



# LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

13<sup>th</sup> Assembly

## PUBLIC ACCOUNTS COMMITTEE

### Public Briefing Transcript

Tuesday, 26 November 2019

Litchfield Room

**Members:**

Mrs Kate Worden MLA, Chair, Member for Sanderson

Mr Gerry Wood MLA, Member for Nelson

Mr Terry Mills MLA, Deputy Chair, Member for Blain

Mr Tony Sievers MLA, Member for Brennan

Mr Lawrence Costa MLA, Member for Arafura

Mr Gary Higgins MLA, Member for Daly

**Witnesses:**

Mr Shaun Drabsch: Chief Executive Officer, Department of Trade, Business and Innovation

Mr Andrew Hopper: Deputy Chief Executive Officer, Department of Tourism, Sport and Culture (via teleconference)

Mr Tim Watsford: General Manager, Northern Territory Major Events Company (via teleconference)

The committee convened at 12.05 pm.

**DEPARTMENT OF TRADE, BUSINESS AND INNOVATION**

**DEPARTMENT OF TOURISM, SPORT AND CULTURE**

**NORTHERN TERRITORY MAJOR EVENTS COMPANY**

**Madam CHAIR:** We have Andrew Hopper and Tim Watsford on the phone and Shaun Drabsch is here to talk solely about the business section, if we have questions on that perspective. The two guys on the phone are for the Arafura Games sporting section.

On behalf of the committee, I welcome everyone to this public briefing on the Arafura Games costs. I welcome to the table to give evidence to the committee Shaun Drabsch, the Chief Executive Officer of Department of Trade, Business and Innovation, Mr Andrew Hopper—as I said, on the phone—Deputy Chief Executive Officer, Department of Tourism, Sport and Culture and Tim Watsford, General Manager, Northern Territory Major Events Company, also joining us by teleconference. Thank you all for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and protection of parliamentary privilege and the obligation not to mislead the committee applies. This is a public briefing which is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If, at any time during the hearing, you are concerned that what you will say should not be made public, you may ask that the committee go into a closed session and we can take your evidence in private.

Could you please each state your name and the capacity in which you are appearing. Perhaps we could start with Mr Hopper on the phone.

**Mr HOPPER:** Andrew Hopper, Deputy CEO of the Department of Tourism, Sport and Culture. I am here to speak in reference to matters related to contra-flights and Jetstar Asia.

**Mr WATSFORD:** Timothy Watsford, General Manager, Northern Territory Major Events Company, here to speak to matters on the delivery of the games holistically.

**Madam CHAIR:** Thank you, Mr Watsford. And Mr Drabsch, would you then like to make an opening statement, or is someone else prepared to do that, or will we just go straight to questions?

**Mr DRABSCH:** Shaun Drabsch, Chief Executive of the Department of Trade, Business and Innovation. I am happy to go to questions. I am here to talk about the business engagement program, which is run in parallel with the Arafura Games.

**Madam CHAIR:** I will ask the gentlemen on the phone, do either of you have an opening statement or would you like to go straight to questions?

**Mr WATSFORD:** Not from Tim Watsford.

**Mr HOPPER:** No, not from Andrew Hopper. Happy to go straight to questions.

**Madam CHAIR:** Terrific. That is great. In my capacity as Chair, I will open straight away to members of the committee, if you would like to indicate you have a question.

**Mr MILLS:** Yes, I have questions.

**Madam CHAIR:** Mr Mills, would you like me to start with you?

**Mr MILLS:** No, that is all right.

**Mr HIGGINS:** Okay. A couple of questions, fellows, if that is all right? We have year of cost benefit, we have a response from the minister that says the total cost of the Arafura Games was \$7.22m. One of the questions I always have is not about whether the games—cost-benefit analysis—whether we made a profit or anything. There are a lot more things than just a straight cash profit. My query is how much money we actually outlaid as a government towards these games. Specifically, I note in here we have salaries of \$2.23m listed. The first thing I want to know is what the salaries is made up of? In other words, how many positions were employed? Does that include any of the public servants or people who might have been seconded across?

**Mr WATSFORD:** That number of \$2.33m constitutes 62 full-time positions. It does not include 26 secondees. We had well over 800 volunteers—744 over the age of 18—and they were fully accredited.

**Mr HIGGINS:** Okay. So, when you talk about 62 full-time, they are full-time employees of the Arafura Games? They are not 62 full-time employees of the public service? I suppose they are the 26 who were seconded?

**Mr WATSFORD:** Yes, that is correct. In essence, it is various durations of employment for those 62 full-time positions, some ranging from 18 months out—as our director. Some were two or three weeks just for the delivery. That does not include the 26 secondees from the NTG public service. I think I have, hopefully, answered your question.

**Mr HIGGINS:** So the 26 secondees from the public service—from that I presume they were still being paid by the public service and, therefore, not included in that \$2.23m?

**Mr WATSFORD:** From an NT MEC perspective, the salaries were not included as the commission agreed NTPS employees could be seconded to the Arafura Games at no additional cost. I guess in many cases it is considered a valuable development opportunity. On behalf of NT MEC, we encourage people to try to jump across and utilise their skills wherever we can.

I should also state that anyone who has come across from the public services is signed off by their immediate managers and their respective CEOs.

**Mr HIGGINS:** You mentioned there that some of those could be 18 months out to it. If we have 26 people seconded across that the public service is paying for, I presume if there is a nil cost, they have not been replaced in any way, shape or form in that public service. The questions have to be asked—who suffered from the loss of that work? Who picked up that work? Was there delay in any of the work that should have been done? Did that have an impact on private industry?

The exponential increase of the impact of that could be phenomenal. When we say there is a nil cost to the Arafura Games, I agree, but the thing is there is a cost to the taxpayer. The taxpayer has paid for 26 people seconded—and we have not got to all the other people who came across to do work, if there were others. The issue there, of course, is we have 26 people pulled out of the public service who were doing productive work, presumably, somewhere else. I want to know what the cost was to the taxpayer to have those 26 stay with the Arafura Games and not do the job they were supposed to be doing.

**Mr WATSFORD:** Gary, might I suggest that the commissioner agreed on the NTPS employee who could be seconded to the Arafura Games. These guys, from a secondment perspective, were between two to 12 weeks. I guess the hindrance on public service, I am not privy to.

**Mr HIGGINS:** Could I get a breakdown of the level of those people and the time periods that they were there, so I can multiply that cost out myself?

**Mr WATSFORD:** I will have to take that on notice.

**Mr HIGGINS:** Could I have that taken on notice, please?

**Madam CHAIR:** I do not have a formal script in front of me. That is okay. What I might do ...

**Mr HIGGINS:** If I repeat the question?

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

**Mr HIGGINS:** Okay. Of the 26 staff who were seconded for a period you have indicated of two to 12 weeks, could I have the level of those staff and the time period for which they were seconded. If it was one AO4 for three weeks, AO4 for six weeks et cetera, so I can multiply those costs out myself.

**Madam CHAIR:** Mr Watsford, are you happy to take that question on notice?

**Mr WATSFORD:** Yes, but it is more a question for the public service, Chair.

**Madam CHAIR:** Okay, we might work that out afterwards, if that is okay. We might just place that on notice for this hearing. I might call that question one, just in case there are further questions, for the record or Hansard. We might, because that has been taken on notice, go to as further question. We might get some advice on that during the hearing, but otherwise we will find out who could answer that question and made sure it is directed there.

**Mr HIGGINS:** I think the ...

**Madam CHAIR:** Hang on a moment. Sorry. Is it further to the same ...

**Mr HIGGINS:** Yes, further to that same question, the point needs to be made that this committee is here to review the way government money is spent. It is not a decision for the Public Service Commissioner to say whether he has spent

that money here or there. This committee is here to see how and where that money is spent and to ensure it is spent in line with the appropriation that is made.

**Madam CHAIR:** Thank you. Member for Blain, do you have a question?

**Mr MILLS:** Yes, thank you. To Mr Watsford. Do I assume that you do not know what the cost of those secondees is and we should, therefore, ask the commissioner?

**Mr WATSFORD:** I do not know in my capacity of NT MEC. As outlined, it was agreed advice from the commissioner that employees could be seconded to the Arafura Games at no additional costs.

**Mr MILLS:** To the Arafura Games, but to the public services, yes.

**Mr WATSFORD:** Sorry, was that another question for me?

**Mr MILLS:** Okay. The next one then is, you made reference to 62 others who came in to assist. Is that correct?

**Mr WATSFORD:** Yes. That is what made up the budget line item of \$2.3m.

**Madam CHAIR:** That is 62 for \$2.3m. In the budget that is for 62 full-time staff.

**Mr MILLS:** Okay. All right, therefore, for the purpose of the Public Accounts Committee to investigate the real costs globally, we must find out that cost—not, obviously, from the Arafura Games but from the commissioner.

**Madam CHAIR:** We have that as a question on notice. That will be followed up with the appropriate place. That has been somewhat answered and I am sure the appropriate staff member will ...

**Mr MILLS:** But I am making a point that it needs to go to the commissioner.

**Madam CHAIR:** It is your preference that that question goes to the Commissioner for Public Employment?

**Mr MILLS:** Absolutely, yes, if that was a decision of the commissioner ...

**Madam CHAIR:** That will be noted for Hansard in relation to question one.

**Mr MILLS:** To write it off, we should know.

**Madam CHAIR:** Okay. Further questions?

**Mr HIGGINS:** Yes, when we talk about the 26, they were 26 seconded to full-time work, you would say—I know two to 12 weeks. They were full-time employees, you might say, of the Arafura Games. What other public servants were seconded during the running of the games to give in-kind support to the games? One of those areas that glares, of course, is the police resources that were used. I know you may not be able to ...

**Mr WATSFORD:** So, the question being?

**Mr HIGGINS:** How many public servants were used during the running of the games for in-kind support from the public service, other than those 26?

**Mr WATSFORD:** Other than the secondees?

**Mr HIGGINS:** Yes.

**Mr WATSFORD:** If I use the example of the police, which you referred to, NT police provided in-kind support through Operation White Water. It also included the Anzac Day commemoration, the Easter holiday component, the opening of Mindil Beach—I guess consolidated across three other campaigns at the time of the Arafura Games. NT police regularly provide in-kind support of this nature for community events across the unit in its entirety.

**Mr HIGGINS:** You talk there about police. Were there any other people in the public service who were used during the running of the Arafura Games, not paid by the Arafura Games but treated as in-kind support? I am talking in-kind support from public servants seconded or volunteering across during their time they should be paid as a public servant to do stuff to assist in the running of the Arafura Games.

**Mr WATSFORD:** We had over 800 volunteers through the couple of weeks of competition. They were on various shift rotations. I guess you could use me as a public servant, so to speak. I was put on that. Andrew Hopper, my counterpart, and there were another couple of options who were put across. But in essence, the 800 volunteers, yes there were potentially some of them public servants who volunteered their time outside of work hours.

**Mr HIGGINS:** Right. Were there any public servants who were used in-kind not outside their work hours? In other words, they were being paid by the public service and made available to be used during the running of the Arafura Games. That is a very specific question.

**Mr WATSFORD:** No, and the very specific answer is 26 secondees who have been noted as between two and 12 weeks—nothing additional.

**Mr HIGGINS:** There were no public servants who worked for the Arafura Games who were not doing it in their own free time—other than the police?

**Mr WATSFORD:** That is correct.

**Mr HIGGINS:** Other than the police? Do you have an idea of the cost of the police during the running of that or is that something we should be asking the police?

**Mr WATSFORD:** The police bundled up the support through their Operation White Water in totality. I do not have a cost of Operation White Water.

**Mr HIGGINS:** Okay. During last year's estimates, the police highlighted a figure to us of overtime that was incurred by the police by them servicing the Arafura Games. Where are those costs in the \$7.22m?

**Mr WATSFORD:** That is a question for the police.

**Mr HIGGINS:** It is a question for you. We have a report here that says it cost \$7.22m. Who paid the overtime that we were given an answer for at estimates earlier this year?

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

**Mr HIGGINS:** Police during estimates this year said they incurred a cost—and I am sorry I do not have the figure in front of me—of overtime to service the Arafura Games. I want to know where that cost is reflected in these costs that make up the \$7.22m.

**Mr WATSFORD:** These costs are not included as part of all our events. Once again, they are included as Operation White Water. To get a breakdown of those costs, that is a question for the police.

**Mr HIGGINS:** Okay. So, the \$7.22m does not include the total cost?

**Mr MILLS:** Can we put that on the record?

**Madam CHAIR:** Actually, we have a breakdown of costs already, and the police stuff is not there. In fact, it is specifically mentioned at the back. We knew that already. Is the question—my recollection of estimates was that it was not that specific to the games, it was across in that ...

**Mr HIGGINS:** No, no, it was ...

**Madam CHAIR:** But we can always look at that record and get that from *Hansard*. Do you have any further questions?

**Mr MILLS:** Yes, I do. We are moving to a different area now. This is for Mr Hopper regarding Jetstar. On 22 March, the Minister for Tourism, Sport and Culture, Lauren Moss, announced in a joint media statement with Jetstar—the headline, 'Jetstar Asia Celebrates Darwin Singapore Link with NT Livery and Arafura Games Sponsorship'. How many athletes and officials were supported to come to this year's Arafura Games using the Jetstar Asia flight sponsorship from Singapore to Darwin and return? How many athletes and officials?

**Mr HOPPER:** Member for Blain, my understanding is 119 athletes.

**Mr MILLS:** Thank you. Did this Jetstar Asia sponsorship arrangement involve the payment of the full flight cost by Jetstar Asia for each of the athletes and officials being sponsored?

**Mr HOPPER:** The flights provided were contra-flights available. There would be some opportunity cost. That would be a question for Jetstar Asia. But, in the cost to athletes, it was approximately \$100 to cover things like taxes and baggage. But for any other costs to athletes or the Northern Territory government, there were none.

**Mr MILLS:** Thank you. Did the Arafura Games this year pay the airfares for any other international athletes and officials, separate to those supported flying Singapore to Darwin? If so, what was the cost of these airfares and how many international athletes and officials were supported?

**Mr HOPPER:** I am not aware of any other athletes or officials being paid for. I am aware of what happened with Jetstar Asia.

**Mr MILLS:** Is that a question for Mr Watsford?

**Mr WATSFORD:** There are a small number of athletes who received support to participate in the games. What has been stated before is there was no NTG money utilised against that support. It was to support 38 athletes' flights.

**Mr MILLS:** No NTG money to support 38 athletes, apart from Jetstar Asia ...

**Mr WATSFORD:** That is correct.

**Mr MILLS:** Where did the money come from?

**Mr HOPPER:** I am sorry, Member for Blain. Just to clarify, there was also no NTG money related to the 119 athletes with Jetstar Asia.

**Mr MILLS:** Understood. Where did the money come from? How was it paid for?

**Mr WATSFORD:** Revenue-generating sponsors.

**Mr MILLS:** From sponsors. Right. What was the value of that?

**Mr WATSFORD:** The value of the 38 athletes' flights?

**Mr MILLS:** Yes.

**Mr WATSFORD:** The total value was \$26 000.

**Mr MILLS:** Okay, that came from sponsorship?

**Mr WATSFORD:** We drive sponsorship across our event portfolio in totality. Anything that NT MEC generates, we reimburse back into the event, this one being the Arafura Games. That \$26 000 was utilised to support a small number of athletes to get them to Darwin to compete.

**Mr MILLS:** A small number being 36?

**Mr HOPPER:** Thirty eight.

**Mr MILLS:** Right. So, that is revenue generated by the Arafura Games which is funded by NTG largely, and that revenue then goes into paying for athletes to fly here to the games?

**Mr WATSFORD:** To support athletes to get to Darwin, yes.

**Mr MILLS:** Did the Arafura Games this year pay the accommodation for any international athletes and officials?

**Mr WATSFORD:** That is part of the support. That number of \$26 000 is in totality.

**Mr MILLS:** Coming from revenue ...

**Madam CHAIR:** Sponsorship.

**Mr WATSFORD:** Sponsorship, yes.

**Mr MILLS:** Okay. Did the Arafura Games this year pay the airfares for any Australian athletes and officials coming from interstate?

**Mr WATSFORD:** Sorry, I missed that, that broke up.

**Mr MILLS:** Did the Arafura Games this year pay the airfares for any Australian athletes and officials coming from interstate?

**Mr WATSFORD:** This is all, I guess, in part of the same question—whether it be international interstate. I should be corrected. These was \$32 000 that was provided for accommodation support as well.

**Mr MILLS:** So, it is \$26 000 plus \$32 000?

**Mr WATSFORD:** Correct.

**Mr MILLS:** It was provided from where?

**Mr WATSFORD:** From sponsorship revenue that came from outside of NTG funding.

**Mr MILLS:** Right. So, how is the decision made to use sponsorship to bring people here for the event? How does that work?

**Mr WATSFORD:** With the guide that was our directions to NT MEC in how we wanted to deliver the event. I guess this is consistent with multi-sport games across the globe in aiding athletes and countries to get them to their areas. That was a decision made internally to us to ensure the competition was of a standard we wanted it to be.

**Mr HIGGINS:** Is that \$26 000 and \$32 000 shown anywhere in that \$7.2m?

**Mr WATSFORD:** No. The \$7.2m was the total expenditure that was shown from a government funding support. We also drive revenue outside that.

**Mr HIGGINS:** What is to stop an organisation like yours getting \$1m in sponsorship and spending \$1m then to get people here, and just hiding that figure away? This is the whole reason for this inquiry. We want to see the true cost. You have said \$32 000 and \$26 000, but as far as I can see from paperwork, it is not reflected there and it could have been \$1m. It could have been \$2m or \$10m.

**Mr WATSFORD:** If I go back to the written response from minister Moss last month, there was \$510 000 that we have stated were from sponsorship in totality, on a combination of cash and contra.

**Mr MILLS:** I have further questions. How many staff members for the Arafura Games office were recruited from interstate for the organisation and management of these games?

**Mr WATSFORD:** I will have to take that question on notice, I am sorry. I do not have that information at hand.

**Mr MILLS:** So, you are saying ...

**Madam CHAIR:** Hang on a moment, Member for Blain. Sorry. Would you like that question to be taken on notice.

**Mr MILLS:** Absolutely.

**Madam CHAIR:** Could I get you to restate the question for the record.

**Mr MILLS:** How many staff members for the Arafura Games office were recruited from interstate for the organisation and management of this year's games?

**Madam CHAIR:** We will note that for Hansard. That is question two. Mr Watsford, are you happy to take that question on notice?

**Mr WATSFORD:** Yes, of course.

**Madam CHAIR:** Thank you very much. That is noted for Hansard. Further questions.

**Mr MILLS:** Yes, I have a couple more in this line. What we have now determined is there is, I think \$58 000 that has been used to assist athletes to come here and to be accommodated—and officials, by the sound of it. Did the Arafura Games, for this year, pay for the flights and accommodation for any interstate employed consultants or contractors to be in Darwin before and or during this year's Arafura Games?

**Mr WATSFORD:** Yes.

**Mr MILLS:** How many and at what cost?

**Madam CHAIR:** It is on the list.

**Mr WATSFORD:** That will be a question that I will have to take on notice.

**Mr MILLS:** That is the one.

**Madam CHAIR:** On the list from minister Moss at the bottom it says, 'Specialist contractors'. Is that what we are talking—oh, you want to know which portion of that figure was interstate?

**Mr MILLS:** Yes. It has been taken on notice. It is captured in the last ...

**Madam CHAIR:** No, no. I want to clarify that we have a specialist contractor. The question is about contractors. I will clarify that ...

**Mr MILLS:** Consultants and contractors.

**Madam CHAIR:** Consultants and contractors. Okay. Would you like that question taken on notice?

**Mr MILLS:** I am assuming it is included in the previous one? Is that ...

**Madam CHAIR:** You would think it is in that figure of \$418 000. But we might clarify that. Would you like some clarification? Member for Blain, could you repeat that question for Hansard.

**Mr MILLS:** Did the Arafura Games for this year pay for the flights and accommodation for any interstate employed consultants and contractors to be in Darwin either before and or during this year's games?

**Madam CHAIR:** For the purposes of Hansard, I will call that questions three.

**Mr MILLS:** I should add to it. It is the total costs of the flights and accommodation.

**Madam CHAIR:** Thank you. Mr Watsford, can I clarify that you are happy to take that question on notice.

**Mr WATSFORD:** Take it on notice. That will be part of the \$418 000.

**Madam CHAIR:** Yes. Further questions?

**Mr MILLS:** Yes. Last one in this line. Following the ending of this year's Arafura Games, how many staff members who worked full-time during the period of this year's Arafura Games departed the Territory and returned to their interstate locations?

**Mr WATSFORD:** Apologies. Can you say that again? You broke up.

**Mr MILLS:** Yes, not emotionally. Following the ending of this year's Arafura Games, how many staff members who worked full-time during the period of this year's Arafura Games departed the Territory and returned to their interstate locations?

**Mr WATSFORD:** Three are still here.<sup>1</sup>

**Mr MILLS:** They are from interstate, are they?

**Mr WATSFORD:** Correct, as am I.

**Mr MILLS:** So, they are all here? No one has departed? They are still here?

**Mr WATSFORD:** They are a contractor caught up in that line item of \$418 000. There are still here working on the 2021 Arafura Games.

**Mr MILLS:** Okay. Thank you.

**Mr HIGGINS:** When we talk about venue hire et cetera—do we have any idea on the cost of hiring NTG-owned facilities. I know that in the cost it says it includes power, water, cleaning, line marking, and any other provisions to operate the venue. But it has a shortfall over what they would charge for a commercial user. Do we know what the in-kind value of that was? That is what I am after. I want to know what the difference is if the government was hiring a venue for \$100 an hour and the Arafura Games only paid for power and water et cetera. What was the difference between what they actually paid and the \$100?

**Mr WATSFORD:** That is a question for the public service. We receive the NT-owned facility, as you mentioned, on an ancillary basis—power, water and cleaning et cetera. As per other events managed by NT MEC, I guess it is business as usual for (inaudible) and governments to include this is part of government-owned facilities. But that is a question for the public service.

**Mr HIGGINS:** Can I put that on notice?

**Madam CHAIR:** Can I ask a question, though? If there was a figure based on that, that figure would—to clarify, if there was a figure of difference, that would be on the presumptive basis that those facilities would be used during that time? Is that right, Member for Daly? Because ...

**Mr WATSFORD:** The question ...

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<sup>1</sup> Mr Watsford wrote to the Committee on 19 December 2019 to correct his evidence and advised that seven staff members had remained in the Territory.

**Madam CHAIR:** I am wondering about that figure. It would not be a real figure because you are presuming those facilities would be used.

**Mr HIGGINS:** It could be, because my understanding is some of those facilities were locked up for a blanket two-week period, which meant they were not available to other people to use.

**Madam CHAIR:** But then, there is a presumption that people would want to use them and I am not sure if we can gauge that.

**Mr HIGGINS:** Well, it does not matter if there is a presumption. The thing is, if you are trying to look at the cost-benefit, you need to know what was the cost of hiring that facility—whether it is actual money or not. The thing is if you are trying to work out the cost-benefit of something, and then you want to sell this product, you need to know the true cost.

What was the money that the NT Government missed out—in other words, the difference between what it cost to hire a facility by the hour or day compared to what was actually paid by the Arafura Games in the sense that they only paid for power, water and line marking et cetera. What revenue did we dip out on? There is a real revenue ...

**Madam CHAIR:** Potentially. Can we just put in there 'potentially miss out on' because I do not agree that is a full cost. Mr Watsford, my understanding that ...

**Mr HIGGINS:** If you are in business, that is a full cost because you have something sitting there ...

**Madam CHAIR:** Member for Daly.

**Mr HIGGINS:** ... and it costs you while you are going along. It is a valid question. If you want to rule the question out of order ...

**Madam CHAIR:** No, no, I do not thing ...

**Mr HIGGINS:** ... rule it out of order, but I want to ask the question.

**Madam CHAIR:** I am not ruling it out of order. I am saying we need some context on that question relating to the fact that during that period of time the facility may not have been used at all, which is then a presumptive cost. I do not think it is a real cost, but we could debate that separately.

Mr Watsford, do I understand you do not have that information at hand?

**Mr WATSFORD:** I do not have the information at hand and it is not a question for NT MEC.

**Madam CHAIR:** Who would that be a question for? The minister for Sport? Are we only talking about Northern Territory government venues here? That might be a question for the minister for Sport. If the Member for Daly would like to pursue that question, I will ask him to restate it for the record. We might ask Hansard to record that as a question for the minister for Sport.

**Mr HIGGINS:** Okay. To put it another way, can I get the total cost of hiring the NTG sporting facilities during the Arafura Games had they been charged at the published rate for leasing those premises? Then the breakdown we then paid for power, water and line marking so I can get the difference. I know the power, water and line marking is already included in the \$7.22m. I am trying to find the difference.

**Madam CHAIR:** \$1.66m is our reference here for sports and venues.

**Mr HIGGINS:** Yes, I know, but the total \$7.22m.

**Madam CHAIR:** Okay. I will not ask Mr Watsford to take that on notice because it would be inappropriate. I am just making a note for Hansard that the committee will request that question on notice of the minister for Sport. Further questions?

**Mr MILLS:** Yes.

**Mr SIEVERS:** Me. Can I get a question?

**Madam CHAIR:** Yes, Member for Brennan. Sorry, he has asked twice and I have been ignoring him.

**Mr SIEVERS:** I am not interested in the breakdown of bits and pieces of that, but I am interested in the benefits of the Arafura Games and what that has contributed to the Territory—not only economically but socially and to our businesses. Can we get a breakdown of that?

**Mr MILLS:** There was a glossy brochure from government to tell us how great it was. This is all about the cost of it.

**Mr SIEVERS:** I am interested because you talk about cost-benefit of this ...

**Mr MILLS:** No, it is not about cost-benefit, this is the cost.

**Mr SIEVERS:** ... the cost-benefits in those as well.

**Madam CHAIR:** Mr Drabsch, would you like to respond to that question? Your microphone is already on.

**Mr MILLS:** It is in the glossy brochure.

**Mr SIEVERS:** Can I ask a question?

**Mr MILLS:** Yes, you can, but how much did the glossy brochure cost?

**Madam CHAIR:** Thank you, Member for Blain.

**Mr DRABSCH:** Thanks, Member for Brennan, for the question. Andrew Hopper might have some broader discussion about the benefits of the Arafura Games itself, but in the business engagement program, there were some 500 attendees across that program at some 17 different events, with participants from 14 countries, including China, Philippines, Malaysia, Indonesia, Timor-Leste, Vietnam, Brunei Darussalam, Bangladesh and even Iran, Hungary and United Arab Emirates.

The Department of Trade, Business and Innovation established the business engagement program targeting and encouraging international and national investment into the Territory to run in parallel with the Arafura Games.

The Territory has had a long history of promoting greater integration with our neighbours to the north. There are cultural and historical reasons for that, but there is also great opportunity for stronger trade with our region. We have really only scratched the surface.

Utilising the Arafura Games as a means of business engagement is quite a powerful tool. We went to Shenzhen last month in October with the trade delegation and were talking to the Vice Mayor of Shenzhen about the opportunity for greater participation from China—there were some athletes who came from there—to come down and participate in the 2021 Arafura Games. There was interest in that. It is a valuable tool in promoting greater engagement between the Territory and, in that case, the Greater Bay region of southern China.

There were a number of events, as I indicated. The idea of our program was to promote trade and investment opportunities through business hubs, to support expansion of existing and emerging industries through sector-specific forums and sight tours—that is the 17 different events which I mentioned—and connect and motivate businesses through industry networking functions and business-to-business introductions.

We also showcase the Territory's unique trade history through a newly-created History of Trade Exhibition which was visited by some 400 people. There was a lovely pamphlet which I have on my coffee table at the moment.

**Mr MILLS:** I have seen it too. It is a ripper.

**Mr DRABSCH:** Yes, it is good.

We have done an online survey of participants in the business engagement program and 62% of those surveyed indicated that the attendance at the program was the first time they visited Darwin, 92% were satisfied or very satisfied with the business engagement program, 81% reported that they had increased awareness of trade and investment opportunities in the Territory, 63% indicated they had increased confidence in investing in the Territory, and 88% said they were likely to attend similar business engagement program events in the future.

We see that as a success. It won the Chief Minister's Achievement Award at the ceremony last Friday night ...

**Madam CHAIR:** Oh, terrific.

**Mr DRABSCH:** ... for Building Partnerships. It is something our department is very proud of.

We developed this program in the specific context of the Arafura Games and we have strong plans for enhancing and developing the program for the 2021 event.

**Madam CHAIR:** Thank you, Mr Drabsch.

**Mr MILLS:** A question related to that, Mr Drabsch. Thank you for that. It is stated that \$550 000 was spent on the business program. Is this the full expenditure costs that the Department of Trade, Business and Innovation incurred for being involved in the Arafura Games? If not, what is the full cost?

**Mr DRABSCH:** For the three-year period the DTBI budget was \$550 000, as you said. The actual expenditure was \$655 000, slightly higher than that. There are some operational costs incurred across that three-year period. There were staffing costs of an AO6 and a SAO1 position full-time for 2017-18 and 2018-19, the year just completed. Those positions, and I believe also the operational expenditure was delivered within the operating budget of DTBI that was established. We worked and were funded from within. They were vacant positions, the employment of which were funded, fixed contracts.

In that context, there was no additional cost to the taxpayer above the budget for the department for those periods.

**Mr MILLS:** No additional costs? It is an extra \$100 000-and-something—I have not done the sums on it.

**Mr DRABSCH:** They were vacant positions for which we had funding. We utilised those positions because we considered the business engagement program a priority, as it is consistent with the objectives of the department.

**Mr HIGGINS:** It was money outlaid that is not included in the \$7.22m?

**Mr DRABSCH:** The money for the business engagement program—I am not sure if that was included in the \$7.2m.

**Mr HIGGINS:** If you have cash sitting in the drawer and you want to spend it, you do not include it—is that what you are saying?

**Madam CHAIR:** \$550 000 was ...

**Mr MILLS:** That \$550 000 was allocated.

**Mr DRABSCH:** We allocated funds according to the priorities at the time, which is always ...

**Mr MILLS:** This then loops back to questions about the next games. Will the cost for the 2021 games be lower to the Territory government for the organisation and management of the games? Either way, what is the expected cost for the 2021 games?

**Madam CHAIR:** I will direct that to these guys at Major Events because, at this point in time, I believe Major Events is running that. Did you guys catch that question?

**Mr WATSFORD:** Yes, are you there?

**Madam CHAIR:** Mr Watsford, would you like to respond to that question?

**Mr WATSFORD:** Can you repeat the question?

**Mr MILLS:** Yes. Do you expect the cost for the 2021 games to be lower to the Territory government for the organisation and management of the games? Either way, what is the expected budgeting cost for the 2021 games?

**Mr WATSFORD:** We are scoping the 2021 Arafura Games budget now and it will be submitted through the full budget review process in 2020.

**Madam CHAIR:** So, it is not fixed. Is that correct?

**Mr MILLS:** What is your expectation? Less, same or more?

**Mr WATSFORD:** Let us find out in 2020 once we have finished our scoping studies.

**Mr MILLS:** 2023?

**Madam CHAIR:** 2020.

**Mr MILLS:** Okay.

**Mr SIEVERS:** Further to Terry's question. After the games was there a review done on the costs and the potential savings that could be found in the next Arafura Games—how we could do it bigger and better with less money, the same money, or bigger ...

**Madam CHAIR:** That is a question for these guys on the line.

**Mr SIEVERS:** I want to know if we did that review.

**Mr WATSFORD:** Look, guys, I will be quite frank—\$7.2m got us through. We want to produce an event that is of international standard and continue to develop it—absolutely. So, part of the review work we are undertaking now for our budget request into 2020 will have savings and optionality in and around that the government can take on.

**Madam CHAIR:** Thank you. Further questions?

**Mr HIGGINS:** My only thing is there was a stack of paraphernalia that was for sale. Where is that included? Is that included in your marketing and commercial? It does not say that. Then, how was it covered? Or is that the same as you did with the 38 flights—in other words, the money we made from the sale covered the cost of producing it? I am thinking of the T-shirts, stubbie coolers and things like that.

**Mr WATSFORD:** Yes, it is all through the marketing and commercial line item there. That was a giveaway—the \$159 000 you see there in that line item.

**Mr HIGGINS:** I know some of that stuff was given as uniforms, but some was for sale. Where does that appear? In other words, the purchase of—I am trying to get an understanding of this—those T-shirts that were for sale, is that included in that \$159 000? If it is, where is revenue appearing, or what did we do with that revenue?

**Mr WATSFORD:** We did not see any of it. There was a small amount of reduction that was on a cost recovery to the provider. So, that was, effectively, an in and out for them

**Mr HIGGINS:** Who was the provider of that? You are saying that is a separate entity to yourselves and the Arafura Games? In other words, there were T-shirts, bags, backpacks et cetera available for sale that was not part of the Arafura Games as such? You are saying it was done by a third party? Is that correct?

**Mr WATSFORD:** It was done by Brand It, which is a third party and a supplier of the Arafura Games. It was on a no-revenue basis to the Arafura Games committee. It was on a cost-recovery for them to make shirts, basically to try to give some look and feel to the event, as per other ...

**Mr HIGGINS:** Was there any arrangement if they made a loss that the government would pay that loss?

**Mr WATSFORD:** No.

**Mr HIGGINS:** Okay.

**Madam CHAIR:** I think you are referring to what was given to athletes in a backpack. I do not think there were any backpacks for sale ...

**Mr HIGGINS:** I was giving examples. There was stuff that was for sale at various points. It was just that ...

**Madam CHAIR:** There were a few T-shirts.

**Mr HIGGINS:** I am not worried about the giveaways that we gave to the athletes.

**Madam CHAIR:** I think that is in that figure of \$159 000.

**Mr HIGGINS:** That was the question I was trying to get an answer to.

**Madam CHAIR:** Further questions?

**Mr HIGGINS:** No.

**Madam CHAIR:** No? There being no further questions ...

**Mr MILLS:** Yes, we do have one. Sorry. This is probably for Mr Watsford. What work is presently being undertaken by Major Events to liaise with our Asian and Pacific neighbours regarding the provision of information and contacts concerning the organisation of the next games?

**Mr WATSFORD:** Could you restate that question?

**Mr MILLS:** What work is being undertaken at the moment to liaise with our Asian and Pacific neighbours regarding the provision of information and contacts concerning the organisation of the next games?

**Mr WATSFORD:** Sure. The staff within my office are currently working DFAT and have been, literally, since they came on board towards the end of 2018 in relevance to 2019. In addition, there are two staff members currently going to the South East Asian Games who are over there as we speak.

**Mr MILLS:** Any more?

**Mr WATSFORD:** We are in touch with the sports on an NSO perspective on a daily basis trying to work out ...

**Madam CHAIR:** What does NSO mean, sorry, Mr Watsford? NSO?

**Mr WATSFORD:** National sporting organisation.

**Madam CHAIR:** Thank you very much. Just to clarify that for Hansard. Does that answer your question, Member for Blain?

**Mr MILLS:** Yes. Mr Drabsch also wanted to ...

**Mr DRABSCH:** Yes, Member for Blain. We are taking every opportunity as we engage with our markets to the north such as through the Shenzhen trade mission and the visits to Singapore and so forth to promote participation in the games, both in the sporting sense and in business visitation.

**Mr MILLS:** Thank you. I would have expected to hear a response that indicates the capital that was created by these games in the contacts, and how you are managing and building on those. It seems to be the object of the game was to build those connections. Am I assuming that those connections are now well-managed and being engaged with a view to 2021?

**Mr WATSFORD:** Regular conversations through my office.

**Madam CHAIR:** Ongoing contact—is that what you are saying?

**Mr WATSFORD:** Absolutely—daily.

**Mr DRABSCH:** Several of the relationships with our business contacts we made with the engagement program are being pursued as a matter of course by my department.

**Mr MILLS:** Is there a report on the gains of the engagement? Principally, it is about the economic gains, ultimately, we gain from this kind of activity. Is there a report that is generated to give a sense of the gains that have been made in economic connections and business opportunities that have materialised into something?

**Mr DRABSCH:** To specifically answer your question, there is not a report, no. It would be a difficult thing to report upon because you are talking about development of relationships which may yield outcomes over months or possibly years.

I can undertake to come back to you with any things which have been achieved in the period since the games, but it has only been six months or so. This is about developing a culture of trade and an interest and awareness of the opportunities in the Northern Territory. As I indicated in the statistics, we achieved that in the participants there. We will continue to pursue that as part of our normal course of business.

**Mr MILLS:** And for your department, sir, is there some stand-out lessons that have been presented through this exercise that shows you areas you might need to target more for the benefit of the Northern Territory for economic gain?

**Mr DRABSCH:** Nothing specifically that came out of the games. We are quite happy with the breadth of representation of the countries that attended. There are probably a couple more we would have liked to have come, or larger delegations from some countries.

There was a parallel process that was run by the Chamber of Commerce. Next time around, we will better integrate with that process and maximise the opportunities that come from there.

**Mr MILLS:** I am more specifically referring to not the range of countries represented—Iran or something was mentioned—but ones that align with our trade objectives for the Northern Territory specifically ...

**Mr DRABSCH:** Local, yes.

**Mr MILLS:** ... like China, Japan, Indonesia, Malaysia and India, Are there some of those that have emerged as improved prospects as a result of the games?

**Mr DRABSCH:** It is one step in an ongoing process of promoting trade and investment into the Territory. The Arafura Games is a very useful tool to utilise in that context of promoting greater—not that there is simply an economic exchange but there is a cultural exchange as well. That helps build that relationship and the basis of trust upon which stronger trade relationships can occur.

**Mr MILLS:** I am fully aware that it is a tool to be applied. I am wondering how it is being applied to advance our economic interests through culture and sport. Is there any country that has your interest as one that we might need to engage more actively through this vehicle of the Arafura Games?

**Mr DRABSCH:** We are keen to expand the engagement of a number of the countries that came along—Indonesia in particular is a target market for us, as well as Timor-Leste and Vietnam. Singapore, Malaysia and southern China are probably the immediate targets.

**Madam CHAIR:** Member for Daly, your last question?

**Mr HIGGINS:** This one you may need to take on notice. The figure of arts and culture—we have \$571 000-odd which covers opening and closing ceremonies and city activation of programs such as Purple Patches. Can we get a breakdown of—bundle together the opening and closing ceremonies, by all means—the different city activation programs like the Purple Patches et cetera?

**Madam CHAIR:** Do you want them broken down—the cost?

**Mr HIGGINS:** They probably need to take that on notice.

**Madam CHAIR:** Do you have a breakdown of those costs, Mr Watsford?

**Mr WATSFORD:** A simple top line one—opening and closing ceremony was \$500 000. The remainder was put towards city activation, Purple Patches, flags in the street, et cetera.

**Mr HIGGINS:** Okay. That will do me. That is good enough for me.

**Madam CHAIR:** Thank you. There being no further questions, I will call a close to this public hearing. I will take a moment and thank you, Mr Drabsch for attending, and thank the two gentlemen, Mr Andrew Hopper and Mr Tim Watsford for calling in, interrupting your busy schedules. We appreciate it and thanks again for coming.

**Mr DRABSCH:** Thank you, members, thanks for the opportunity.

**Mr HOPPER:** Thanks for having us.

**Mr WATSFORD:** Thank you.

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The committee concluded.

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