out of the Northern Territory. It is important to have high expenditure of the infrastructure program going forward. That is why we made it a priority in our first budget and continue to have infrastructure spending at high levels in the budget going forward.

It is not that we have cut anything out of the budget for those infrastructure programs. The issue has been delivery and timing of some of those projects. What we have been able to control, we have controlled and gotten out the door. I was in Katherine a few weeks ago. It is fair to say I am getting strong feedback from the chief executive and his staff that staff are going full-tilt to get money out the door by 30 June. The end of the financial year is always a very challenging time.

We will not reach that \$1.75bn mark; you are right. Part of the reason we will not reach that is that the federal roads program, some very big significant projects, are not rolling out this financial year. There are design issues, having to wait—in some cases—to see a few other things come together—having some of those causes. Roads like the Arnhem Highway flood mitigation—that is a huge project, raising the flood plain and the road above it. The Keep River Plains Road Upgrade and shiplift projects are still things we are very committed to—that is \$100m that has gone out to four years, because clearly it is not being delivered this financial year.

We found there have been a few other influencing factors that have affected our ability to get money out the door, such as—we just spoke about the Rapid Creek flood mitigation, PFAS that created some delays whilst we worked with the federal government and the environment agencies on the best way to manage that. Things such as Warren Park—when you go in to do the work then all of a sudden you find asbestos that you were not expecting to find and then you have to figure out how you are going to manage that. They have created some issues.

Remote Indigenous housing—because we have consultation on the ground, community by community, and we want to see maximum work going out to Indigenous enterprise. That has taken time, so we will not hit that \$1.75bn at the moment. We are going to revise down from the \$1.54m—we are working to get as much money out the door as possible because it is a priority. Something I am also very focused on is making sure that it is not about pushing money out the door for the sake of it. You need to get value for money and you need to deliver quality infrastructure projects.

We are trying to get as much work going as possible. It has to be quality but there have been some issues which have been out of our control and that affects the delivery of those infrastructure projects. It does not mean that we have cut the projects. It means that they are pushed out to the next financial year. That has been where we have had some issues, Leader of the Opposition.

Mr HIGGINS: With that underspend and then the reduction next year of the \$300m, how much of the infrastructure spend that is predicted for next year is straight carryover from this year?

Ms MANISON: I might get Mr Kirkman to answer that question, Leader of the Opposition.

Mr KIRKMAN: In terms of the underspend this year there will be—when you are looking at the whole-of-government figure of \$1.75bn published in the budget last year, there will be \$140m in Australian roads funding that will transfer over from this year to next year. There will also be a considerable amount for those projects which we would have like to have gotten further on this financial year including, for example, the Palmerston police station and Barneson Boulevard.

It is probably easier to talk in revote terms because that is a program figure, and that is the program we are looking to transfer over. In terms of this agency we now have a program of over \$2bn going over the next few years. There will be \$920m of the program sitting there this financial year, which will go to next financial year. If we are looking at a whole-of-government revote figure, it is about a \$1.3bn revote from this financial year to next financial year.

Mr HIGGINS: What will happen with the Myilly Point museum funding?

Ms MANISON: We have listened to the community. That project is not progressing because we heard loud and clear that people did not see that it was the time or the place at the moment to construct a new museum of the Northern Territory.

We do, however, want to ensure that this site—because Myilly Point is a very special site—is not something that we see being eventually the site of just high-rise unit development. We want to see that this is a very special place and that its heritage is recognised and preserved, particularly since it was the site of the Kahlin compound. It has significant meaning to the Stolen Generations here in Darwin and it was the site of our old hospital, our university, so we are not progressing with that museum.

We will work with the Stolen Generation people to understand what would be a nice tribute to them, but in the meantime we have put funds aside to look at constructing a nice nature-based adventure playground there at a portion of the site. We will work with the Stolen Gen to figure out what is an appropriate tribute to them and we will be doing some landscaping works to make the area more accessible and usable to the public.

We have put \$3m aside for that and we will have further conversations with the community. The Planning Commission is doing a bit of work at the moment on discussions on the Darwin area plan and the CBD area plan, which Myilly Point is part of.

It is fair to say we are not progressing with the museum. We got the message loud and clear with regard to that. It will really have to be a community discussion about the future use of that site. I do not want to see it something that becomes a place of residential development. It is special. We need to preserve that heritage.

Clearly, if there was an easy answer it would have happened a long time ago, but we got the message clear that the public does not want a museum there at this time. They do not see it as the appropriate use of the site.

Mr HIGGINS: Will that \$50m then add to the current underspend, or was that money not budgeted?

Ms MANISON: We are intending to look at where that money can be moved to as part of the revitalisation agenda of the CBD. The State Square redevelopment is something that we will still progress forward with. We want to see a fine arts gallery moved into the CBD as a tourist attraction. That is where we will be working at looking at the allocation of those funds.

Mr HIGGINS: That would add to the \$220m underspend for this year and be revoted next year?

Ms MANISON: Until 2020–21 I believe, going out to the future years.

Mr HIGGINS: Why do we spend so much time putting out press releases saying what a wonderful job we are doing if we are not doing it for three or four years?

Ms MANISON: You need to get the consultation right. You need to go out and have a discussion with the community and get the design work right. It was a big project, it was going to take a fair bit of planning to get out of the ground. But very early on in the piece, we got the message loud and clear that people did not see it as the appropriate project at this point in time.

Mr HIGGINS: One of those projects that were announced before it was put on the Have Your Say website.

Ms MANISON: Well, we did have it on the Have Your Say website and we got very strong feedback about it.

Mr HIGGINS: Okay. I have no more overall.

Madam CHAIR: I would like to welcome the Member for Araluen to the estimates hearing.

Mrs LAMBLEY: Thank you. I have a question on the opening statement. You talked about passenger sharing, ridesharing, and you gave some stats about how many people have accessed Hi Oscar and you said that there has been about 4000 trips in total since, what date did you say? Since February—and 100 of those approximately in Alice Springs. How many providers of Hi Oscar are there in the Northern Territory?

Ms MANISON: The actual registered drivers of Hi Oscar?

Mrs LAMBLEY: Yes.

Ms MANISON: I have Simon Saunders here, who can go through those numbers.

Mr SAUNDERS: Currently there are 44 ride share vehicles in Darwin, two in Alice Springs. There are 105 drivers in Darwin and seven drivers in Alice Springs.

Mrs LAMBLEY: Does that meet your expectations, or did you have any expectations around how this would be taken up, this opportunity?

Ms MANISON: It was certainly a good start and I know the feedback I have had from people in Darwin is that those who have used Hi Oscar—and I have now used Hi Oscar a couple of times—have been very pleased with the experience. I would like to see a lot more uptake in Alice Springs. I think 107—considering we have got three registered drivers there. Is that the number?

Mr SAUNDERS: Seven drivers in Alice Springs.

Ms MANISON: Seven drivers in Alice Springs, I would expect the uptake to be a bit more. We have had some very positive feedback about it. I have not caught up with Daniel, who is the owner of Hi Oscar for some time. So far I would say that it has been constructive, it has given Territorians more options.

Shebah were looking to enter the market here in Darwin and did some consulting. I do not know where they are at, at the moment. Certainly Uber has shown no interest in the Northern Territory still. They think it is too tough. We have set the bar too high with regards to a \$300 entry point, rather than \$100 or nothing which is what they would prefer.

We worked very closely with the taxi industry and other transport users in formulating the regulation around the introduction of ridesharing into the Northern Territory. We tried to create a playing field that was as fair and even as possible. You will never get that perfect, but we have certainly tried.

So far I have been pleased with Hi Oscar—an Australian-owned company with profits staying in this country. The experience, when you talk to the drivers—they find it very easy to use as well. There is certainly a range of vehicles out on the road too, from some simple small cars to some very flash cars.

Mrs LAMBLEY: I guess from an Alice Springs perspective, it is not an even playing field. It is not a fair situation that you have constructed. The take-up in Alice Springs is two registered Hi Oscar providers. Anecdotally I am hearing that they are not providing a consistent service at all, you can rarely even get a Hi Oscar service and that is up to them how people provide their business. But you also introduced the \$1

surcharge on every passenger vehicle transaction, which really only services the Darwin population, where you have a significant ridesharing community. That is not really fair is it?

This is a Top End focused policy which really discriminates against people outside of Darwin who do not use ridesharing, possibly will not for many years, they are being hit up an extra dollar per ride to subsidise a Darwin-based service. That is not fair, minister. Can you enlighten us on the policy and thinking around that?

Ms MANISON: Yes, in constructing the policy, this was one of those things that there was a lot of debate on and I gave a lot of thought to. In introducing ridesharing, one of the key questions was we had agreed that we would drop the plate fees significantly and the question was, when do you do it?

Ridesharing is definitely we have interest in coming to Darwin, but how do we try to open it up so there is an opportunity for a market in Alice Springs, Katherine and Tennant Creek if people want to go about and start a ridesharing service there?

With that we made the decision to drop all of the plate fees across the Northern Territory at the same time to ensure that we open up the market there to invite ridesharing services to enter that market. We will be reviewing that dollar fare after the first or second year of ridesharing just to see how it is going. That was not an easy decision because, ultimately, you want to keep transport as affordable as possible.

In order to do this as neatly as possible and to open up the opportunity for ridesharing to come to places such as Alice Springs, we felt it was the most logical way to go, even though it is very difficult to say to someone that they will have to pay an extra dollar for this greater choice of services.

What I am more than happy to do is touch base with Hi Oscar and pass on that feedback. I am happy to get yourself in touch with them to give them the local member's perspective as well.

Mrs LAMBLEY: It is just about business, the free market. It is really nothing to do with me as the local member. I am more concerned about the impost it puts on people who do not live in Darwin to subsidise pretty much a Darwin-based service.

Ms MANISON: We have drivers there; we have drivers registered. What I want to understand is, why have there been 107 rides in Alice Springs when you have seven registered vehicles. There should be more than 107. What are the issues getting in the way there? What is stopping there being more than 107 rides? When you look at the Darwin number and at Alice Springs—seven drivers is a significant number in a market like Alice Springs, we should see a lot more activity there.

Mrs LAMBLEY: So, 107 rides in four months is a couple a day, not even that. It is insignificant. If that is the way the free market operates, I do not have a problem with that. It is more the fact that this policy has been structured to disadvantage those who live outside of Darwin.

Ms MANISON: I think it should work. We will have further conversations with Hi Oscar to understand what has been going on in Alice Springs, how they can promote Hi Oscar more in Alice Springs so people understand the services, and most importantly ...

Mrs LAMBLEY: But why would you promote one ridesharing service over another? That is anti-competition; that is not the issue I am raising here. It is not the role of government to promote taxi rides over Uber or some other ...

Ms MANISON: I think it is important. It is new in the Northern Territory. We finally have ridesharing here. We are the last jurisdiction to have ridesharing and choice. I think it is really positive that we have set up the market to ensure that Alice Springs does not miss out, so people can use ridesharing. What I want to understand is, why is it 107 rides? Why is it not more rides? What is going on?

Mrs LAMBLEY: It is about the market, minister. That would be my explanation.

The other issue I have is that there is a loss of income to government by the reduction of the plate fees. What is that loss of income that you are predicting and what is the income that you will generate by the \$1 surcharge on taxi fares? And what is the difference? What is the shortfall? This is what it is all about, really, is it not? Trying to make up the difference through charging consumers across the Territory for using ridesharing or taxis or whatever. It is just a mechanism to make up that gap, pretty much, is it not? What is the shortfall?

Ms MANISON: I will get Mr Kirkman to go over that because he has the information. With us looking at the significant drops in the fees for the plate owners, we did not want to be out of pocket. We still want to fund those really important schemes such as the lift incentive scheme and the taxi subsidy scheme. Other jurisdictions have also introduced a charge. I think it is South Australia—who else?

Mr KIRKMAN: New South Wales.

Ms MANISON: New South Wales as well. We are not the only jurisdiction looking at that model. I will pass to Mr Kirman to talk about those revenue questions.

Mr KIRKMAN: Member for Araluen, yes, there definitely was a look at the reduction in our revenue base to make sure we have the ability to regulate the industry and provide those lift sharing services. About \$3.5m is required to do that regulation and provide those lift incentives for drivers. Yes, that \$1 will go towards that.

Mrs LAMBLEY: Can you give me figures, Andrew? Is that possible?

Mr KIRKMAN: We do not have a figure right now. We can certainly get what we have collected to date.

Mrs LAMBLEY: I am very interested. Would you like to take that on notice?

Mr KIRKMAN: Absolutely, yes.

Ms MANISON: Yes, we are more than happy to take that on notice.

Mr KIRKMAN: The other thing that is worthwhile to mention is not only will that, net for net, equal what we used to receive in licence fees ...

Mrs LAMBLEY: Is that what you have planned, what you anticipated?

Mr KIRKMAN: Yes, what we planned, yes. Just to recover what we had—not make any more or any less, just recover what we received through licence fees. What that will also do over time, when we look at the cost to operate a taxi and therefore, what the fare structure should be going forward, we will also be able to take into account the licence fees. Instead of \$20 000 or \$25 000 licence fees going into the calculation of a basket of costs, if you like, when determining the fares for a taxi, it will be \$5000 which, you would imagine, would reduce the fare. We imagine it effectively offsetting the dollar over time when that work is done.

You can see we are looking at levelling the playing field in every decision we are making on this ...

Mrs LAMBLEY: But it is not levelling the playing field because in Alice Springs, for example, the greatest users of taxis are Aboriginal people. You are putting an extra impost on the people at the lowest end of the socioeconomic spectrum. That is of most concern to me. You are using people who are poor to subsidise a reduction in taxi licence fees. That is what is happening in Alice Springs, as the greatest users of taxis—speak to any taxi driver in Alice Springs and they will tell you that. They do not think that is fair either.

Ms MANISON: It is a difficult transition, Member for Araluen. Ridesharing is new in the Northern Territory. We have worked through it at a committee level to construct what this looks like and the regulation. It was a very big committee that had very robust discussions. We will review it after the first two years of introduction because it is a very new initiative in the Northern Territory.

Mrs LAMBLEY: So when exactly are you reviewing it? In 2020? In the lead-up to the next election?

Ms MANISON: We will have a look at it after two years. That was what we made it.

Madam CHAIR: Excuse me, Member for Araluen, before we continue, I want to make sure we put on the record that question on notice before we go too far and forget.

Question on Notice No 2.9

Madam CHAIR: Member for Araluen, can you please restate the question.

Mrs LAMBLEY: What is the projected loss of revenue from the reduction in taxi licence plate fees? What is the projected revenue from the \$1 surcharge on ridesharing—passenger services?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: I accept it.

Madam CHAIR: The question from the Member for Araluen is allocated the number 2.9.

Mrs LAMBLEY: This leads me to the review into the taxi industry and the fact the key recommendation delivered by the Public Accounts Committee was to lift the cap on taxi licences, which you told parliament last sittings—all hinges on this review of ridesharing in the Northern Territory. I think that is particularly unfair given the ridesharing is really only operating in Darwin. You have a mishmash of different rules across the Territory. There is no taxi cap in Katherine, for example, but you have taxi caps in Darwin and Alice Springs.

There is inconsistency across the board. Meanwhile, in Alice Springs the taxi industry is quite big and robust. We have to wait until ridesharing plays out primarily in Darwin before you bring in the significant reform you said you would consider in 2020.

Why does the whole of the Territory have to hinge on a Darwin-centric policy which is not really benefiting anyone else in regard to fixing up the problems in the taxi industry?

Ms MANISON: It is a difficult question about the cap on plates. It strikes some very firm responses from within the taxi industry, particularly those who have invested their life savings into the industry and it is their business. We are going through an extraordinary time of change in the market with the introduction of ridesharing. I think it will work out in Alice Springs; it is just very new at the moment. We need to understand the barriers around it given that we are going through so much change in the market.

I did not think it was appropriate to remove the caps at this point in time. We need to tighten up as a result of the work by the PAC. I welcome it because I had heard a lot of stories about the taxi industry. It is very murky getting to the bottom of those stories. One thing the PAC did was bring some of those realities in the taxi industry to light. There is a lot of work to do in the industry to ensure transparency around the issue of driver bailment agreements. We need to review the issue of the caps. I think right now, as we are seeing what the full impacts of ridesharing will be on the market, it is not the time. I appreciate that if you asked a driver tomorrow they would say, 'Lift the cap'. If you asked a plate owner they would say, 'Absolutely not; it would send my business broke. It is already getting tougher and ridesharing will send me to the wall.'

There was a great deal of fear about what the impacts of ridesharing could be. It is fair to say the previous government was not going to introduce ridesharing because those concerns had been expressed to them. We have introduced it; it is new and we need to see how it goes.

I know that is not the answer you want, Member for Araluen, because you would like to see the cap gone tomorrow, particularly in Alice Springs. But we have made improvements to the distribution of taxi plates to ensure that if someone already has one, and if they go to ballot, they will not get another one, which I think is fair.

As part of the review from the PAC, there has been a lot of work behind the scenes to understand who is controlling the taxi plates. Who are they? Where are they? Are they legitimately operating that vehicle? A fair bit of research has been done by the department to understand who is paying the insurance and the vehicle costs so that we understand if we have an issue of subleasing for each individual plate, or do we have a legitimate business happening there?

That is a body of work we are doing. We will be working that through. If somebody is not doing the right thing, we will be having a very serious discussion about getting them to prove they are operating their taxi properly in the Northern Territory. If they are not operating their taxi properly, then we will be expecting them to hand back those plates and put them back out to market again.

There is a fair bit of work happening around that issue. We think there needs to be a far greater process around driver agreements with plate owner around bailment agreements so people understand what they are. There should be a firm written agreement in place between an owner and a driver if they are if a driver is going to enter into that arrangement. That will be provided to the department, so we have a line of sight to that. That is a body of work we are going through at the moment—clearly not as quickly as you would like.

The PAC report was very helpful, it has given us more tools to police this issue and we are working through that at the moment.

Mrs LAMBLEY: My final question, did you put more resources into the department to better regulate and police this? That was an issue that came up in the committee inquiry.

Ms MANISON: Unfortunately, given the tight financial constraints of government, I am constantly keeping a very firm eye on the department and the recurrent expenditure. I have not been able to put the additional resources in that I would dearly like, but it is one of those issues when you are trying to balance budgets. We have a very hard-working and dedicated team.

We will keep monitoring how the implementation goes if it comes to the point where we need to look at some resources, even on a temporary basis, to get through the implementation of these reforms as a result of the PAC inquiry. It is something I am very willing to consider. At the moment it is fair to say Mr Kirkman has had many discussions with me about trying to get the appropriate resourcing. With my Treasurer's hat on, I pretty much try to run a very tight ship.

Mrs LAMBLEY: Thank you.

Mr HIGGINS: Just to finish off on taxis, to get that out of the way—how many licensed taxi drivers, not plates, do we have in the Territory? Has that decreased since we brought in ridesharing? Will we monitor that?

Ms MANISON: I will hand over—but we have not had a decrease in ...

Mr HIGGINS: I am talking about actual drivers as opposed to plates.

Ms MANISON: The actual drivers? Do we have any monitoring of their numbers at the moment?

Mr SAUNDERS: We will certainly have it recorded. We can take it on notice and get the numbers.

Ms MANISON: Okay. We can get those numbers for you. One of the greatest views the taxi industry expressed to me about the introduction of ridesharing was that some that have no drivers will start their own ridesharing business ...

Mr HIGGINS: That is why I asked the question.

Ms MANISON: ... and they would find it difficult to staff them. Another view that was expressed to me by the taxi industry was that if people did hand in their plates, they do not want them to be re-balloted because they were worried they would see their slice of the industry pie become smaller. They would not want to see as many plates on the market, which was something I did not agree with.

We certainly have not seen what some people had expressed to me would happen, which would be the whole-scale handing in of plates because they could not operate their business anymore. That has not happened.

Question on Notice No 2.10

Madam CHAIR: Member for Daly, can you please restate your question for the record?

Mr HIGGINS: How many taxi drivers are there currently in the Northern Territory? Has there been any decrease in the number of drivers since the start of ridesharing?

Madam CHAIR: Minister, do you accept that question?

Ms MANISON: Thank you, Madam Chair. We accept that question.

Madam CHAIR: The question asked by the Member for Daly has been allocated the number 2.10.

Mr WOOD: I just have a last point of clarification.

Madam CHAIR: Yes, Member for Nelson?

Mr WOOD: Earlier, I asked about the Indigenous Employment Provisional Sum. I am not sure where I should ask that.

Ms MANISON: I would be comfortable—where are we now, Madam Chair?

Madam CHAIR: We are right at the start. We are at agency-related whole-of-government questions on budget and fiscal strategy.

Ms MANISON: I am happy to take that on now since the Member for Nelson asked in the previous ...

Mr WOOD: (inaudible – mic not on)

Ms MANISON: It is an important subject.

Mr WOOD: Minister, what is happening to the Indigenous Employment Provisional Sum inquiry? Can you say what the cost of the inquiry is? What has the government lost in dollars because of the failed scheme? Is the scheme still operating?

Ms MANISON: To go into the detail around IEPS, there has been extensive work that has been done in increasing the level of scrutiny of that project. Clearly, we cancelled it going forward after we had done several investigations and referred several matters to police. I will get Mr Kirkman to go into the details of the work, the expenditure and where we are at.

It is fair to say that to get an IEPS payment now is a very robust process. There is a lot of scrutiny that goes on each and every payment. We are working with police through these matters. The Department of Trade, Business and Innovation is looking at our new Aboriginal contracting framework, which is also a very important body of work.

The IEPS—and the Auditor-General backed it up—was a scheme that was put together very quickly by the previous government and there were not enough checks and balances in place. When we got to government and started seeing some of the anomalies, we put in more rigour around those processes and started working with police. We are where we are now.

I will let Mr Kirkman go into the details of that work, because it is very important.

Mr KIRKMAN: There are two very large bodies of work being undertaken in regard to Indigenous Employment Provisional Sum. One body of work is auditing those contracts which were let before the policy was suspended in August 2017. That is going back since those contracts were let, to look at each of those contractors and their contracts to ensure they had abided by the policy, we had reviewed them appropriately and then alternately, if we came to the conclusion that there were issues, we went back to either seek overpayments if there does not appear to be any criminal intent.

If there does appear to be criminal intent, then the process is the department refers those to an interagency task force, which includes us, the police, Treasury and Finance and Justice. We then determine whether that should be referred for criminal investigation. That is a fairly large process in itself.

Equally large is ensuring that every single contract we now get in the finalisation of that policy—and they are still rolling through. For example, this financial year there were 56 contracts valued at \$41m. Sorry, that figure is not exactly correct. Since the suspension—yes, this year, we have expended about \$8.8m. Sorry, the figure I gave before was what we have provided to Indigenous business enterprises as a separate part of what we are doing going forward. Apologies for that.

What we have expended this year is about \$8.9m on those contract that have just continued post the suspension of the policy. On every one of those, line by line, the verification team goes through and makes sure that it is all tickety-boo. If it is not, we go back to the contractor and ask, 'Why have you claimed this when our policy only allows you to claim that?' Then we reconcile. We effectively do not pay one cent more than what is owed under the policy now.

As you can imagine, that is an extensive piece of work. Some of these claims come in and they are inches thick with time sheets and summaries of works complete. That is a fair load of work that is required. Effectively, that is where we are at. We are auditing those previous contracts that were let before

August 2017. That work will potentially go for years. It is a massive body of work, so that will be ongoing. The verification work, we expect, will finish up over the next financial year as those contracts run out.

Mr WOOD: Do you expect to get some money back from claims that were illegitimate?

Mr KIRKMAN: Where we find over-claims, yes, we will seek reimbursement of those claims.

Madam CHAIR: Thank you Member for Nelson. That concludes questions on agency-related whole of government questions on budget fiscal strategy.

OUTPUT GROUP 9.0 – INFRASTRUCTURE INVESTMENT PROGRAM SUPPORT AND DELIVERY
Output 9.1 – Infrastructure Investment Delivery

Madam CHAIR: We will now proceed to Output Group 9.0, Infrastructure Investment Program Support and Delivery, Output 9.1, Infrastructure Investment Delivery. Are there any questions?

Mr HIGGINS: I seek clarification on the government's \$6.9m on the public housing upgrades. Is that being managed by Infrastructure or by Housing? Who should I direct questions to?

Mr KIRKMAN: It is easier to explain up front what this department is delivering on behalf of housing and what housing is delivering on behalf of its own agency. We are delivering, for both urban and remote, the new houses. Any new houses are delivered by this department, in remote we are delivering all the refurbishment and upgrade works. That includes anything on government employee housing.

In town, if it is about the stimulus work, that has gone out over the last 12 months to upgrade public housing complexes and public houses. That work is directly going out from the department of Housing.

Mr HIGGINS: Are there any other large expenditure infrastructure programs which are actually being managed by other agencies?

Mr KIRKMAN: All the government-owned corporations—Power and Water Corporation, TGen and Jacana Energy—manage their own projects. Housing is the only one managing significant capital works and there are some other agencies, like Health and others, which manage some elements of their repairs and maintenance programs.

Mr HIGGINS: There is a reference in Budget Paper No 3 on page 92. I want to know exactly what tax payers get for the \$4m towards—as it says on that page—'design and concept development services'. Why is that considered a new capital works? What is it?

Mr KIRKMAN: We have made sure we now have the capability to do the planning and design ahead of the capital works program. What has happened in the past is that we have had to wait for the program to get into the financial year in which it has been allocated, and then start the important work to get shovel-ready. Unfortunately that means delaying getting construction work underway and getting moving in a building sense.

With the \$4m that we have set aside to do planning and design work we can get ahead of the game prior to the financial year in which the program comes online. We are ready to get moving in a construction sense in the year the program comes onto the books.

Mr HIGGINS: What infrastructure for growth will be gained through the \$2m? Is this allocation for headworks for infrastructure and subdivision design to support the development of land, which is then referred to in Budget Paper No 4?

Mr KIRKMAN: This is a budget set aside for planning and design work under the Land Development Corporation portfolio. This is to make sure we have funding for those studies whether it is with the Planning Commission and to ensure they are doing area plans there are technical and infrastructure studies that are aligned with those area plans so they are robust—and for some of our considerations going forward in regard to Weddell and other future land releases and developments.

Ms MANISON: It would be fair to say a regular conversation between the department and me is ensuring we stay ahead of the game and that we are not just looking into the next financial year—that we are looking into some of the land and infrastructure going forward.

Sometimes opportunities present themselves. We need shovel-ready projects out the door. Some opportunities strike with federal governments from time to time. But we have our 10-year infrastructure plan and that helps guide us to where our funding priorities are and helps us plan to make sure we are getting that work done ahead of the piece.

Mr HIGGINS: The reason I asked that—what do you ask about something when you do not know what it is? It is not very well explained.

The last question I will ask before we go to Output 9.1 is about the investment delivery itself. The infrastructure program, Budget Paper No 4, outlines three City Deal projects under the revote, two in Darwin and one in Alice Springs. The question is, are there any more? What are the details of the \$19.8m revote allocation for Alice Springs CBD? Have you told the residents about what those plans are? What are the terms of the Alice Springs deal? You have a website dedicated to the Darwin City Deal, so where is the one for the Alice Springs City Deal so we can have a look at it?

Ms MANISON: With regard to the City Deals, they are coordinated out of the Chief Minister's office. I will get you to raise those questions with him when he is in here tomorrow.

One thing that is very important is ensuring we focus on revitalisation work in Alice Springs as well as Darwin, because Alice Springs certainly deserves it. There has been a fair bit of conversation with the community. There has been work to look at the best way to spend that \$20m. It has not flown out as fast as I would like to see, but we will see some significant work hitting the ground in the next financial year.

Work has included looking at cooling and works that will beautify the Alice Springs CBD. There has been working looking at enhancing security through CPTED audits and design, making sure it is conducive to supporting business investment in Alice Springs.

One area that has been raised by families there is water play and constructing a nice area that would be appreciated by the community, particularly in the very hot months, for families to be able to enjoy and to enhance the CBD—something that generally adds to the cooling of the environment as well.

Mr HIGGINS: I will interrogate the Chief Minister on that tomorrow. I suppose he would be the one to answer whether they put it on the Have Your Say website or what consultation they will do, or is that will be dedicated to Darwin.

Ms MANISON: I think it has already been on Have Your Say. Sorry, Leader of the Opposition.

Mr HIGGINS: The last overarching thing I have not been able to find anything on is the Wadeye government business centre. Is that still a possibility? Do we have any plans? Where are we going with that?

Ms MANISON: As you can appreciate, I do not have carriage of the business centres. That sits with the Department of Trade, Business and Innovation.

Mr HIGGINS: So, that is the Chief Minister again?

Ms MANISON: Yes, the Chief Minister again.

Mr HIGGINS: We had better give him more time. I reckon he could take an hour off you, and we can give him an extra hour tomorrow. I at least thought you would say to ask the Infrastructure minister. But that is all right. I am happy with that.

Mrs LAMBLEY: Is it time for me to ask about the national Indigenous art gallery in Alice Springs? Is this the appropriate output?

Ms MANISON: Again, I do not have carriage of that but I am more than happy to see what the question is and what information I can help you with.

Mrs LAMBLEY: What is of great interest, particularly to the people of Alice Springs, is the fact there is only \$50m on the table for a project that looks like costing more than \$150m according to the Minister for Tourism and Culture. I am just wondering where you will get that money from, given that this project starts in 18 months or two years' time.

Ms MANISON: There has been a great deal of planning work around it. There has been a great deal of community debate and discussion around it. Given what we are trying to achieve here, which is a gallery of national and worldwide significance. There has to be work to talk to philanthropic type organisations as well.

We have budgeted \$50m for this and \$20m for the cultural centre. I anticipate it will go beyond \$50m, but until we see the design for that and start getting the QS in there to look at the actual costs, I do not have the answers. I think the questions would be best placed to the Minister for Tourism and Culture, who is driving that project and process. She will be able to talk to you about their plans and how they will deliver that project.

Mrs LAMBLEY: It would be her responsibility to approach philanthropic organisations?

Ms MANISON: They are managing the project delivery.

Mrs LAMBLEY: And the funding?

Ms MANISON: Yes. We will work closely with them on the delivery of the infrastructure. We are not at that point yet, so there is still a lot of project planning. I think you know too well about the community debate about the location and the delivery of the cultural centre. There is more debate happening—the Department of Tourism and Culture is project managing this at this stage. When it comes to the design and delivery of the infrastructure that is where DIPL will be involved.

Mrs LAMBLEY: What comes first—the successful procurement, getting the funding, then the design? Or will you design it and then get the funding? There is the possibility you will not get as much additional funding from the philanthropic organisations as you would like.

Ms MANISON: There is a very real possibility here. The Department of Tourism and Culture may say this is what we think we can get, or that it is just the \$50m contribution from government. Then we would sit down as an agency with DIPL and see what can be delivered.

Madam CHAIR: Are there any other questions?

Mr HIGGINS: Yes. On the Infrastructure Australia priority project list the Northern Territory scores just three mentions, all under priority initiatives described as the following:

Priority Initiatives are potential infrastructure solutions for which a business case has not yet been completed. A Priority Initiative seeks to address a problem or opportunity of national significance.

The three NT initiatives listed are:

- provision of enabling infrastructure and essential services to remote NT communities—specifically Wadeye, the Tiwi Islands and Jabiru
- upgrade the Tanami Road
- Darwin region water supply infrastructure upgrades.

What work has been done on these policy initiatives since August 2016 and when will the business cases be completed and lodged?

You told us last year the business case for the Tanami Road upgrade had been submitted to Infrastructure Australia, so what faults in that business case were identified by Infrastructure Australia?

I know that is a big question, I am sorry.

Ms MANISON: That is all right. I will get Louise McCormick to go into detail on that. I have mentioned to you before that we have lobbied at the Northern Development Ministers Forum to get these projects to stack up in an economically feasible way. It tends to be difficult with very remote projects, small populations and large areas of land.

We have lobbied the federal government with regard to understanding their funding priorities, whether that is through Infrastructure Australia or other means, that when it comes to northern development they have to understand those feasibility challenges to make the numbers stack up.

We are currently negotiating the next round of the national partnership agreement for roads, which begins in 2019–20. That will be a five-year package. It is fair to say there would not be many discussions with the federal government where the Tanami is not on the table. We are constantly talking with them about that. The investment into the future of Jabiru is something we have also talked about. Wadeye, being the size it is and the growth you are experiencing as well as the remoteness of the place, is somewhere we need to recognise the importance of investment.

The Darwin regional water supply—Power and Water is doing a lot of work into the planning of that going forward. It would be best to ask them questions about that when they are here next week. It has a long-term plan about conserving water so we can prolong that investment in new water supply infrastructure as long as we can. We also have the interim measure of bringing Manton Dam back on line if it is required. I will get Louise to talk about the Infrastructure Australia programs and the initiatives that the Northern Territory has on the books and some of the challenges we have there.

Mr HIGGINS: Before we get there, can I make a comment, that when dealing with the federal government, it is about time the Territory government and everyone here realised that united we stand, divided we fall ...

Ms MANISON: You sound like a good unionist.

Mr HIGGINS: I have made it very clear over the last 18 months to two years that I will go down there to fight for the Territory. But I seem to get very little assistance from government in that regard. I would very much appreciate if everyone in parliament could be kept up to date on these projects that we are trying to push with the federal government.

I should not have to come here to ask you questions, or ask them in Question Time. The information in dealing with the Commonwealth should be made available to all of us up front so we fight for Territorians—not the Labor Party and not the CLP. Fight for Territorians.

Ms MANISON: I agree, Leader of the Opposition.

Mr HIGGINS: Get your Caucus to agree to it.

Ms MANISON: It would be fair to say that when you ask for briefings, we are generally pretty forthcoming in getting you the information and ...

Mr HIGGINS: Sometimes I cannot ask for briefings if I do not know what issues need to be pushed.

Ms MANISON: How is that? I do not know what you are doing in your life most days, except for parliament. I know where you will be during parliament. Okay?

Mr HIGGINS: I do not have young kids anymore, so I have the edge over you. I admit that, yes.

Ms MANISON: When you are going to Canberra and catching up with your federal counterparts, we are always happy to know when we can give you messaging such as, 'Here are some of the things we are trying to push at the moment. Here is where the national partnership agreement on roads is for the next five years.' If you are in with the Deputy Prime Minister or minister Canavan, then please plug away at these things.

Mr HIGGINS: I have already said I will be there in two weeks.

Ms MANISON: No worries.

Mr HIGGINS: Hopefully, you and I could meet there if you are there then. I do not know if that overlaps with yours. I told the Chief Minister we were going to South Australia. I used that to extract some information off them. It is like pulling teeth sometimes. Anyway, I wanted to put that on the record.

Ms MANISON: We are happy to work with you in a united fashion. I will get Ms McCormick to talk about Infrastructure Australia and its work.

Ms McCORMICK: Infrastructure Australia—this is a big of a long-winded story, so I will try to keep it short for you.

Mr HIGGINS: It is a speech.

Ms McCORMICK: The Department of Trade, Business and Innovation take the lead on this, but a lot of the groundwork is done by my team. The three strategies that are on the priority list include Power and Water, so I would not be able to talk about the Darwin water supply. The essential services was based on the regional infrastructure study that was done a few years ago. It includes roads, community infrastructure and Power and Water infrastructure. Infrastructure Australia made the decision to cluster a whole bunch of NT projects in one priority list. Many of the priority projects that were in that are being targeted as smaller individual projects. Projects only have to go to Infrastructure Australia business case assessment if they are over \$100m.

The Arnhem Highway/Adelaide River floodplain, for example, is not over \$100m so it did not need to go to business case stage with Infrastructure Australia, just with the Australian Government.

Tanami Road has changed its spots a few times since then. Newmont, if you are not aware, is building a gas pipeline to its project. It is looking at expanding the Newmont mine as well in that region. We are talking to it at the moment about how that changes the business case, because what the business case is built on is volumes of traffic. A lot of that traffic is made up of fuel trucks that go to and from that mine. Because it is putting the gas pipeline in to generate power for the mine, it changes that business case analysis. So, we are looking at that with them at the moment.

They are very interested—as are we, and I am sure everyone is—still that the Tanami Road gets that upgrade, because their gas pipeline may even end up being a boom for that region as a reliable power supply, which it does not have at this point in time. So, there is the long-winded answer to that.

Through the Australian Government budget as well, there was a new package announced called the Roads of Strategic Importance—or the ROSI for short, as the Australian Government officers call it. There is \$1.5bn set aside just for northern Australia, so we will be in a competitive process with WA and Queensland for that money, which also gets put into the national partnership agreement the minister was talking about.

Ms MANISON: The feedback we have received from the feds is that they are looking for roads that enhance connectivity between the jurisdictions. We see it being an opportune time to go in with regard to the Tanami again.

Madam CHAIR: Before we take any further questions, I want to have a quick five-minute recess. We will recommence at 3.50 pm.

The committee suspended.

Madam CHAIR: Thank you, everyone. Thank you, minister. We will recommence with our questioning of Output 9.1.

Mr HIGGINS: What other Northern Territory projects have been lodged for listing on that priority project list, and has the Mount Isa to Tennant Creek rail link been lodged?

Ms MANISON: Is this for Infrastructure Australia?

Mr HIGGINS: Yes.

Ms MANISON: I will hand over to Louise McCormick.

Ms McCORMICK: With the recent round we actually lodged Central Arnhem Road and a beef roads project which includes probably 12 different road around the NT that service the cattle industry. We got feedback for both of them and they have said that with some rework they may get them on the list. But Central Arnhem Road was successful in getting \$180m worth of Australian Government funding in the budget. So they believe it is important but would like us to work further on the business case.

Mr HIGGINS: What funding has been allocated to develop Katherine as an inland port?

Ms MANISON: That is something we are very committed to, looking at the logistics and agribusiness hub. I do not think the Mayor of Katherine is particularly endeared by the term 'inland port'. But we have been working on that program—I mentioned in the opening statement where we are at with our studies there.

We will be delivering this logistics and agribusiness hub. It will be a very important asset to the Katherine region. It provides fantastic road and rail connectivity. We know the agribusiness potential. We certainly know the mining potential in the region, so it is important that we have a place to facilitate further development of industry in the region. Also, when we were recently in the Ord and having a look around Kununurra, we heard interest that way about getting product into Katherine to get out to the Darwin port.

I might hand over to Leah Clifford to go through where we are at. We will appropriate about \$30m towards the delivery of that agribusiness and logistics hub and the first stage of that. But I will let her talk about where we are at with the consultation and the design work and studies.

Ms CLIFFORD: As the minister mentioned, there has been \$30m allocated against this particular project. There has been quite a lot of work done to date, including engaging with stakeholders in relation to an industry needs assessment. That assessment work has now been completed, which has given us a good indication of industry need in the short term and into the longer term. The importance of this work has been to really assist us in infrastructure planning, but also starting to think about the master planning for the particular area.

At the moment we are looking at the infrastructure that is also required. Obviously, Power and Water is a big one. We also have some work in conjunction with Louise's team looking at future traffic needs for the area. That is currently being worked through.

Mr HIGGINS: I just have two final questions and then we will give some other people a break and I will come back to the others. You will probably tell me this should go to the Health minister, but how much money have we spent on the Palmerston Regional Hospital to date and what is our estimated final figure?

Ms MANISON: We are very pleased with that project and we have kept a very close eye on it since coming to government with the delivery of it, from a DIPL perspective. It has now been handed over fully to Health, which is now in the process of commissioning it.

I think DPIL should be very proud of the work that has been achieved. It has been a relatively smooth process through a very complex and quite a major project, being the first hospital built in the Northern Territory in 40 years. I will hand over to Mr Kirkman to go through the details of the expenditure and where we have landed with the Palmerston Regional Hospital.

Mr KIRKMAN: The hospital was delivered on budget, which was the \$170m set aside for the project. That has covered everything except for some of the fit-out that the Department of Health has chosen to undertake themselves. By and large, that is the hospital as budgeted for. That has been handed over, as the minister mentioned. Is there anything specifically you would like to ...

Mr HIGGINS: No. Are we going to do any analysis on which companies and businesses worked on it and what their local employment was as some sort of check on that? Will that become available?

Mr KIRKMAN: Absolutely. In fact, Wednesday's paper will have a list of all the local companies that were involved in this great project. I think 96% of the value was delivered by locals. You will see that is a very extensive list in Wednesday's paper.

Ms MANISON: I think when you have projects being managed by the Lendleases of the world, people do get concerned about the local content and size of that in their delivery. I met with Lendlease several times throughout the delivery of the hospital since I have been minister. I have constantly sought those assurances about the use of local contractors. It is something the department has closely monitored.

Overall, we are very pleased with how this project has gone. As Andrew said, we will review it to see what we can learn and pass on to other major infrastructure projects of this magnitude when it comes to construction.

Mr HIGGINS: Last but not least, you have announced 18 000 pieces of equipment, furniture and fittings. I will not ask you to name all of those. How much of that has been locally sourced? Or is that a question for Health?

Ms MANISON: That is a question for the Health minister, but it is fair to say that when I last walked through the place, it was fascinating to go through a hospital that is not yet functioning—but to see stacks of equipment getting ready to be rolled out to all the rooms and operating theatres. It is a fascinating site.

Mr HIGGINS: We have probably pre-empted our question and she will know what all 18 000 items are.

Ms MANISON: I will tell you what—there are a lot of beds, trays, chairs and trolleys. It was certainly a fascinating site.

Mr HIGGINS: I know we do not have much time so I am quite happy for the Members for Nelson and Nhulunbuy to have two-and-a-half questions each.

Mr GUYULA: Thank you, minister. My first question is—I have two. The government is currently consulting about barge landings with many of the communities in my region. I have had a briefing on these issues in my office and I appreciate it, but I think there may be a problem with some of these consultations because they have begun consulting with the towns rather than the homelands. Many of these barge landings are on homeland country, for example Gapuwiyak and Ramingining.

Barge landings should be called Bunhangura barge landing and Dhabila barge landing. Even though they service the larger communities they are different clans. It is quite disrespectful to talk about a project on someone's land without discussing it with them first.

In the case of Gapuwiyak, the land owners were almost completely left out of the conversation. The consultation must first be held with the homeland residents and landowners. Could you advise how this project will continue and how the right clans will be involved in the consultation with government about the future of the barge landings?

Ms MANISON: It would be fair to say that this is one piece of constantly revoted infrastructure and I think the Gapuwiyak one goes back about eight years now. That has caused me a point of frustration and something that I have asked the department to work on—to go, how can we look at out how we progress these issues forward. As you appreciate—as someone from a remote community—barge landing access is vital for access to critical supplies in and out of your community, particularly in the wet.

I am frustrated that there is good money in the budget—about \$2.5m for Maningrida, \$2m each for Wadeye, Galiwinku, Ramingining and Gapuwiyak—to get these barge landings built, because I want people in remote communities to have the quality infrastructure they deserve. I take your point on board, but when we are on traditional owners' country it must be done with the authority and permission of the traditional owners. This is where the department has gone about not doing a one-size-fits-all, it is going from community to community to understand what the traditional owners are comfortable with. Then we can progress the discussions around leasing with the Northern Land Council and with the traditional owners on their country.

I want to see these barge landings built, because I can see it is an important piece of infrastructure when it comes to the logistics of getting vital supplies and services in and out of remote communities. If we are to reach economic development potential and get better services to make things more cost-effective getting in and out of communities, such as groceries, then we need good transport access and infrastructure.

I want to crack through this issue but I need to get people on the ground such as yourself. I would be happy to meet with you separately, Member for Nhulunbuy, to get an understanding of your feedback from your electorate and communities. Particularly your concern that consultation is not necessarily happening with the right people and there needs to be further discussions with those homelands and traditional owners if it is on their country.

I think you agree with me on how important this type of infrastructure is, so we need to take guidance from traditional owners about how to make it happen. We have the money in the budget and have had money in the budget for years. How do we make this happen so that we get support from the community? The barge landings have been one point of frustration for me because I want to see that these happen.

I now hand over to Mr Kirkman.

Mr KIRKMAN: As per the minister's discussion, these have been outstanding for far too long. We would love to deliver these works and that is why we are under way, having those discussions around land tenure and making sure we get the appropriate systems in place to deliver that infrastructure.

I understand there are some barge landings that are situated on different country to where community is situated, and Galiwinku is a good example of that. As the minister said, we would be happy to sit down with you to get a better understanding of that. We will be making sure our team and consultants have an eye to making sure we are talking to the traditional owners—not only of the community that will get the benefit of those barge landings but also the traditional owners of the outstations where the barge landings are actually

located—and making sure we get that they are comfortable with how we are moving forward. Thank you for bringing that up.

Mr GUYULA: Government has announced that work will commence to develop a business case and project plan for new marine infrastructure in Nhulunbuy. Could you provide some details of this project? Will the local surrounding communities and homelands be consulted on this project and be able to give input to the project plan?

Ms MANISON: Thank you, Member for Nhulunbuy. That is a question I will get you to put to the Minister for Trade, Business and Innovation. It is part of the major project works they are doing. It is fair to say, with the changes to the mining industry in Nhulunbuy, we are looking at ways in which to diversify the economy and open up new business and investment opportunities, not just for Nhulunbuy but for the region.

Having traditional owner support will be a very important part of that. We see that there are some opportunities for tourism, logistics, supporting the fishing industry and other industries in the region—you get your marine infrastructure right.

That is a conversation we very much need to have for the future of the region and the economic development opportunities if we are to maximise those for people in the region. That is something for the Major Projects team. They will going out and having further discussions with the community.

Mr WOOD: Madam Chair, I have a few questions. The government has announced upgrades to Richardson Park worth \$2.9m. Is it true that you intend—not you personally—to demolish the existing grandstand? If so, why not just do it up? Who will be responsible for ownership and maintenance, or will it not be exclusively for any one sport? Is the \$2m spent on Richardson Drive part of that upgrade?

Ms MANISON: With regard to Richardson Park, we still need to have discussion with the community there. No decisions have been made on Richardson Park, aside from saying we want to see good community use of that area for the future. We need to have a discussion with the community about what it wants to see happen there and how it would like to see that area utilised.

We do not see it as being an area that will be developed to the heights of what it used to be, but we have a very derelict site at Richardson Park. The cost to refurbish alone would be significant. We want to see a future for rugby there, however, with the playing field. We definitely want to see that there is an ability for clubs to come in and use that for training and games. We very much see that as part of the future.

We have to have a conversation with the community, the school and rugby clubs to understand where we are going in what we do with the stadium. We are looking at ways we can do a bit of master planning around that area and have that discussion with the community. As part of the budget development process, we had a look at what it would cost to get some of these things done. We have set aside an in-principle agreement to fund about \$2.9m to get some of that work under way. I suspect it will still cost a fair bit more.

No decisions have been made about the future of the grandstand. We need to have those conversations with the community.

Mr WOOD: Minister, it was quoted in the newspaper when they interviewed you that the grandstand was to be ...

Ms MANISON: No, I have never said that.

Mr WOOD: That is where I took the quote from.

Ms MANISON: Yes. Well, what I have said is we will have that conversation with the community about what the best future use of that area is.

Mr WOOD: If you do not want the grandstand, can we lift it and take it out to Litchfield soccer?

Ms MANISON: It certainly in an interesting state. Last time I walked through it ...

Mr WOOD: It is solid concrete—that is one good thing about it.

Ms MANISON: Yes. But when you have a special place like an oval and have played a lot of sport in your life like me—not so much at the moment—you understand how important it is to have a good range of ovals

across the community to allow for training, particularly with our very hot weather. It is time limited when you can get those training times. Our population is growing. Rugby league is an amazing sport and we should be doing what we can to encourage more people to take it up.

Having ovals that clubs can call home and use as a home base is important, but at this point we need to talk to the community about how far we go to the future use of the actual stadium infrastructure because it has already been proven through when it used to be the home of rugby league that it was not feasible and financially sustainable to keep it going in that location.

What is the appropriate use of it going forward? Does it stay? Does it go? What happens?

Mr WOOD: Minister, how much were the drainage works from the Holtze hospital, sometimes call the Palmerston hospital, to Mitchell Creek budgeted at? What is the cost so far, and why was the job started just before the Wet Season? When will the job be finished, and why was the drain not left in its natural state as a much cheaper and environmentally friendly option?

Ms MANISON: I am going to take that question on notice.

Question on Notice No 2.11

Madam CHAIR: Member for Nelson, please restate your question for the record.

Mr WOOD: Minister, how much were the drainage works from the Holtze—Palmerston—hospital to Mitchell Creek budgeted? What is the cost so far? Why was the job started just before the Wet Season? When will the job be finished? Why was the drain not left in its natural state as much as possible as a much cheaper and environmentally friendly option?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question has been allocated the number 2.11.

Mr WOOD: Minister, when will the new upgrade to McKinnon Road at Pinelands commence? When will the alternative exit onto Tiger Brennan Drive be constructed?

Ms MANISON: That is also an excellent question. I have had a few recent briefings on that design work. I will hand over to Louise McCormick to answer the question.

It would be fair to say that this has become a more complicated project than what we initially estimated it to be because we are talking about heavy vehicle movement and making sure we get the flow of that movement right. It comes with considerable infrastructure works with the planning and design work that has been done. I will hand over to Ms McCormick to go through where we are at with that.

Ms McCORMICK: The Pinelands project will go through its final phase of consultation. We have taken on board feedback from your in previous briefings, but there are a lot of businesses that we also need to discuss because a lot of the problem stems from lack of connection of the local road network, which we looked at as part of the project. Hopefully towards the end of this Dry Season we will actually put that out to tender ready for construction once all the consultation has been completed.

The exit onto Tiger Brennan Drive is dependent on land use provisions, so we are still working with Leah's team in terms of what the land use is in there, because the geometry takes a fair chunk of land. We need to make sure we get it right.

Ms MANISON: It is far more complicated than what I was expecting and will require more dollars. It will mean some changes for some of those exit and entry points into Pinelands as well in order to meet our obligations when it comes to road standards and safety. It will mean a few significant changes there and a bigger infrastructure investment than what we originally anticipated to get it right.

Mr WOOD: I had better ask about Barneson Boulevard. Why could Barneson Boulevard not finish at McMinn Street, and then use McMinn Street as—you might say—the outside boundary of the CBD compared to, for instance, the Esplanade?

Ms MANISON: I will end up handing this over to Ms McCormick to answer the fine details. We had a good look at the modelling and the traffic flows there. A big part of this is also about reactivating the CBD and creating opportunities for future development. Just with the Barneson project alone we now have the work on the table to relocate the university into the city at the corner of Cavenagh and Barneson, which will be magnificent.

I have to stress again that Frog Hollow will not be disrupted. Frog Hollow boundary will not be passed. It is an area that has been too long forgotten in Darwin. I do not think many people even know where it is or anything about it. I think this will create more interaction with that space. It is a beautiful greenspace and it needs to be protected and preserved.

With regard to the modelling around traffic, I will get Ms McCormick to go into that. We have some very narrow streets between McMinn and Cavenagh Streets. You would really struggle with the traffic flow and we do not have the road reserve to go in there.

A lot of modelling and data was done. We will make sure we have three major entry points. This city is prepared for the growth of the future, but it will also create some exciting opportunities for more development in that area.

Ms McCORMICK: I am well versed on this. It does not stop at McMinn Street simply for the fact that part of the reason for Barneson Boulevard is—where it currently finishes with the arterials on Daly and Bennett Streets, it is actually affecting the local CBD road network. The whole point of Barneson is as a third arterial entry to the city which helps distribute the traffic closer to the destination they want to get to so you are not clogging local streets.

If you stop at McMinn Street you would end up going up places like Shepherd, Lindsay, and McLachlan Streets, going past residential areas. You would have to take out the local parking on those streets and do land acquisition because they are quite narrow. Sending that volume of traffic up those smaller streets is not great traffic management practice. That is why it goes all the way to Cavenagh Street, which is a major crossroad within the city, to help distribute the traffic throughout the CBD streets.

Mr WOOD: How come the car park upgrades for the Howard Springs Nature Park went from \$1.1m last year to \$0.63m this year, and no work has started? When will the upgrades happen, if there is any money left?

Ms MANISON: Can we take that on notice? That is the first I have heard of that, so I am interested to get across that myself. It is a wonderful park in the rural area, and it is well utilised by everyone in the greater Darwin area—and parking is not good there.

Mr WOOD: Cyclone Marcus did not help.

Ms MANISON: I am very keen to get across that.

Question on Notice No 2.12

Madam CHAIR: Can you please restate the question for the record?

Mr WOOD: How come the car park upgrades for the Howard Springs Nature Park went from \$1.1m last year to \$0.63m this year, and no work has started?

Ms MANISON: I am happy to take that question on board because I want to see what is happening there.

Madam CHAIR: The question asked by the Member for Nelson is allocated the number 2.12.

Mr WOOD: I am interested in the money being spent on the Central Arnhem Road. If parts of that road require a permit then are they not private roads? Is it not a requirement for government that it cannot spend

money on private roads unless there is either a lease over the road or the road is gazetted as a public road? Is the government spending public money on a private road—as an example, the Central Arnhem Road?

Ms MANISON: This is a significant road. Nhulunbuy is our only major regional centre that does not have sealed road access. It is hard to believe that in 2018 ...

Mr HIGGINS: Wadeye is another regional centre that does not have a sealed road and lacks a couple of features.

Ms MANISON: Wadeye—yes. Another regional centre. It is hard to believe that in 2018 it is still not sealed.

There are complex land tenure issues there, and there are a number of important sites along that road which must be protected.

As part of the national partnership agreement negotiations, which the federal government rolled out as part of the budget, it said it would look at about \$180m worth of funding. We believed that would get us 150 kilometres of seal and one of the bridge areas that we need to get done to ensure better road access around the year.

The funding does not come into the books until 2019–20. I think it was \$5m in the first year, \$10m in the second year and \$20m in the year after that. We have no indication from the federal government of where the rest of the \$180m sits and goes to. We are a long way off seeing that \$180m get out the door. With that said, it certainly gives us time to have negotiations and discussions with traditional owners about how we go about this regarding leasing arrangements and how management of the road would happen going forward.

I might hand over to Ms McCormick to go into some of those details. It is important that we get that road network sealed. One of the hardest questions will be which area you prioritise first. I have already had some feedback from some people who would like people in Nhulunbuy to be prioritised. I have other feedback to say around Bulman. There are some tyre-shredder sections of road there that need to be tackled first. I will hand over to Ms McCormick to discuss a bit further what work has been happening.

Ms McCORMICK: Roads on Aboriginal land is fairly complex subject. I would not say it is as easy as building roads on private land.

Mr WOOD: But is it not private land?

Ms McCORMICK: It is Aboriginal freehold.

Mr WOOD: Yes, but is it not private land? This is the issue that I think needs sorting out, because you cannot now build a road on a pastoral property because it is private. I think there needs to be some consistency in where we are going.

Ms MANISON: These are discussions we will have and the issues we need to work through. Nonetheless, when I have the federal government coming to the table to say they are willing to throw \$180m into a critical piece of road infrastructure in the Northern Territory—this is something we lobby them for—we will have those discussions with the traditional owners.

As you can see with the lead-in time we have with the roll-out of that infrastructure, with \$5m, \$10m, \$20m, and then we do not know what—we have the time to start having those conversations. But I do not think we should back down from having those conversations because of where the land tenure is at the moment. We need to have those conversations.

Mr WOOD: It is an important issue.

Ms McCORMICK: It is, and we have been working with the Northern Land Council on that specific issue. For the Central Arnhem Road and what we call the Arnhem Link Road, which is the road around the top, we have done social mapping studies with the Northern Land Council and an anthropologist. It was specifically to consult with traditional owners along the whole length of that route—there is quite a number—to get their aspirations for what they would like to do as economic development on Aboriginal land. Roads are a big part of that story because they enable access to jobs, health and education.

The Northern Land Council sits on the Arnhem arterial strategy group. We sit on that group with Gumatj, which is one of the traditional owners in Nhulunbuy. We are looking at getting the Katherine REDC involved

as well because this is a game-changing project for a lot of people along that road. The Northern Land Council has to be part of that story because of the *Aboriginal Land Rights (Northern Territory) Act*. It is a specific piece of legislation that we have to abide by, but that road will end up providing a number of jobs to Indigenous people, as well as uplifting that region regarding access to jobs.

Mr WOOD: Minister, I am happy money has been spent on—I have travelled that road and I know it is good for the springs in your car, but the point is that surely there has to be a basic—the first thing you have to do is sort out the land tenure of the road because otherwise you are spending money on private land.

I do not know if you have the rights to say someone is speeding on that road, for instance. These are just some basic things. Can you get booked on a private road? That is only basic stuff, but until you sort that out, I wonder where we are going.

Ms MANISON: I think this afternoon you have heard three different projects that are examples of some of those complexities, and doing the important work of making sure traditional owners have a say. They are critical infrastructure projects. We will discuss the ...

Mr WOOD: It is the same with the barge landings.

Ms MANISON: Yes, the barge landings at Litchfield and the bridge and the Central Arnhem Road. Nonetheless, if we open up opportunities for Aboriginal people in remote areas, for tourism and economic development—whether it be pastoral, mines, agribusiness, aquaculture—we need sealed roads. That is a conversation with traditional owners and that is why we continue lobbying for the funding. We will have those discussions with the Northern Land Council and traditional owners about what they see for the country and what they see as being appropriate development.

I still cannot believe it is 2018 and we do not have a sealed road out that way. This is why we are having those discussions; there has already been a lot of work that has been done in the lead up to what is effectively becoming crunch time on some parts of the roads. This is something we will actively pursue and should pursue because it will be to the benefit of people in the region of Arnhem Land and to the benefit of Northern Territory economic development.

Mr WOOD: I will ask again next year because the issue of where the Central Arnhem Road goes has been around for as long as I have been in parliament.

Ms MANISON: We will still be having these complex discussions and negotiations over the next few years. Now, it is about targeting where the investment will be made and how can we get the best outcomes—getting this money out the door and parts of that road sealed with the permission and support of traditional owners on their country.

Mr WOOD: When will the Coolalinga plan be put out for public consultation?

Ms MANISON: As I am finding, when it comes to the design of road projects this one looks simple but when it comes to meeting Australian road standards and engineering requirements, it is not simple. It is a lot simpler than where we were with the first stages of consultation. We have put a budgetary commitment towards getting this work done and have put it into the 2018–19 financial year. It is going to mean significant improvements for people on both sides of the Stuart Highway to ensure safer access to both of the shopping centre precincts.

I now hand over to Ms McCormick to talk about where we are at with those consultations.

Ms McCORMICK: I think you are referring to the land use plan, Member for Nelson?

Mr WOOD: The \$12m.

Ms McCORMICK: The land use plan is waiting on the traffic management, as they go hand in hand. We have given several briefings to date and it is a complex issue. It is very similar to Pinelands where the local road network has not been connected and as a result the Stuart Highway has ended up acting like a local road as well as an arterial road. We are getting to the end of that consultation period and have had several discussions with the businesses on either side of the highway and are ready to come forward with the finals. Hopefully later this year we will go to tender and start construction.

Ms MANISON: I would be keen to get feedback as quickly as possible from people such as yourself. We have been working closely with the local business and want to get these upgrades out the door.

Mr HIGGINS: Can you please give us a status on the \$100m shiplift facility? Is it on budget? On time?

Ms MANISON: You will hate this answer: that is another major projects question for the Department of Trade, Business and Innovation tomorrow.

Mr HIGGINS: How many new health clinics have been built in the Territory since August 2016 and at what cost? How many have been upgraded since 2016 and at what cost?

Ms MANISON: We are trying to find the information. As you know, there has been significant work that has gone out through stimulus packages. There was \$5m going into work into a range of different health clinics. I will take the first question on notice.

Question on Notice No 2.13

Madam CHAIR: Member for Daly, can you please restate the question for the record.

Mr HIGGINS: How many new health clinics have been built in the Territory since 30 August 2016 and at what cost?

In a similar vein, how many health clinics have been upgraded in the Northern Territory since 30 August 2016 and at what cost?

Madam CHAIR: Minister, are you happy to accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Member for Daly has been allocated the No 2.13.

Mr HIGGINS: Of all the mistakes of the \$625 000 Alpururulam morgue being addressed, what was the eventual cost in addressing that issue of the morgues and how much local labour was used in that correction?

Ms MANISON: Are you after Alpururulam in particular?

Mr HIGGINS: Yes

Ms MANISON: What we have with Alpururulam is that there was a change in site requested by the community. A construction contract was awarded for that on 3 May 2018 and we expect that that will be completed in August 2018. The existing morgue is being utilised. We are also getting some new lifting trolleys delivered into that morgue. Does anyone else have more detail about that one?

With regard to the cost of that we will take that on notice too, to get you the cost of that new tender and that body of work at Alpururulam.

Question on Notice No 2.14

Madam CHAIR: Member for Daly, can you repeat that for the record please.

Mr HIGGINS: Of all the mistakes of the \$625 000 Alpururulam—or Maningrida might be easier—morgue being addressed, how much did it eventually cost to address the issues at the morgue? Was local labour used in the building and subsequent rectification works at the morgue?

Madam CHAIR: Minister, are you happy to accept the question?

Ms MANISON: Yes, Madam Chair.

Madam CHAIR: The question asked by the Member for Daly has been allocated the number 2.14.

Mr HIGGINS: With regard to the remote morgues program, did that program come in on budget and on time?

Ms MANISON: I will hand over to Mr Kirkman to answer those questions. The remote morgues program has not been without its challenges as well. We have most of the infrastructure complete, but we have had some technical issues with some of the trolleys in some of the morgues. That is something we are working through at the moment to get it rectified, working hand in hand with either the Top End Health Service or the local community-controlled health organisation.

Mr KIRKMAN: It is fair to say it has not come in on time or on budget. The Australian Government originally committed \$2.5m to these projects and the NT Government \$2.27m. The Australian Government has since increased its contribution to \$3.9m, so the total program for those important works is \$6.2m.

These projects have not been without issue, it is fair to say. We would have liked to have had all those in operation now. For the most part, the construction works are complete and they are either in the process of being handed over to Health or clinic operators—or they have been handed over. But we need to go back and look at items like trolley reconfiguration to make sure it works for each particular case.

Ms MANISON: In some of the morgues, we have had issues with having the right trolleys to accommodate the moving of bodies. That is something we have had to go back and look at, and at the work to get the appropriate sized trolleys installed so they can be fully functioning morgues. That has been a cause of great frustration.

Mr HIGGINS: Is it the design of the trolleys, or is that the excuse for maybe the design of the building? I am not being sarcastic ...

Ms MANISON: No. I will let Mr Harrison go into the reasons with the trolley issues.

Mr HARRISON: There has been a range of issues over the project in that originally we had internationally sourced fridge units in the morgues and we changed over to an Australian supplier of those fridge units. The new fridge units are a bariatric model which reduce the amount of space between the units. If you can image a situation where there are two fridge units and an area in between them that you would access. Then, we subsequently ordered trolleys to fit that space, and there has been some issues with the body shroud over those units that makes it quite difficult to get the trolleys in.

So, we are looking at modifying the trolleys and also having a look at some of the communities not requiring the number of fridge units. We are looking at refurbishing some of those fridge units in other communities.

Madam CHAIR: Can I follow up on that as well? With the changeover from the international to the Australian provider, in what timing did that happen? Did that happen in between the completion or construction of particular morgues before the start of construction of other morgues in terms of the default?

Mr HARRISON: The information I have at hand is that one of the morgues actually has the internationally supplied units, and then the remainder have the bariatric units that are supplied.

Madam CHAIR: And that is what has changed the measurements in terms of operation, delay and the use of the morgues?

Mr HARRISON: That is right. Some of the work—I believe there is actually an operating procedure that is in place to use them, and a bit of work still to occur the clinical use of the morgue, so there is still some work happening there.

Madam CHAIR: In regard to that change in terms of defaults, I understand some of the morgues have six spaces for bodies, and with that default they are only able to use a limited amount, either two or four of the spaces as opposed to the six. Will the change in the lift trolleys mitigate that?

Ms MANISON: I will let Mr Harrison go into that detail, but it would be fair to say there are individual discussions, community by community.

Mr HARRISON: Yes, that is—we are working with each individual community to work through exactly what the demand on those fridge units are in the communities. Where there is not a demand for the six-fridge units

we will look at relocating and repurposing one of the fridge units. That means they would have three. In communities where there is a greater demand we would have to look at relocating to an adjacent room and then we can get the community to see whether that actually suits their purposes.

Mr HIGGINS: If we could move past morgues—the State Square underground car park. I am not too sure whose idea that was, but it was definitely not the Speaker of the House. But what was the economic benefit to the project besides the construction phase. Did we do any analysis of that and can we have a look at that cost-benefit analysis? That is after the construction phase.

Ms MANISON: Ultimately, the benefit that we saw in this project was that it started the opportunity for the State Square redevelopment. What we are doing by undergrounding this car park and—on face value an underground car park does not sound that exciting. But it does replace four above-ground, heat-generating car parks in our CBD and creates opportunity for development of that space as part of State Square. It frees up inner-city land. It also increases the amount of car parks we have in our CBD. It creates another cyclone shelter.

It will be a car parking infrastructure that is built to meet the future needs with technology changing and the use of electric vehicles. There will be points factored in there for the expansion and factoring of charge stations into the future. We will be making sure the cyclists are taken care of as well with some facilities in there.

Ultimately, this is the project that allows us to work through the State Square development which will create very important public space and a wonderful tourism asset. It will create the opportunity for more development in the CBD in the future, whether that be through fine arts or what other opportunities come through one day into the future. It will be governments many years ahead of this government now that will ultimately benefit from this move to replace those four car parks with small assets of highly valuable land in the city.

Mr HIGGINS: Is it true that over 235 public servants currently park within State Square precinct, and that the reason we did not do a cost-benefit analysis is that they will continue to get free car parking, and therefore there will be no revenue source to government even to cover the cost of maintaining this car park?

Ms MANISON: The car parks are replacing car parks that—some of which—are used by public servants. Some are used by jurors and there is some element of public parking as well. This will create additional car parking spaces with what it is replacing, but with the make-up and model of the car park in usage in the future. We are working through that modelling, which we will do with the City of Darwin, about who uses the car park and what those charges will be.

I completely feel the same way that you have to put a value on parking in the city. It is valuable land. We need to encourage people to utilise public transport where they can. This is very much about ensuring we put in some infrastructure to meet the future parking needs of the city that has the opportunity to open up other spaces in the CBD for more valuable development than just being a heat-generating car park.

Mr HIGGINS: We have 235 public servants who currently utilise the car parks here free of charge, and they will go into there. I do not have exact number ...

Ms MANISON: Not necessarily. They are the things we are still working through—how the car park management will work and who the users will be. The jurors are of high priority. We need to still have parking for them because it is an important community service. It would be fair to say they are always struggling to get people to fulfil their jury duty.

Those are the details we are working through. It will be a public process; people will be understanding along the way we are heading when it comes to the management of this car park.

Mr HIGGINS: If we had done a cost-benefit analysis, would that not have highlighted some of these issues? In other words, you would have been able to say this would cost so much, therefore what will the revenue stream be? That would determine how many of these you will make available to your public servants—or what value you will put into that in regard to what cost will be recouped out of there. Exorbitant contracts or whatever—to me, the thing is, a cost-benefit analysis would have identified that.

I am not saying that would have come up with a profit to government, but there should have been some analysis, because that would say if we get value for our money. We accepted a tender for the Tomazos Group to do it, but why did the government not accept the lower tender of \$18.6m from Sunbuild, especially seeing they have experience in underground car parks?

Ms MANISON: With regard to the tender assessment, procurement is a thorough process—when they go through those assessments. There is more than the actual cost that is considered when they go into the level of value for the Territory and local content. Experience and past performance is weighed up. Local content is weighed up. A raft of other things are weighed up.

I will hand over to the department to talk about the award of the tender. Our officers work professionally. When people miss out on work that is valuable to their company it heightens emotions and leaves people disappointed and wanting to understand why they did not win that tender. We offer tender debriefings for people. We also have an industry advocate for Buy Local, which people can go to.

It is fair to say, particularly when things are a bit tight for businesses, when someone wins it can create great disappointment for others.

Mr HIGGINS: How satisfied are you that the successful tenderer at Tomazos Group even has sufficient financial resources to complete the project?

Ms MANISON: As minister, I have a lot of faith in the professionalism of the Department of Infrastructure, Planning and Logistics and the work they do. I put a lot of trust into our public servants because they are the ones who do the job every day. They go to their job wanting to do their best for the Northern Territory every day.

There are certain things you do not micromanage in the department. Nobody wants to see a minister have sticky hands over the awarding of procurement tenders. I think that is how you end up on a date with the ICAC in the future. I believe in leaving the professionals of the department to operate with integrity and do their job as the professionals they are when it comes to tender assessments and procurement.

I will hand over to Mr Kirkman to talk about this particular contract.

Mr KIRKMAN: Yes, it was a hard-fought project in a bid sense. There were a number of close bids. As the minister pointed out, the lowest price does not always win anymore under the value for the Territory procurement rules. Price is a maximum of 30% of any assessment, and local content and value to the Territory is a minimum of 30%.

In respect to past experience, the successful tender also has significant underground car parks built around town. Our technical team has reviewed those and they have stood up very well over the years. That was part of the assessment considerations. We get advice from CAL in respect to financial capabilities of all our tenderers.

The successful tenderer has, I guess, the green light in financial capability to deliver this project. It is not a complex project from a financial perspective. It is not a hotel or residential apartment where the contractor has to get pre-sales, if you like, with the bank in order to continue. It is very much a straightforward capital works project where they will put in an invoice for the month for the work they have done and they will be paid the following month.

Mr HIGGINS: Okay. My next question is when will it begin? Will the excavations happen in the day or night or both?

Mr WOOD: It started today.

Mr HIGGINS: The excavation?

Mr WOOD: No, the fences went up today.

Mr HIGGINS: How long will it take for the rock excavation to be completed?

Ms MANISON: Again, I will get the department to go through some of those construction challenges. I acknowledge that when you have construction—and we will see a lot of construction in the CBD with Barneson, the Cavenagh Street shade structure, the luxury hotel and the car park. It will create challenges within the CBD. We will be working closely with the council to try to best manage traffic around that and minimise the disruption to people in the CBD. But it will be a pretty hectic couple of years. We will do whatever we can to try to minimise that and hope people can be patient in recognising that there is a longer-term gain to the community by getting this work done.

I will hand over to Mr Harrison about the program work for the car park.

Mr HARRISON: This project has a 15-month construction period, of which excavation will form part of that program. I do not have the details of the program with me. The contractor is in the process of submitting relevant plans associated with traffic control, excavation and environmental plans associated with noise control. We will work through those with the contractor and also the project control group that includes the Department of the Legislative Assembly.

Mr HIGGINS: We were told this morning that the excavation will take anything up to eight months. Then you are talking about a truck coming out of there every 10 to 15 minutes. How accurate would that be? Then there is the question of night and day.

Mr HARRISON: I am sorry. I do not have that detail on me. That sounds like the type of work that would occur to excavate that site.

Mr HIGGINS: Would that be day and night or one or the other, or ...

Mr KIRKMAN: It is fair to say there is still a bit of detail to work through in the details of when materials move. We want to minimise disruption to those living in the city, so that will definitely be taken into account. The broader piece of work we are doing at the moment is with council around traffic management strategies for the city. When you think about it, we have this project, Barneson and the luxury hotel and Cavenagh ...

Ms MANISON: Health House is about to start being demolished.

Mr KIRKMAN: That is right.

Mr HIGGINS: Which one?

Ms MANISON: To allow for the new health project on the corner of Cavenagh.

Mr KIRKMAN: We have a number of really significant Infrastructure programs about to hit the CBD, so we are very mindful of that and working through appropriate traffic management strategies that cover all those projects, because it will be a hectic time.

People will be interrupted, there is no doubt about, given how much work is going on. But it is exciting, and Louise and her team and the council are working in detail through a traffic management strategy that will set us up for the next couple of years while these big projects are under way in the CBD.

Mr HIGGINS: No great plans to use some of that rock to build the new wharf and everything out at Mandorah?

Mr WOOD: East Arm might be better.

Mr KIRKMAN: We are keen, if the timing is right, to use some of that earth for underneath Barneson. We are keen, should the timing allow, to apply some of that material to the Barneson project.

Mr HIGGINS: Is the Dundee health centre on the revote list for upgrading or rebuilding?

Ms MANISON: Upgrading. I will hand this one over to the department with regard to the works there.

Mr KIRKMAN: As I understand it, Member for Daly, we are working with the local community group there and it could be in the form of a grant that the Health department will work through. We can certainly give you more details on that with Heath if you would like.

Mr HIGGINS: I have been trying to get some information from them. They keep us updated on some of it, but I thought I would ask that specific question.

Regarding the Palmerston Regional Hospital hydrotherapy pool, in answer to one of the global questions, the approved program funding is \$3m, but in Budget Paper No 4 on page 36 under the revote, the program allocation is \$2.65m. I know that is not too different, but which figure is accurate?

Ms MANISON: I will get Mr Kirkman to answer that.

Mr KIRKMAN: Yes, we did have \$3m set aside originally. We are now expecting that the \$2.65m-odd will hit the mark in delivering that project. That is the reason for the difference.

Ms MANISON: We are very excited to get that done with the rehabilitation area and the outdoor rehab areas as well as the extensive gym near the pool. It will be a great asset to the hospital as well.

Mr HIGGINS: It will not be the rural pool, thank you.

Ms MANISON: No, it will be a rehabilitation pool.

Mr WOOD: The water park will be in the rural area.

Mr HIGGINS: Under the revote there is also \$9.1m set aside for the transport industry precinct—the Truck Central—design and infrastructure work. Can you please outline the details of that project, and are there any plans to further develop the transport industry precinct?

Ms MANISON: That is a very important project, particularly when it comes to heavy vehicles and the ways in which they are serviced and keeping a hub of the industry that services those heavy vehicles in the Northern Territory or in the Top End. I will hand over to Ms McCormick to go through where we are at with this very important piece of work.

Ms McCORMICK: Truck Central is actually already under construction. You will see it on the corner of Wishart and Kirkland Road. That money goes towards relocating the test shed. The current test shed is at Goyder Road at the moment.

Ms MANISON: We cannot have heavy vehicles there.

Ms McCORMICK: We cannot get road trains there any longer with the city growing up around it. It will actually relocate to Truck Central. It is next to what will be quite a large concrete hardstand area. That money goes towards the new test shed facility as well as the hardstand area for road trains to couple and de-couple and that sort of thing.

Mr WOOD: To piggyback from that, when will the sewerage system be connected? My understanding is that it will only be septic tanks there.

Ms MANISON: We will take that one on notice.

Mr WOOD: I got the letter back from you, minister, telling me that. I will ask it again.

Ms MANISON: We will put that on record and I will get Land Development Corporation to respond to that one.

Question on Notice No 2.15

Madam CHAIR: Can you restate the question for the record please, Member for Nelson.

Mr WOOD: Thank you, Madam Chair. Is Truck Central connected to the sewerage system or will it be operating on septic tanks?

Ms MANISON: We will get you an answer to that.

Madam CHAIR: The question asked by the Member for Nelson has been allocated the number 2.15.

Mr HIGGINS: Also under the revote, \$8m has been allocated for development works to create the marine service area stage one in the Palmerston and Litchfield area. Can you outline the details of this project? What is the time frame for the completion of stage one?

Ms MANISON: Unfortunately, these are Land Development Corporation questions with some of the work they are doing in the shiplift area and the barge ramp landing to stimulate the development of marine engineering businesses and industry there. That would be what the money is going towards.

I am still happy to take that on notice because, at this rate, I do not think we are getting to the LDC because we have not even started planning yet.

Mr HIGGINS: So you do not want me to ask that of the Chief Minister?

Ms MANISON: No, that one is for me.

Mr HIGGINS: There is \$7.4m under the Remote Housing Investment Package for government employee housing. Is this upgrade or new builds? Which communities will benefit from that investment?

Ms MANISON: I will hand over to Mr Kirkman and Mr Harrison to go through that detail with the GEH program.

Mr KIRKMAN: Member for Daly, I understand that the vast majority of that is for new accommodation under the remote housing program.

Mr HIGGINS: What are the time frames for the \$19.4m Berrimah Farm upgrades also outlined in the revote program?

Mr KIRKMAN: They are the new facilities for Berrimah Farm site that Primary Industry and Resources will be utilising—new laboratories, upgraded office accommodation. Some of that has already been done in the John England building, but there are various other works that will be done over time at Berrimah Farm, totalling about \$23m-odd. It is a significant amount of work. In fact, it is the largest amount of work going into that sort of infrastructure for many decades.

Mr HIGGINS: The question was, what are the time frames for that \$19.4m?

Mr KIRKMAN: We are looking to deliver as much as we can of that during 2018–19. Some of that may flow over. We are wanting to make sure we are getting the facilities right. In terms of the design, we definitely want to attract as much Australian Government investment and co-habitation, if you like, in those laboratories going forward. We want to make sure we are working with them.

Mr HIGGINS: So, we do not have a concrete time frame for this?

Mr KIRKMAN: I will get John Harrison to provide more detail on the actual time frame.

Mr HARRISON: Office accommodation upgrades—the majority of that work is complete. Then there are some stage two works that will be completed June 2019. We have essential site infrastructure, which is a tender that is closed that we are assessing, and we intend for that work to be finished late 2018. Upgraded fuel lab accommodation we expect to be complete early to mid-2019. And extensions to the vet lab we expect to be completed late 2019.

Mr HIGGINS: And that would all the \$19.4m, or close to it?

Mr HARRISON: Yes, that is right.

Mr HIGGINS: The new indoor netball stadium project, is that on time and on budget?

Ms MANISON: I will get Mr Harrison to update us on that. It is a wonderful project. I just went passed it the other day and it was great to see that construction moving forward. At long last we will have indoor netball facilities in Darwin. It is something we have been long lacking.

One thing I will applaud the previous government for is the fact they had the vision to build an indoor netball centre in Alice Springs, which is also a very strong netball centre in the Northern Territory. Again, it is wonderful infrastructure that will benefit the community. The great thing about the Darwin one is that it will be multi-user, will be able to be utilised for big community events as well. It is not going to be just about netball, but will have the capacity to cater for other sports too.

I will hand over to Mr Harrison.

Mr HARRISON: The netball project has a 2017–18 budget \$19.7m, and we are about to start (inaudible). So that is on program for completion in November 2018.

Mr HIGGINS: What about the tennis centre? How is that going?

Ms MANISON: It is open. A lot of people are playing tennis there. I drove past and there was a lot of tennis. There has been a lot in the media about the Darwin junior international on the weekend. That tennis centre is looking absolutely fabulous. I will hand over to Mr Kirkman.

Mr KIRKMAN: That was provided by way of a grant arrangement from sport and rec. If you would like more details it is probably better to direct them there.

Mr HIGGINS: I might leave it there so we can get to the others.

Madam CHAIR: Are there any further questions for Output 9.1? That concludes consideration of Output 9.1.

Output 9.2 – Program Support

Madam CHAIR: The committee will now consider Output 9.2, Program Support. Are there any questions?

Mr HIGGINS: How many projects on the overall revote list are older than a year? Can you list them? And how long have they been on that revote list?

Ms MANISON: That is something we have to take on notice. The barge landings will definitely be there.

Question on Notice No 2.16

Madam CHAIR: Member for Daly, can you repeat the question for the record.

Mr HIGGINS: How many projects on the overall revote list are older than a year? Can you list them? And how long have they been on that revote list?

Ms MANISON: I accept that question.

Madam CHAIR: The Member for Daly's question to the minister has been allocated the number 2.16.

Mr HIGGINS: Do you have any advisory role in the urban public housing upgrades program? I think your earlier answer was that Housing is doing the upgrades. Do you have any role in that as advisory?

Mr KIRKMAN: No, not at this stage.

Mr HIGGINS: What about the Room to Breathe program? Do you have an advisory role in that?

Mr KIRKMAN: No, Housing is rolling that out. Where we work with Housing on Room to Breathe is if we are also working with local contractors or other contractors on community, and there are efficiencies and sensibility in working that into some of the Room to Breathe projects. We are happy to work with Housing on those, but largely they do those through consultation.

Mr HIGGINS: The KPIs in Budget Paper No 3, on page 94—average time to award a tender is 28 days. What has been the longest time to award a tender, and why was it so long? A number of tenders have been readvertised, so how has that impacted on your averages?

Ms MANISON: I will get Mr Kirkman to answer, but I suspect we will need to take it on notice. It is a pretty thorough process to go through tendering. Sometimes you have to readvertise for a range of reasons, but I will let Mr Kirkman go into the detail.

Mr KIRKMAN: Yes, 28 days is our target. We have a KPI set on that going forward, which is very sensible. There are some projects that have run into far greater time frames than 28 days. By and large that is where there has been land tenure issues holding up those projects.

If we are of a mind that it will be a delay that results in bids being out of date that are effectively no longer valid, we will stop the process and reassess after we have the appropriate land tenure after whatever needs to be resolved. Once we have those resolutions in place we will put that back out to tender. I think the Litchfield Road and bridge was a good example of that. With that project there was a considerable amount of negotiation required, as Ms McCormick pointed out, between traditional owner groups and us. In that case

we had early bids, but we decided that additional work with traditional owners—we would put it on hold and then put it out to market, which we will be doing shortly.

Mr HIGGINS: You have a KPI of 28 days; there are some issues that come up which will prevent that from happening. How is that being allowed for? I am not saying you manipulate the figures, but it is not very meaningful if you say, 'We will drop that one out because we made a mistake with it'. I just want some assurance that we are doing it correctly.

Mr KIRKMAN: In regard to the method of putting a value against that 28 days, it is looking at how long it has taken from the time it got in to the award. If we cancel a project while we look to do whatever we have to do to resolve land tenure, that will probably fall out of that methodology. But if it stays in there, it will mean it will extend the time frame it takes us to get to that average. Needless to say there will be a number of contracts which take far less than 28 days and some that will be more. At the moment we still targeting well for the 28 days.

Mr HIGGINS: How I have interpreted that is that if there is an obvious problem with the tender, you are basically putting a stop to it and it drops out. Whereas, if it is a tender that does not have a problem with it, it stays in there. Have I got that correct?

Mr KIRKMAN: Yes, that is correct.

Madam CHAIR: Are there any further questions on Output 9.2? That concludes consideration of Output 9.2.

Output 9.3 – Asset Management

Madam CHAIR: The committee will now consider Output 9.3, Asset Management. Are there any questions?

Mr HIGGINS: In the budget papers we noticed that the budget for managing Stokes Hill Wharf has increased slightly—that is, Budget Paper No 3, page 92. What strategies are in place to ensure the management of the facility remains efficient, effective and appropriate?

Ms MANISON: We are dealing with some very old infrastructure out there with plenty of maintenance requirements. I will hand over to Mr Kirkman.

Mr KIRKMAN: In respect to Stokes Hill Wharf, we have it being managed by the Darwin Waterfront Corporation. The asset is held by this agency but on lease to the Darwin Waterfront Corporation. They are putting a number of strategies in place to minimise the cost of managing that asset. It is an expensive asset, like any piece of marine infrastructure. There is always ongoing expenses to make sure that corrosion is dealt with as well as the underlying infrastructure—on and under the deck—is dealt with.

The Darwin Waterfront Corporation are looking at all their leases across the board to bring them to a point of a reasonable level within the market to contribute as much as they to the cost of maintaining that asset.

Mr HIGGINS: Under the KPIs there is a reduction from 50% to 33% in building assets inspected. It is explained as a return to the long-term average levels following a period of increased inspections while the ASNEX—the Asset Systems Nexus—inspection tools were being developed. I assume the inspections tools are now in place, so is 33% an acceptable aim?

Ms MANISON: Taking good care of our assets, regular inspection, detail and data around them are very important. I now go to Mr Harrison about those changes.

Mr HARRISON: Thirty-three percent allows for a rolling inspection program of one systematic inspection of an asset every three years. That is reasonably representative of what happens in other jurisdictions. We also allow for agencies to self-report maintenance that they may identify in their assets and can do that via our online portals. Effectively it means that we will send officers into an asset and do a walk through to identify, from a technical officer's or engineer's perspective, what the maintenance might be over the next three-year period. They will appoint in time what needs to be done now and will also predict what needs to be done over that same period.

Mr HIGGINS: When we look at those assets one in three years as opposed to one in two years—I presume 50%—the issue around that is whether it is applicable to every asset or do we identify some assets that are more critical to us? Logic would tell me that you would assess your more critical assets at a greater rate. So

do we just globally do one every three years or do we have some priorities set within that? KPI says the 33%, but do we have some priority ones we look at?

Mr HARRISON: From a whole of infrastructure asset perspective, it is one every three years. However, critical plant and equipment within assets are visited more regularly because this department is responsible for the maintenance of those assets. Electrical and mechanical systems and others—our officers are in and out of those assets on a weekly basis managing maintenance.

Madam CHAIR: Are there any further questions on Output 9.3? That concludes consideration of Output 9.3 and Output Group 9.0.

OUTPUT GROUP 10.0 – LANDS AND PLANNING

Output 10.1 – Land Development

Madam CHAIR: We will now move to consider Output Group 10.0, Lands and Planning, Output 10.1, Land Development. Are there any questions?

Mr WOOD: The government promised in October 2015 to:

Do the master planning for the rural area in Weddell in Labor's first term.

Where is the master plan for Weddell? I do not see anything in the budget.

Ms MANISON: Member for Nelson, we will look at the further infrastructure investments and planning for Weddell. We have allocated some funds in the budget to look at future planning, not just Weddell, but also around Kenbi. We are at a point in time at the moment when we can take a bit of a breath, given the demand on housing.

We very much see the land at Cox Peninsula and Weddell as part of future residential development. I do not see Weddell as rural development. We see it as urban development.

Mr WOOD: I do not see it as rural development. That is why things like Noonamah Ridge should go in to Weddell.

Ms MANISON: Yes. That planning, vision and consultation activity is something where the department has finalised its advice that has been coming in. I have not had a chance to get through that file, but it is something we are looking at. We asked questions about the rural area, Weddell and Cox and what people would like to see, first and foremost, with regard to that development and the type of appropriate development in those areas.

With regard to Weddell and the future planning, we have not sat around doing nothing. Work has been ongoing.

Mr WOOD: It said in Labor's first term.

Ms MANISON: Yes. I will hand over to Ms Clifford to talk about some of the work we have been doing on Weddell.

Ms CLIFFORD: As the minister has mentioned, Weddell is part of our longer-term growth strategy. We have currently been going through—as you are aware, there was a lot of work done previously and a lot of preliminary studies around environment, design works and things like that.

Some of those infrastructure-type reports have a lifespan, so one of the important things we have been doing is checking all those reports and a lot of detail to understand the currency of the information, but also to put together a gap analysis of what studies have been done, whether they are still current and whether we should target the next lot of investigative studies we would need to undertake.

That gap analysis has just recently been finalised and we are now at a stage where we can go through that in a lot more detail to understand the timing for the next stages to lead into a subregional plan for the area. We are obviously keen to work with the Planning Commission in the future on those works.

Mr WOOD: There were people like Troppo Architects who did a fair bit of work on the original plans. Were they still included in some of the discussions?

Ms MANISON: Absolutely. That previous work will be looked at to make sure it is not disregarded just because time has passed by. Of course, we will look at those previous plans to see what we feel is relevant in the future conversations about that master plan.

Mr WOOD: Quickly, one other question. What is the present status of Berrimah north? There are a number of dollar figures for infrastructure for Berrimah north. Where is Berrimah north in your plans?

Ms MANISON: Berrimah north is an important area. We have commercial development happening there now. But it is also an area that will change over time because of what we have seen in the past. It is quite a mixed use of different areas there, whether it be research, supported accommodation, animal shelters, churches, some semi-industrial-type activity—well, not industry-type activity, but we have seen some ...

Mr WOOD: Identity housing.

Ms MANISON: There is housing that has been moved into and area planning that was done by the Planning Commission. To have a really good long-term vision and to use that land as strategically as we can into the future, because decades from now there will be demand on densification in that area. There has been the appropriate area planning that has been done to recognise where you will need to put residential and where we should pretty much start drawing the line between what are the larger lots, and actually looking to make them into single dwelling lots.

With regard to Berrimah north and some of the headworks to support further development, I might hand over to Ms Clifford to go over some of that activity which has been ultimately there to support some of that commercial development as well. I think Berrimah is becoming the centre of the greater Darwin area. It is smack-bang in the middle of Palmerston, the northern suburbs and the city. It is a very important part of development. It is also one of the gateways to go to our port and the industrial area that is developed there.

Mr WOOD: Knuckey Lagoon would be more of the centre of that area.

Ms CLIFFORD: As the minister mentioned, there has been quite a lot of work done in this area, particularly with the gazettal of the Berrimah north area plan. Since that time there has been a lot of work done on the servicing of the area and developing up a servicing strategy for that particular location given its importance.

We do have funding on this year's program, which is identified in the budget papers, for Flight Path road from Amy Johnson Avenue, looking at first and second stages there and also allowing for electrical conduits along there as well—also, for the new trunk sewer, from that area down Tiger Brennan Drive.

Mr WOOD: Is there a sewer connection to Northcrest from that area as well? Or at least an electrical connection? Is there some connection between the two estates there?

Ms MANISON: We might need to take that question on notice because I imagine it requires the advice from Power and Water.

Mr WOOD: I can raise that with Power and Water if you want, minister.

Ms MANISON: We will take the question on notice either way so we can definitely get you an answer.

Question on Notice No 2.17

Madam CHAIR: Member for Nelson, please restate the question for the record.

Mr WOOD: Is there an infrastructure connection between Berrimah north and the Northcrest development?

Madam CHAIR: Minister, are you happy to accept the question?

Ms MANISON: Yes.

Madam CHAIR: The Member for Nelson's question is allocated the number 2.17.

Madam CHAIR: Are there any further questions for that output?

Mr HIGGINS: In your budget speech, Treasurer, you said, ‘We are also delivering \$63.5m for critical land servicing so we can build more homes out bush’. My question is, how many lots of service land do you expect to deliver in those remote areas, which would match \$63.5m?

Ms MANISON: Land servicing is critical with regard to our remote housing efforts. We are coming to the point where we are nearly out of land. To get the full details around that and the roll-out of the land servicing program I would get you to direct the question to Minister McCarthy during his session, because I think he will be able to give you the most accurate forecast of where exactly that is going and which communities they are targeting to get that land out of.

Mr HIGGINS: You stated in parliament you had given in-principle support for up to \$2.9m for work at Richardson Park going forward. I know we have covered some of this. You then said you would not move until you had a conversation with the community about Richardson Park. So, \$2.9m is a very precise figure. It is not \$3m. It is not \$2.5m. How did you and the Member for Fong Lim come up with the \$2.9m? Is that set aside for building upgrades, oval renovations? What exactly does that \$2.9m give us? When will consultations commence, and with whom?

Ms MANISON: The \$2.9m is a figure that would look at reinstating the oval and making sure it was fit for purpose. It would not cover the size of what refurbishments would cost to do the stand. With regard to consultations with the community, we are expecting to go out and have those discussions soon. Given that we have Warren Park well and truly under way now, we would still like to see—as I said to the Member for Nelson—that the rugby oval is reinstated. That way we have an extra oval for community training purposes, but also for the use and enjoyment of local residents and the local school.

Those conversations are about to get up and running again, but I cannot give an exact time line or deadline for that to all be done.

Mr HIGGINS: The \$2.9m is specifically for upgrading or fixing the oval, not the building?

Ms MANISON: Upgrading the oval, irrigation and fixing things—it will not fix the grandstand. You would need a lot of money for that.

Mr HIGGINS: You have already spent \$500 000 on a feasibility study for the proposed water park, and you have allocated \$1.7m in 2018–19 to support the delivery of the project. Is there any other further government expenditure envisaged for this project or is that the end of it?

Remembering that this is supposedly a private ...

Ms MANISON: Yes. Managed by the Major Projects group from the Department of Trade, Business and Innovation—the favourite answer of the day, and another question for the Chief Minister tomorrow.

Mr HIGGINS: Will the legal action reported in the *NT News* on 27 May delay Northcrest at all? What consultation did you have with the developer prior to announcing the new youth detention centre? When will we get the final plans for the final site of the Don Dale detention centre?

Ms MANISON: There is a raft of work happening at the moment because we have a few different questions at hand when it comes to the sobering-up shelter as well as the Don Dale Youth Detention Centre. As part of the work to get the area plan approved for Berrimah Farm—Northcrest—there was work instigated by the EPA with their concerns about the location of the school.

We had to move the school as a result of the school being located near the industrial area to satisfy the EPA. After that work we will have the sobering-up shelter located at the old Berrimah gaol site. Those arrangements and the lease will come to the end in 2020, so it has us asking the question, is it the right location to have the sobering-up shelter next to residential development in that area?

We had already announced that the Don Dale centre would be redeveloped on that site, and as a result the developer had raised their disappointment and concerns. They are not supportive of having a youth detention facility on that site. They were building headworks to this effect—they expected the site would become residential development into the future in line with other planning activities that had taken place around the greater Darwin land use activities.

We are currently looking at that question. Is it the right site? Do we need to go back to the drawing board with regard to the sobering-up shelter and the Don Dale centre? We are looking at potential other sites to

see how they stack up and if there is a possibility of making sure they meet the location and service delivery requirements. We are looking at that at present.

Mr WOOD: Was Northcrest the right site in the first place?

Ms MANISON: You have been involved in those debates in your parliamentary career.

Mr WOOD: I have, and those issues were raised.

Ms MANISON: Yes. That has been the debate of the previous CLP and Labor governments. I think it will be a magnificent residential area. The Berrimah area is the centre of the greater Darwin area now.

Mr WOOD: Two industrial areas, the prison, Hidden Valley—and a research station now—with a residential development stuck in the middle of all of them.

Ms MANISON: I think it will have a good connectivity and flow for the city. Other cities do this type of thing. It is a lot of land and space. In future years I think it will work out. It is important to recognise at the time these discussions happened there were some major land shortages in Darwin. The government of the day was under immense pressure with regard to land release. This has taken many years to get off the ground.

Mr WOOD: They could not be bothered. It has just replaced Weddell.

Mr HIGGINS: So we can finish on this one, if I just ask one more question around that development—the intersection—I do not know the name of the road—at Allora Gardens Nursery, there were plans to put an intersection into that development. Do we have any idea on the timing of that?

Ms MANISON: I will take that on notice.

Mr HIGGINS: Is there an entrance off the Stuart Highway into ...

Mr KIRKMAN: Yes, there will be a major intersection there. That will not be required in the current stages, but in the future stage—I do not have the exact year we have that booked in, in terms of...

Mr HIGGINS: So we are talking a couple of years out?

Mr KIRKMAN: A few years, yes.

Mr HIGGINS: Okay. That is all.

Madam CHAIR: We have four minutes. Member for Nelson, would you like to ask another question for this output?

Mr HIGGINS: Which section do you want to go to, Member for Nelson?

Mr WOOD: Crown land estate. Minister, I think this is an important one because people will lose their accommodation because of this. Minister, YMCA leases land from the Crown at Doctors Gully. The YMCA has announced it is closing down this important accommodation facility. Does this mean the lease will be handed back to the government, or has the YMCA indicated what it intends to use the land for?

Ms MANISON: The advice I have received is that we have not had any approach or formal discussion with the YMCA. I might pass over to Ms Clifford to go into it. That would be a discussion I am happy to have with them to understand what their plans are regarding the technical requirements of the land and the lease hand-back.

Ms CLIFFORD: Thank you, minister. Member for Nelson, it is my recollection that this may be a lease arrangement. In which case, under the legislation, the minister would need to be involved in those discussions around leases and their future. We have not been approached—I have not—at a department level, to have those discussions.

Mr WOOD: Minister, this is in a budget item, in relation to the control of weeds on Crown land, there is \$2.5m in the budget. Are you winning or losing the fight, especially with gamba grass? Have you a strategy for getting rid of it at least in the Darwin region?

I refer to Crown land because obviously someone else deals with it as well. I see the four-wheel-drive go around with 'gamba grass' written on it, but I see lots of gamba grass.

Ms MANISON: I understand that when government asked people to do the right thing when it comes to gamba grass and weed management, one would expect that we do the right thing when it comes to our Crown leases and land.

I will hand over to Ms Clifford to answer that on our work managing weeds.

Ms CLIFFORD: Thank you, minister. Our role with Crown land management is obviously important when it comes to the weeds program. We have raised this previously.

This year in 2017–18, we have had \$920 000 allocated to weeds and weed management. There was \$300 000 of that specifically targeting gamba grass. This year in total 243 Crown land blocks have been on the weed management program. We work closely with the Department of Environment and Natural Resources to go through what other priority areas are and where we should target, as we have done in previous years.

In 2016 there was a review done that found the treatment we were applying and the weeds we were targeting was certainly having an impact on those Crown land sites. I cannot remember the rest; was there more to that question?

Mr WOOD: No, what is your strategy for getting rid of gamba grass in the Darwin area? Is that the strategy, to spend that much money and work with Environment and Natural Resources?

Ms CLIFFORD: Yes, we do. Under the *Weeds Management Act* the priority weeds include gamba grass. We have a responsibility there and we liaise with DENR and rely on their technical expertise around where we should target and which areas we should look at.

Madam CHAIR: That concludes consideration of Output 10.1. The committee's time for the consideration of outputs relating to the Department of Infrastructure, Planning and Logistics is now expired.

Answers to Questions on Notice No 2.9, 2.10, 2.11 and 2.12

Ms MANISON: I table answers to questions on notice 2.9, 2.10, 2.11 and 2.12.

Madam CHAIR: Thank you minister. Yes, we will table those.

Madam CHAIR: On behalf of the committee, I would like to thank the officials who provided advice to the minister today and the minister for appearing in front of the committee today.

Mr WOOD: And the ones who were waiting.

Ms MANISON: I thank the Department of Infrastructure, Planning and Logistics. They have huge tasks every day and a huge budget to manage. It has been a big couple of years and they still have a lot of work to do. We appreciate the work they do right across the Northern Territory. We did not get a chance to hear from the Land Development Corporation or the Northern Territory Planning Commission today. They are doing important work and I thank them for their time and preparations for estimates.

Madam CHAIR: Thank you, Treasurer.

That concludes the Estimates Committee hearing for today. We will recommence tomorrow morning at 8 am with the questions of the Chief Minister.

The committee suspended.
