

The Estimates Committee convened at 8.00 am.

**Mr 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 extend a welcome to everyone 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 19<sup>th</sup> year of the Estimates Committee process. The procedures of the committee have become well-established over that time, which I have outlined in the Estimates Information Manual available on the Assembly's website.

I will, however, highlight a few key procedural points. The agenda for the consideration of outputs gives the order that outputs will be considered. I remind members to seek clarification from the minister at the beginning of a hearing if they are unsure of which output a matter falls under.

It is important that each question on notice is given a number and repeated so its terms are clear. I will interrupt whenever a question is taken on notice to ensure this occurs. I may also interrupt when answers are given to clarify the question number it refers to. Questions on notice must be answered by 22 January 2021. Under the Assembly's resolution the committee is not able to accept any answers after that date.

The need for COVID-19 safety has meant changes this year, as you can see. As required by the Assembly, the committee has developed a COVID safety plan that has been approved by the Chief Health Officer. That plan includes room restrictions on the Litchfield, Eusey, Ormiston and Nitmiluk rooms. The Litchfield Room's limit is 20 persons; there are seats for 16, which means that there should be no more than four other people in the room at any one time.

The plan also provides that only the staff of the agency currently before the committee will be on Level 3. Staff from the next agency to appear before the committee can wait on Level 4 in the Nitmiluk Room or lounge. I ask that agency staff leave Level 3 promptly when their hearing is complete so we can admit the next agency while maintaining appropriate physical distancing.

There will be a short break between each agency for the transition and we may take short breaks during the hearings as they are quite lengthy—four hours. We may take a break to freshen up, have a cup of coffee and a toilet break.

## MINISTER GUNNER'S PORTFOLIOS

### AUDITOR-GENERAL'S OFFICE

**Mr CHAIR:** The committee will now proceed with consideration of the estimates of proposed expenditure in the order set out in the agenda for the consideration of outputs, commencing with the Chief Minister and the Auditor-General's Office.

Chief Minister, welcome. I invite you to introduce the officials accompanying you.

**Mr GUNNER:** Mr Chair, I am here with the Auditor-General, Julie Crisp. I follow in a long line of Chief Ministers who have come before the Estimates Committee with the independent officers. While we set their budgets, I also respect the independence of an independent officer. Normally at this point, I hand to the Auditor-General. She will make an opening statement, if that is okay, Chair?

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

**Ms CRISP:** To put it into context I will do a summary of the year that has been and where we are now. This year ended 30 June 2020. The office delivered 139 audit tasks and tabled four reports to the Legislative Assembly compared to 135 and three reports in the prior year.

The audit program enabled a detailed and robust review of financial and compliance matters affecting the public account and ensured sufficient audit work was undertaken in order for me to form an opinion on the Treasurer's Annual Financial Statements.

The audit program continued to focus on performance management systems, audits and data analytic exercises which are designed to contribute to improved public sector governance accountability, performance reporting and transparency.

There were uncommon events affecting the office during the year, including: the relocation of the office to new premises; temporary changes to office personnel to address long-term paid absences; the triennial tender process to appoint firms to the panel contract for audit services, which is effective from January 2021; an additional report to the Legislative Assembly tabled in June 2020 to facilitate the election process, which required August sittings not to be held; delivery of the audit directed by the Chief Minister in accordance with section 14 of the *Audit Act* which related to superannuation payments; and planning and preparing for operational disruption as a result of COVID-19.

Total income for the financial year just gone was \$5.58m of which appropriation was \$3.05m. That was above the original budget of \$5.1m. It reflected increased recovery of audit costs from statutory entities. When we bill statutory entities for audit services that recovery is also revenue.

The office is dependent upon adequate appropriation funding to deliver audit services and continue to provide an appropriate level of assurance with regard to the public account.

Expenses for the office were \$5.46m, which was also above the original budget because those costs were recovered. Actual audit costs are affected—and change annually—by the number of audits, the nature and scope of each audit, the time it takes to complete each audit, the composition and experience of the audit team assigned to the audit, annual contractual price escalations for service providers and increasing market rates.

This year the increase in cost was also driven by the need to audit the impacts of new accounting standards, because we are all in to change as accountants and they affected revenue and leasing arrangements.

We have five full-time equivalent staff. It is the same number we have had going back quite some years—decades, in fact—although the employee costs were higher this year due to additional costs needed to temporarily backfill staff who were on extended paid leave.

Overall there was a surplus of \$113,000 that was returned. For the year 30 November 2020, the 2020–21 year, we have so far recorded revenue of approximately \$2.54m including appropriation of \$1.28m and expenditure of \$2.7m. If you have done the sums on that, you realise that as at 30 November we had a deficit position of about \$160,000. That reflects the timing of the audit work, of which a large proportion has been done but the recovery occurs through appropriation on a fixed schedule. We expect to finish the 31 December six months with a small surplus and also take a small surplus at the end of the year.

We have 124 audit tasks scheduled; that is 15 less than we have just done in the 2020 year. The reduction from that reflects the machinery of government changes which have seen the reduction in agencies. We have four less agencies. Charles Darwin University, which I also audit, disposed of five entities during the year; that is another five audits. We have resourcing constraints which are affecting delivery of the performance management system audit program. We have scheduled three fewer of those this year.

We are anticipating that the new audit panel contract that will come into play from January 2021 will see increased costs associated with the delivery of services. As with any contract, you see the rates escalate. We are also expecting further new and amended Australian accounting and auditing standards, and also impacts from increased regulation of the audit services industry as a result of the Commonwealth joint parliamentary committee inquiry into audit quality.

This year we saw the risk to audit services, appropriate segregation of duties and succession planning as highlighted in strategic reviews of the office realised during the 2020 year, and will continue into 2021. As a result, in order to cover staff absences, we have had a number of personnel not taking scheduled leave to ensure the continued delivery of audit services. This highlighted that we need to look at the existing staff structure and its adequacy to meet the office's mandate. My annual report for the office acknowledges commitment of the four permanent staff within the office but also two temporary employees and one former staff member who assisted during the year.

In closing, I recognise the efforts of Principal Auditor Sue Cooper. Sue has been with the office for many years. She is headed for her next lot of long service leave. Sue and I coordinated the service delivery of the full audit program and the additional reporting to parliament for a number of months during the extended absence of key audit staff this year. Sue worked extended hours throughout the year and has gone above and beyond expectations to ensure that we delivered the program despite COVID-19 and the staff absences.

I am happy to take any questions.

**Mr CHAIR:** I will now invite the shadow ministers to ask questions first followed by committee members. Finally, other participating members may ask their questions. Other members may join in line with the questioning pursued by the shadow minister, rather than waiting for the end for questioning on an output.

**Mrs FINOCCHIARO:** The Auditor-General mentioned resource constraints, which is not allowing them to undertake their performance management capabilities clearly as extensively as they would like. Is that a way for your government to ensure that the Auditor-General's office is not properly performance managing your government?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** Then why are their resource constraints?

**Mr GUNNER:** We are in difficult fiscal times. Every aspect of government would like ...

**Mrs FINOCCHIARO:** You really believe that? Our budget has blown out to \$8.4bn.

**Mr CHAIR:** Chief Minister?

**Mr GUNNER:** Noted.

**Mrs FINOCCHIARO:** No, you can keep answering the question about why there are resource constraints. You do not seem to care that there are fiscal restraints, given the reckless spending of your government.

**Mr GUNNER:** Chair, this may be question then answer, rather than debate. I am happy to take a question and answer it. I would ask for respect from the shadow minister on how she engages with the interjections.

**Mr CHAIR:** Let us just keep to one question and one answer.

**Mrs FINOCCHIARO:** Okay, you can only handle one question at a time. Why are their resource constraints for the Auditor-General? Is it because you do not want the Auditor-General's office to be able to performance manage your government?

**Mr GUNNER:** As already answered, no.

**Mrs FINOCCHIARO:** Then why are there resource constraints?

**Mr GUNNER:** The government is in a difficult fiscal position. Every aspect of government, at the moment, is responding with discipline. I think I have heard every Auditor-General say they would like to have more money but no one is better placed than an Auditor-General—I will pass to Julia, I will not speak for her—to understand the fiscal position that the government is in and the importance of acting with discipline.

I am more than happy for the Auditor-General to answer further as to how she manages her office—which genuinely delivers very good Auditor-General's reports that government always takes seriously.

**Mrs FINOCCHIARO:** Chief Minister, when it comes to scrutiny ...

**Mr GUNNER:** Sorry Chair, I passed that on, no ...

**Mrs FINOCCHIARO:** My question was not to the Auditor-General, with respect.

**Mr GUNNER:** No, that is not how this works. A question is asked ...

**Mrs FINOCCHIARO:** Why are you putting up your hand? I asked you a question. I did not ask the Auditor-General a question.

**Mr CHAIR:** Opposition Leader, just one moment please.

**Mr GUNNER:** How a question is answered ...

**Mr CHAIR:** One moment.

**Mrs FINOCCHIARO:** Is the only time your government cares about fiscal restraint is when it is on agencies that scrutinise your government?

**Mr CHAIR:** Opposition Leader, one moment please. We will just try and keep it orderly, since we have just started and it is only 8.12 am. Let us try and have on question at a time. We are having questions relating to the opening statement.

**Mrs FINOCCHIARO:** That is right and the Chief Minister answered and I have asked my next question. Is the only time ...

**Mr GUNNER:** Stop, Opposition Leader.

**Mrs FINOCCHIARO:** You cannot tell me to stop ...

**Mr GUNNER:** I can, because you have asked a question and I am allowed to answer it. And the answer requires the ability for me to talk ...

**Mrs FINOCCHIARO:** I do not know who you think you are but I am asking the questions today, Chief Minister, and just because you do not want to answer them does not mean that I am not the one asking the questions today.

**Mr CHAIR:** I would remind people that we are here in the Estimates Committee. All the standing orders and procedures within the House are relevant.

**Mrs FINOCCHIARO:** Would you like to explain that to the Chief Minister, Chair?

**Mr CHAIR:** I have been given the fortunate opportunity to chair this for 60 hours this week. It is going to be a great experience for me. But all the procedural motions that hold within the House will hold here.

I ask you please, all members of the committee, to pay the same respect to the Chair, whether I am sitting here or the deputy is, over the next 60 hours—the four and half days. If it does get out of order, if myself or the Deputy Chair deem it out of order, there is the opportunity to have people withdrawn for one hour.

I will put everyone on notice now, this will be the first warning at 8.13 am. Let us have a nice orderly Estimates Committee and ...

**Mrs FINOCCHIARO:** Sorry, Mr Chair, what are you sanctioning? You are giving everyone a warning right now?

**Mr CHAIR:** Opposition Leader, I am saying all the standing orders and procedural orders from the House ...

**Mrs FINOCCHIARO:** That is exactly right. Can I continue to ask my questions to the Chief Minister please?

**Mr CHAIR:** Once I give you the call.

**Mr GUNNER:** Mr Chair, the call is with me. The question has been asked ...

**Mr CHAIR:** Hang on, I have not finished. What we will try to do, considering we are very early in the piece, is keep it orderly and ask questions.

**Mrs FINOCCHIARO:** With respect, it is orderly. All that has happened is the Chief Minister wants the Auditor-General to answer the question; I have asked the Chief Minister the question, not the Auditor-General.

**Mr CHAIR:** Excuse me Opposition Leader, you have just interrupted my three times in the first 13 minutes of the committee ...

**Mrs FINOCCHIARO:** With respect, Chair, you are taking up a lot of time.

**Mr CHAIR:** If you would like to go through an argument about whether or not you are interrupting and whether or not there are questions being answered or not, I am simply alerting you to the fact that there are procedural motions in this ...

**Mrs FINOCCHIARO:** I am very well aware, Mr Chair, of the procedures of the department.

**Mr CHAIR:** If you would like to respect them and please ...

**Mrs FINOCCHIARO:** Yes, can we please get back to the questions?

**Mr CHAIR:** ... allow the Chair when speaking to speak. As I have just said, there is now warning for everyone in this committee from now. Are there any other questions relating to ...

**Mrs FINOCCHIARO:** Yes.

**Mr GUNNER:** I have answered the last question. Once a question is asked, the minister who is attending—in this instance the Chief Minister—and the witnesses are in a position to answer. How it is answered is dependent on the minister. It is not determined by the shadow minister. I have received the question and am now asking the Auditor-General to add to that answer as is appropriate and as will happen a lot over the next 60 hours.

The answers are determined by the answerer, not the questioner...

**Mrs FINOCCHIARO:** With respect ...

**Mr GUNNER:** I am now passing to the Auditor-General ...

**Mrs FINOCCHIARO:** Point of order! I asked the Chief Minister a question and he then asked the Auditor-General a different question that he would like her to answer. That is not my question.

**Mr GUNNER:** That is incorrect.

**Mrs FINOCCHIARO:** He has answered my question and cannot propose a new question to the Auditor-General. I would like to ask my next question of the Chief Minister.

**Mr GUNNER:** I am still answering the question.

**Mr CHAIR:** Opposition Leader, could you please repeat your question so that it is clear.

**Mrs FINOCCHIARO:** My question to the Chief Minister is around the resource constraints. He answered that and said words to the effect of 'the Auditor-General is more than capable of explaining how she runs her office' et cetera. That is not my question.

**Mr CHAIR:** Could you repeat your question, not the answer, so we can be clear as to what it is?

**Mrs FINOCCHIARO:** My question was: has your government given resource constraints to the Auditor-General to avoid scrutiny on performance management of your government? This is a different question to the one being asked of the Auditor-General.

**Mr CHAIR:** The Chief Minister has answered. Chief Minister, are you asking the Auditor-General, Ms Crisp, to add additional information to that?

**Mr GUNNER:** Yes.

**Mr CHAIR:** Auditor-General, you have the call.

**Ms CRISP:** In relation to the resourcing constraints, the resourcing has not been changed or reduced. We are very aware that there are members within the office who are entitled or becoming closer to entitlement for long service leave. We need to manage how we are going to backfill those positions and ensure we have adequate resources to manage segregation of duties issues and business succession.

The budget itself has not been reduced but there is fiscal restraint that is required of agencies; my agency is no different in that regard. We are managing within the budget that has been established but it has not been reduced beyond efficiency dividends, which apply to everyone, and reallocation of repairs and maintenance budgets across to DIPL, which is consistent with every other agency.

**Mrs FINOCCHIARO:** Auditor-General, in your June report you wrote at length about the superannuation overpayments and underpayments. What is the total amount of incorrect overpayment and underpayments that have been identified to date?

**Ms CRISP:** It is probably a question better directed at the Department of Corporate and Digital Development because it was the one capturing the final calculation. The audit concluded prior to the final numbers being determined and notified.

I reported on 17 June and I have not followed up with the agency yet to see if those figures have changed. I will say in relation to them is that from a financial perspective, whilst they are very much material to the recipients of superannuation, it is not material over or understatement from a Treasurer's Annual Financial Statement's perspective. Anything under the \$50m mark is not considered material in its entirety. They were roughly at \$30m in calculations of underpayments.

**Mrs FINOCCHIARO:** In your report you identified that the problem could be much larger but you were unable to determine whether the adequate corporate government systems were in place regarding payroll systems. Could you expand on that?

**Ms CRISP:** To put context around the superannuation and the Northern Territory Government payroll, you are looking at quite a number of enterprise agreements that have been in place for some time. Within those agreements there are numerous clauses which relate to penalty arrangements, overtime and the like. Superannuation is applied to some but not all earnings and in the absence of going through and testing every award clause against what has been paid through the system, I am unable to make a call on whether the matter has been fully addressed.

We undertook testing on a sample basis. In the majority of the samples we found issue with the application of the payment, whether that related to allowances or having superannuation applied to elements that should or should not have been included.

From the work we did—it is a big piece of work. I commented at the time that I could be gainfully employed doing that for the rest of my term. I think there are opportunities for controls of superannuation to be enhanced within the agencies that process those.

**Mrs FINOCCHIARO:** Will that happen?

**Ms CRISP:** That is a question better put to the agencies that have carriage of the payroll process.

**Mrs FINOCCHIARO:** It is entirely up to them whether or not they improve their payroll accountability and governance systems?

**Ms CRISP:** It is. I cannot enforce changes to systems or processes. All I can do is point out what is not working so well and, in fairness, acknowledge what is working.

**Mrs FINOCCHIARO:** Chief Minister, you are the chief; leadership comes from the top. Will you be requiring agencies to ensure their payroll systems are adequate?

**Mr GUNNER:** We asked the Auditor-General to look at this; we thought it was a very important area for additional scrutiny. We realised this was occurring last term and acted to fix it. People who have earned super should get their super. It had been happening over a number of years and terms of government.

We have a complicated set of EBAs. As the Auditor-General commented, there are different payment systems; some do accrue super and some do not. DCDA, which will be prepared to take these questions, is doing the work to make sure we can get people the super they should rightfully have. That is a very important point. This is money they have earned; it is for their retirement.

We agreed as a government to pay super beyond the point that we were legally obliged to because it was due for a long time during the CLP era and the previous Labor government era. We back-paid the

superannuation, which was an important thing to do because this was money earned for retirement. DCDA is doing that work and will be more than happy to take more questions on that.

**Mrs FINOCCHIARO:** You said that you back-paid the superannuation, but did you get back the overpayments?

**Mr GUNNER:** DCDA will be more than happy to take questions on that. It was a complex situation.

**Mrs FINOCCHIARO:** Sorry, that was incoherent. Have you recovered the overpayments of superannuation?

**Mr GUNNER:** I was very coherent. It went to how estimates works. At the output when DCDA is here, they will be happy to answer that question.

**Mrs FINOCCHIARO:** What output would that be? Just for absolute accuracy.

**Mr GUNNER:** The minister for the department of corporate and digital advancement will be more than happy to advise you in his opening statement, at which point you can ask that question. We know where DCDA sits.

**Mrs FINOCCHIARO:** You will not be answering any questions on whether or not your government will ask for the overpayments to be put back?

**Mr GUNNER:** As is normal for estimates, the questions to the output occur at the output. These estimates will run like every other estimates.

**Mrs FINOCCHIARO:** Auditor-General, we are pressed for time today, given that the Chief Minister's department comes last. You are always available for briefings and follow-ups. Thank you very much for your time today; we do not have any further questions.

**Mr TURNER:** What general changes do you see coming for the rest of the financial year?

**Ms CRISP:** That is a big question.

**Mrs FINOCCHIARO:** It is a question designed to waste time, Auditor-General.

**Mr CHAIR:** Opposition Leader, come on—easy.

**Ms CRISP:** From an audit office perspective we are seeing, and will continue to see, the roll-out of the stimulus initiatives and conclusion of the stimulus initiatives in relation to COVID-19. That will continue to be a focus for us from an audit perspective. Having a look at how those payments are made is an additional factor this year that we have not seen before.

The machinery of government changes for us result in quite a complex rearrangement of the audit program because the level of transactions largely does not change, but the departments they sit within does. The structure of the agencies—we need to follow through.

They are big-ticket items for us. It would be appropriate to say that the plan for budget repair—we are quite focused on what has been done across government to look at that. That is a space where I would like to be doing a bit more activity. I think that would be valuable to the parliament.

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

**Mr CHAIR:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation (2020–2021) Bill as they relate to the Auditor-General's Office. Are there any agency-related, whole-of-government questions on budget and fiscal strategy?

That concludes this section.

### **OUTPUT GROUP 1.0 – AUDITS AND REVIEWS Output 1.1 – Audits and Reviews**

**Mr CHAIR:** The committee will now consider Output Group 1.0, Audits and Reviews, Output 1.1, Audits and Reviews.

That concludes this section.

**OUTPUT GROUP 2.0 – CORPORATE AND SHARED SERVICES**  
**Output 2.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now consider Output Group 2.0, Corporate and Shared Services, Output 2.1, Corporate and Governance. Are there any questions?

**Mrs FINOCCHIARO:** We do not have any further questions for the Auditor-General.

**Output 2.2 – Shared Services Received**

**Mr CHAIR:** The committee will now consider Output 2.2, Shared Services Received. Are there any questions? That concludes questions for Output 2.2 and Output Group 2.0.

Are there any non-output specific budget-related questions?

**Mr TURNER:** Auditor-General, how has COVID-19 affected your audit response?

**Mrs FINOCCHIARO:** She has already explained that.

**Ms CRISP:** It is primarily through additional audit work we are doing. We are looking at a range of COVID stimulus initiatives, primarily to see what the ultimate cost to government is associated with those, but more importantly to look at the processes by which they have been awarded and to make sure they were fair and equitable. That has been one impact.

The other impact has been on our ability to access agencies during the COVID shutdown period and the impact that had—perhaps increased costs because of the need to work remotely rather than being there to ask questions.

I acknowledge that the agencies responded as efficiently and effectively as they always do. Irrespective of the impacts of COVID-19, agencies and their CEOs have been responsive, as always.

**Mr CHAIR:** On behalf of the committee, I thank you, Auditor-General, for your attendance today.

**NORTHERN TERRITORY ELECTORAL COMMISSION**

**Mr CHAIR:** Chief Minister, I invite you to introduce the officials accompanying you and make an opening statement regarding the Northern Territory Electoral Commission.

**Mr GUNNER:** Thank you, Mr Chair. As before, I respect the independence of the Electoral Commissioner and am happy for him to make the opening statement rather than me.

**Mr LOGANATHAN:** Although the election was run in this financial year rather than the previous financial year, given the timing of estimates this year I am happy to take any questions in relation to the financial aspects of the election or any other aspect of the election that members may have.

The year 2019–20 was largely dominated by preparation for the August election. The total appropriation for the agency in that financial year was \$3.03m, and \$1m of that was preparation costs for the election. We generated \$77,000 through the conduct of eight local government by-elections, and \$5,000 through the conduct of six fee-for-service elections. The total expenditure was \$3.7m, with \$2m of that for staff and \$0.9m for administrative costs.

The agency was estimated to run at a \$121,000 loss but it ran at a \$470,000 loss. That was predominately because the agency did not seek reimbursement of costs for the Johnston by-election which was \$153,000 and costs related to the redistribution, incurred in 2019–20, which was \$70,000.

In relation to the election, the initial estimate for the cost of the election was \$3.9m. Cabinet approved \$3.5m with \$1m approved in 2019–20 and \$2.5m approved in this financial year. In 2019–20, \$0.955m was expended during the election and to date, we have spent \$2.543m this financial year in relation to the election. There are costs related to the election that we are still incurring and they relate predominately towards the follow-up of non-voters and the review of political donation returns that is being done by the accounting firm BDO.



It is estimated that the total cost of the election will be approximately \$3.7m. In agreement with Treasury, no additional funds were sought to cover any COVID-related costs. This included additional staff for cleaning, queue controllers at voting centres, single use pencils, additional early voting centres and extended opening hours that were conducted during the election including opening up for the middle weekend.

In relation to COVID, the agency had a COVID management plan. We had procedural and operating plans and we also had plans in relation to political parties and how they conduct their activities so they were COVID compliant. All these plans were and still are available on our website.

I thank the Department of Health for the extensive advice they provided to the commission during the election to ensure that we conducted things to mitigate the introduction or spread of the virus. Generally the advice they gave was to limit queueing in urban centres hence the significant push towards people to early vote. In remote locations the advice was to do everything we possibly could to mitigate the chances of introducing the virus to remote communities.

It is estimated that the additional cost in terms of COVID compliance added about 15% to our expenditure on the election. In discussions with other electoral commissions recently, this is aligned with Victoria, Queensland and the ACT, who have recently conducted elections. Their additional costs have been between 20% and 30%.

**Mrs FINOCCHIARO:** Chief Minister, why were there no additional funds provided to the electoral commission to cover their COVID costs?

**Mr GUNNER:** Government always pays its bills. The Electoral Commissioner was asked to run the election, which I think he did in an extremely good way. Treasury's advice is that we will be able to pay the bills at the end of it. No one knew or was able to quantify what the costs were. The commissioner has just gone through what the costs are now but that was the way Treasury agreed with the Electoral Commissioner to handle the bills.

**Mrs FINOCCHIARO:** Treasury told the electoral commission they would not be receiving additional funds and as a result the electoral commission had to cover the costs which clearly means the money was taken from somewhere to go into those extensive additional costs.

**Mr LOGANATHAN:** I am happy to answer that question.

**Mrs FINOCCHIARO:** I am sure the Chief Minister is very happy for you to answer the question, commissioner.

**Mr LOGANATHAN:** Opposition Leader, in our discussions with Treasury, we proposed that we would not seek additional funds; that we would keep Treasury informed in relation to what the general costs of compliance were. We did not know what would occur or what would happen if there was community spread during the election. The agreement we had with Treasury was that we would keep them informed. We had an approved budget; we would work towards that budget. If there was significant variance to that budget in relation to COVID or any other measure, then we would keep them informed.

**Mrs FINOCCHIARO:** Where will that additional \$200,000 come from?

**Mr LOGANATHAN:** We would seek a Treasury's Advance during this financial year to cover that cost.

**Mrs FINOCCHIARO:** Commissioner, how many complaints were received relating to the 2020 election?

**Mr LOGANATHAN:** I do not have that number in front of me. I am happy to take that on notice. We have a complaints register that lists every complaint and I will provide that.

**Mrs FINOCCHIARO:** I will take that on notice, Chair.

**Mr CHAIR:** I remind the commissioner and the committee that questions on notice are provided to be back to the committee by 22 January 2021—a quick turnaround.

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#### Question on Notice No 1.1

**Mr CHAIR:** Opposition Leader, please restate the question.

**Mrs FINOCCHIARO:** How many complaints were received relating to the 2020 Territory election and what were the broad categories of those complaints?

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** We are happy to take that question on notice.

**Mr CHAIR:** The question from the Opposition Leader is allocated the number 1.1.

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**Mrs FINOCCHIARO:** There was a lot of talk following the election of low voter turnout in the bush. Could you shed additional light on that? Has your office been able to crunch those numbers and assess if there was low voter turnout?

**Mr LOGANATHAN:** We have been having a look at the numbers. We are writing the election report and looking at the data. Generally, turnout overall this election was 74.9%, which was a slight increase from 2016, when turnout was 74.1%.

In relation to the bush, it is clear—and I made a number of statements during the election that this is not solely a COVID issue—there has been declining turnout in the bush. What was clear in regard to turnout in the bush was that COVIDS had an impact because activities that occurred in the bush, whether it be ceremonies, funerals or other traditional activities, had been delayed during the biosecurity restrictions. That meant that there were fewer people on community. People were also doing traditional activities that they were unable to do during those biosecurity restrictions.

If you look at the data in relation to what we have provided so far, turnout overall in the bush was—basically, in comparison with 2016. We had divisions, like the Division of Arafura, that were under 50% in 2016, and that is now over 50%. But you will see that in a number of remote divisions the turnout is in the low 50%. That is an issue, but it has not just been an issue at this election; it has been a trend for a number of elections.

**Mrs FINOCCHIARO:** Your report in 2016 was tabled in May. Could we expect your report to be around the same time next year?

**Mr LOGANATHAN:** That is the plan. We are drafting the report and intend to table it in a similar time frame.

**Mrs FINOCCHIARO:** I am conscious of the time—we have a very big day—but your office is always available for briefings and is prepared to take written questions and the like. Thank you very much. That will conclude our questions for your today.

**Mr COSTA:** Commissioner, I appreciate the work you do in remote communities, especially for my area of Arafura. It was one of the lowest ones with turnouts. Communities had cultural business on the day of polling and many missed out on the opportunity to vote. This was the case in many other places too. How can you see a way forward in ensuring that they are not disenfranchised at the next election?

**Mr LOGANATHAN:** It is an extremely difficult problem to solve. It is clear—I say this in relation to the upcoming local government election next year—that communities are pushing for extended voting opportunities. The feedback provided to us is that in urban areas people can postal vote, early vote and vote on the Saturday. In remote communities, even in larger communities, we might only be there for half a day or for a day. If that is not convenient for other reasons, then with the declining postal services people are disenfranchised.

The model we will explore in the election next year with LGANT and councils is to provide an extended early voting option in communities that want to trial it. We have not had particular discussions with Tiwi in that regard, but in MacDonalld they would be looking to provide an extended one-week early voting service using their staff, who we would train. We would look at ways to address issues in relation to ballot paper security and transport of ballot papers as a way of extending the service to see whether it has a positive impact in terms of voter participation in remote areas.

**Mr GUNNER:** Do you know which communities?

**Mr LOGANATHAN:** Offhand I do not know; we are still negotiating that with MacDonald. The CEO and the mayor are keen to push this. I think there are 13 communities.

**Mr COSTA:** One of the things that I noticed at the last election was translation into language. It was not done very well. From what we saw, we did not utilise locals on the ground. A lot of countrymen, families, people and voters did not understand what was going on in areas of my electorate. I am sure this happened elsewhere around the Territory. Translation could have been done a lot better in regard to utilising interpreter services, shire councils and the land councils.

**Mr LOGANATHAN:** I will answer the question. Firstly, we did more with Indigenous media this election than we have done in any previous elections. We did extensive advertising in the nine languages that were advised by ABA and CAAMA in relation to pushing out the messages. We also used those organisations to do translations for us in relation to how people should vote and this information was available in every voting centre. If an elector came and said, 'Listen, I am unsure of the process', there was a message in language explaining how they could cast a formal vote.

We try to employ local people when we go to communities. We identified a number of people that the AEC had used, and we had use previously. Where possible we looked to hire local people and in some places they are not available. I agree with you that we need to do this more, but we have to balance this in terms of making sure we are providing a politically neutral process. It has to be individuals who are not aligned with political parties or candidates and feel comfortable in providing that service.

In the past the commission has had complaints about it in relation to the impartiality of this service when we hire local people because, quite frankly, our staff do not know what they are saying. That is why the preference has always been to have a translated service in a message that has been approved by the commission and have it available on a tablet. That is the primary way of providing this information.

In relation to the other question you stated, in regard to turnout in remote communities—this does not particularly answer your question, but another thing we looked to trial at this election was when we go to remote communities we tend to be in just one location, particularly in the large communities. We looked to split the teams and have them in multiple locations—the council office and the shops—to make it more convenient for people to vote. That was something we were keen to pursue, but COVID restricted that in relation to health. The advice was to generally stay in one location rather than move around. We think the key to improving participation is to make it more convenient. It works in urban areas; it should work in remote areas. It is something we will continue to trial at the local government election next year and future Territory elections.

**Mr COSTA:** It would be good to have a discussion later on in regard to outstations. A lot of the information did not get to people living on the homelands. I think we need to do a lot more work on that stuff.

**Mr LOGANATHAN:** I am happy to meet with you and whoever you decide would be able to assist the commission. Our job is to help Territorians vote, particularly Aboriginal Territorians in remote parts who tend not to participate. We are keen to do whatever we possibly can to get the message out.

**Mrs LAMBLEY:** I have a question.

**Mr CHAIR:** Welcome. The NT Electoral Commissioner, Mr Iain Loganathan, has made his opening statement.

**Mrs LAMBLEY:** Yes, I have been listening very intently.

**Mr CHAIR:** Sorry—technology.

**Mrs LAMBLEY:** I have not missed a word.

In terms of the low voter turnout—and my interest is usually always about Central Australia. You and I have been talking a little bit about the issue of resourcing and staffing in Central Australia in the Electoral Commission office. You closed the shop front about 18 months ago—well, no, it was about a year ago, was it not? Last summer.

Anyway, you closed the shop front and then had a single position based within a government department office. That position has remained vacant pretty much the whole time for the last 12 months. The person sitting in it has not been functioning; there has not been someone functioning in that position.

I just wonder—in that position a large part of the role is to go out and educate children and people about our democratic system of voting. I am wondering what the commitment is, particularly to Central Australia, regarding fixing the problem of low voter turnout and committing to educating people in Central Australia about our democracy? Up here we have Parliament House. All the kids come in and learn about democracy and how the parliament works. We do not have anything like that in Central Australia. On top of that we have a diminished and beleaguered Electoral Commission presence.

What is the future for Central Australia?

**Mr LOGANATHAN:** In relation to staffing in Central Australian, the agreement was that we would have one staff member and that they would be based within the Department of Local Government. That staff member left in January and it did not provide us the opportunity to recruit somebody else, and bring them on board, with the required experience to run an election. The decision was made to send staff from this office down to Alice Springs, which we did in June. We established an office and ran the election. They were there for three or four months.

At the moment we are talking with local government regarding their needs for next year. That is the primary need in terms of improving participation and enrolment for the upcoming election. I have recently been made aware that the AEC have advised that they will increase the resourcing for the Northern Territory. I spoke to the federal Electoral Commissioner and he said that funding will be allocated, specifically in regard to their remote enrolment program.

What makes sense to us is to do something jointly with the Australian Electoral Commission in whatever form that will be. I was only advised of the electoral commission's position last week and they have said that they will provide me with additional detail before Christmas. I cannot tell you today exactly what the plan is for Alice Springs next year but I can say that my preference would be to do something jointly with the Australian Electoral Commission. I would be happy to—once they tell me what they propose to do and what resource commitment they are making to the Northern Territory—get in contact with your office and provide you with a briefing in terms of what our future plans are for servicing the electors in Central Australia.

In relation to the other point that you made in regard to servicing schools, our education officer travels to Alice Springs and visits the schools there and conducts the same sessions as she would if she were in Darwin. We also conducted something we called Democracy Dash, which is introducing kids to the democratic institutions within the Territory and has them participate in a contest. We did that in Alice Springs as well. Whatever we do in Darwin, our intention is to provide a similar service to Alice Springs.

**Mrs LAMBLEY:** Does that include Tennant Creek and other regional centres?

**Mr LOGANATHAN:** We travel to the other regional centres, more on request. I cannot remember whether we did a Democracy Dash for Katherine or whether it was delayed because of COVID, but there was a plan to do an activity there. There are smaller numbers and fewer schools but where possible I am keen for my staff to travel and service the remote towns.

**Mrs LAMBLEY:** Can I clarify: at the moment, there is no NTEC presence in Central Australia at all?

**Mr LOGANATHAN:** That is correct.

**Mr MONAGHAN:** Have you conducted your internal review of the last election yet?

**Mr LOGANATHAN:** We are in the process of doing that. We do that in a couple of ways. One is to have internal discussions with staff who managed different aspects of the elections. We are also meeting with political stakeholders and seeking their feedback into aspects of the election that they thought worked well and did not work well. The information that we collate through that process will be documented in the election report.

**Mr MONAGHAN:** Having led that process this year in COVID and faced all those challenges, and put things in place, are there any that you feel will go on regardless of COVID, that you will implement a better practise in the future?

**Mr LOGANATHAN:** What is very clear is that early voting is the way of the future. That is the preference of electors. It is convenient, there is less queueing and you do not have to deal with party workers.

**Mr MONAGHAN:** A very fair comment.

**Mr LOGANATHAN:** That will be taken on board.

What is also very clear is that this is the first election where we had extended financial disclosure requirements, significantly more reporting and a cap for the first time. It is clear in the feedback that the reporting requirements are onerous, there is a lot of duplication involved in them and they are too complicated. While I fully support the measures in terms of increased openness and transparency, the compliance costs for parties and candidates is disproportionate to what is achieved. We need to work out how we can achieve those aims in a more simplistic way.

**Mr MONAGHAN:** Thank you to your team. You did a tremendous job.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2020–21 as they relate to the Northern Territory Electoral Commission. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

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

### **OUTPUT GROUP 3.0 – ELECTORAL SERVICES** **Output 3.1 – Electoral Services**

**Mr CHAIR:** The committee will now proceed to Output Group 3.0, Electoral Services, Output 3.1, Electoral Services.

I note that while the Chief Minister is responsible for the NT Electoral Commission responsibilities under the *Electoral Act 2004*, the Minister for Local Government is responsible for the NT Electoral Commission responsibilities under Chapter 8 of the *Local Government Act 2008*.

However, the committee has agreed that any questions for the commissioner regarding local government will be asked during his appearance with the Chief Minister today and the Electoral Commissioner will not be reappearing before the committee with the Minister for Local Government. Are there any questions?

**Mr TURNER:** How do you clarify, with a postal vote, who voted?

**Mr LOGANATHAN:** In relation to postal votes, it is very much like any elector who attends a voting day centre. They make a declaration in a voting centre; it is an oral declaration in a postal vote. It is a written declaration, they sign and date it and they put a time on it.

The requirement under the *Electoral Act* is that voters are required to cast their vote before 6 pm on election day and they make a declaration to that effect. That vote needs to be received by the commission on the Friday the week following election day.

As there was an extensive coverage post-election that Australia Post no longer postmark their mail, it is not possible for us to have an independent verification in relation to when this letter was delivered to Australia Post. Electors have to make a declaration and once we receive that declaration we do a witness check in relation to their signature on the postal vote compared to their signature on their enrolment form to ensure that it is the same person who is making the declaration.

**Mr TURNER:** In relation to the verification of that, is there any verification process regarding the timeliness?

**Mr LOGANATHAN:** We do not like to contact electors to confirm whether their declaration is accurate. We take their declaration at their word. It is just not a declaration it is an attestation that they are making. It is a statutory form they are completing and if there is any evidence that people have completed postal votes after 6 pm on an election day, we would certainly look into it. But there was no advice provided to me, at any point during the election, that this occurred.

**Mr TURNER:** To confirm, people complete the form, it is put through, but there is no verification process post that. If someone was to fill it in erroneously, unless there was evidence provided to you, that would go through. Is that correct?

**Mr LOGANATHAN:** That is correct. Unless there is evidence provided to us that something untoward had occurred, then that would be admitted.

I should also say that we particularly noticed in this election that a number of people who applied for postal votes and postal voted went into an election day voting centre or an early voting centre and voted there as well, because there were concerns in relation to if their postal vote was not going to be returned in time. In those instances, their postal votes were not admitted because their vote had already been admitted in an election day or early voting centre.

**Mr TURNER:** A further question in relation to postal votes. Are we aware of any instances of people not receiving their postal votes in a timely manner?

**Mr LOGANATHAN:** The answer to your question is that we received a number of queries in relation to people who stated that they did not receive their postal votes. Let me say that we made it clear in our communication and in discussions with Australia Post that there was a declining service, particularly to remote areas that were limited to a weekly mail run. We encouraged remote electors to apply for postal votes as quickly as they possibly could so that as soon as the ballot papers were printed they could go out in the first run.

Whenever anyone applied for a postal vote it was processed that day and sent to Australia Post. We did everything we possibly could to get the postal votes out. It is clear, particularly interstate, that some remote areas—and very much so overseas. There were minimal flights overseas during the election period and it was very unlikely that overseas electors would receive their postal votes even if they had applied well before we printed the ballot papers.

**Mr COSTA:** As of 30 June, enrolment in the NT was 62.9% compared to the national average of 85.8%. What are your plans to ensure that this 22.9% gap begins to close for 2024?

**Mr LOGANATHAN:** Firstly let me say that that is a very disappointing figure. It is a clear case that Aboriginal participation in the electoral system is significantly lower than non-Aboriginal participation. In regard to the electoral roll, it is maintained by the Australian Electoral Commission. They are responsible for maintaining the roll and we pay the Australian Electoral Commission to use their roll. It is used at all elections in the Territory. That does not mean we do not have a role and we place great importance on Aboriginal participation.

In terms of the long run, of how we increase Aboriginal participation, we have automatic enrolment that applies in urban areas in the Northern Territory. It does not apply to remote areas because they do not have a reliable mail delivery system to the household. We are talking with the Australian Electoral Commission to change this view. More communities are receiving mail on a regular basis and to the household. There needs to be flexibility in relation to how they apply these provisions so that data we receive from Centrelink, the Motor Vehicle Registry and the tax office can be used in remote areas to update and enrol remote Aboriginal people, as we do to anyone in an urban area.

That is the longer term trend in terms of improving participation. In the short term, over the next year we will be working with local councils as well as LGANT to get more Aboriginal people enrolled and participating.

One of the positive initiatives from this election has been 'on the day enrolment' where people who were entitled to be on the electoral roll but were not on it were able to enrol at voting centres and have their votes counted. We had 1,700 admitted to the count based on this provision, which is a positive one. It is a case of a savings provision but one that we will hopefully not have to use if we already have more people enrolled.

**Mr GUNNER:** Just one moment Mr Chair, I want to clarify an aspect of the Electoral Commissioner's answer. He said he had a role and I was checking he meant he has a 'role' in the 'roll'. There is only one roll for the Territory, which the AEC is managing, but the Electoral Commissioner has a role—R-O-L-E—in how we maintain the roll—R-O-L-L.

**Mr CHAIR:** That concludes consideration of Output Group 3.0.

#### **OUTPUT GROUP 4.0 – CORPORATE AND SHARED SERVICES**

##### **Output 4.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now move onto Output Group 4.0, Corporate and Shared Services, Output 4.1, Corporate and Governance. Are there any questions?

**Mrs FINOCCHIARO:** We do not have any more questions for the Electoral Commissioner. I appreciate that you have enthusiastic, brand-new backbenchers, but you are in government and there are plenty of opportunities to ask the Electoral Commissioner or your Chief Minister any questions you like. I suggest it is not the time for the backbench to filibuster the day. I ask respectfully that if you have further questions for the Electoral Commissioner you do so in your own time.

**Mr CHAIR:** Thank you, Opposition Leader, I will take that as a comment.

#### **Output 4.2 – Shared Services Received**

**Mr CHAIR:** The committee will now consider Output 4.2, Shared Services Received. Are there any questions?

There are no questions. That concludes Output 4.2 and Output Group 4.0.

Are there non-output specific budget-related questions? No.

On behalf of the committee, I thank the Electoral Commissioner for attending today.

#### **OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION**

**Mr CHAIR:** Chief Minister, I invite you to introduce the officials accompanying you and make an opening statement regarding the Office of the Independent Commissioner Against Corruption.

**Mr GUNNER:** I am privileged to be here with the Independent Commissioner Against Corruption at his second estimates appearance. I cannot say the same for the Auditor-General, that I am following a long line of Chief Ministers who have respectfully allowed the independent officer to make the opening statement, as this is only the second time.

I will allow the independent commissioner to make his opening statement and introduce the people he has brought with him today to help answer questions from the committee.

**Mr FLEMING:** With me today is the Deputy Chief Executive Officer of the Office of the Independent Commissioner Against Corruption, Mr Grant, and the Director of Corporate Services, Ms Clet.

We are very conscious of the fact that we are here as a result of a bipartisan push by all members of parliament—which probably means it is more than bipartisan—to create an Independent Commissioner Against Corruption and an Office of the Independent Commissioner Against Corruption.

We are very grateful to parliament for the provision of adequate resources and accommodation and the opportunity to do the work we do. We welcome the scrutiny of the Estimates Committee as part of our agency's oversight mechanisms. In oversight we are also subject to the Inspector of the Office of the Independent Commissioner Against Corruption, Mr Bruce McClintock, Senior Counsel; the parliamentary Standing Committee on the ICAC; and the Auditor-General's Office. We very much welcome the scrutiny because if we are the scrutineers then everybody has every entitlement to scrutineer what we do. We have and will continue to cooperate fully with these bodies.

I note that the Northern Territory ICAC Inspector's report for 2019–20, which you have, stated that the performance to date of the Office of the ICAC is extremely satisfactory:

*They have created, virtually from scratch, and organisation which, if properly resourced, will be an effective anti-corruption agency and an asset to the public administration of the Northern Territory.*

This is the first full financial year of operation of the office. We have only been in existence for two years and during that time have moved from establishment to a normalisation phase. Much of 2019–20 was spent setting up the systems, acquiring the tools and, most importantly, recruiting high-performing staff to deliver outcomes for government in countering corrupt behaviour.

The act was passed in about November/December 2017. I was appointed on 1 July 2018. The act commenced operation on 30 November 2018; therefore, we have just had our second anniversary. We have spent—or at least I spent—those first five months in doing preliminary work to establish the functions of the ICAC, then we started to recruit in January 2019. That is when Mr Grant came on board as our first recruit.

We have, in fact, had an establishment phase where we have had to establish the protocols, policies and processes of the office. I will come to contrasts between that period of time and the period of time up until today, from the beginning of this financial year.

In 2019–20, we had \$5.6m in output; \$1.303m was returned as a surplus and \$500,000 was approved to carry over. We are conscious of the tight budget environment facing the Northern Territory government and recognise our responsibility to be prudent economic managers of our own budget.

The money we were able to return was, essentially, the result of not having recruited all of the staff we required. That recruitment is not an easy task and it has taken us considerable time to get the right people into the right positions.

I consider the office's achievements in the financial year to be many, some of which are more visible than others. I note that these achievements were made with full-time equivalent staff of 22 as of 30 June 2020. My office has made three public statements about investigations since its inception—that is the report in respect of Anzac Hill Primary School; the report into Ashley Brown, uncovering systemic risks of recruitment screening processes; and the report into the conduct of the Speaker of the Legislative Assembly. The latter report and its recommendations have great significance for electorate members, including this committee, and was a significant achievement for an integrity agency still in its establishment phase.

I pause there to note that the Ombudsman, who will follow me, in 2015 identified that there should be a line between investigation and advice. We are an investigation body. There is also a line between investigation and prosecution. We are not a prosecution body.

The Ombudsman suggested—and it was taken up in a report provided by the present Chief Minister—that there should be an ethics adviser to parliamentarians and senior public servants. We can give advice on broad issues. We can assist in an interpretation of the ICAC Act—although that is only our interpretation and is subject to the Supreme Court's jurisdiction as well. We cannot come down and give individual advice about, for example, the personal conflicts of interest you might have. That remains something which, to my mind, is a very wise development so that you, as parliamentarians, and the senior public servants can have an ethics adviser. It exists in Queensland and Tasmania and is very successful.

In June 2020, we implemented Condor, an end-to-end investigation and case management system, which significantly improved the efficiency of our assessments and investigations teams to assess and investigate matters of improper conduct.

I thank you, as it was a Treasurers' advance which enabled us to put that in place. I can assure you that it is an enormously valuable tool, which has assisted greatly in efficiency.

Three hundred and eighty-five allegations were received by my office in 2019–20. That is more than an allegation per day. The nature of the allegations range from breach of trust, abuse of power, incompetence, misuse of resources, recruitment and employment dishonesty, inadequately managing conflicts of interest and fraud. Three hundred and forty-seven of these allegations were assessed, compared to 59 the year before. That is a six-fold increase in assessments.

As we built, our confidence built as well. As we built staff members, we became far more efficient. As a result of these assessments we commenced 56 investigations into the most serious, systemic, sensitive and contemporary allegations. There are many allegations historically in the Northern Territory. The act expects that we will use our resources to first investigate the most serious, systemic, sensitive and contemporary issues and we have concentrated on those.

Six investigations were finalised last financial year. In the year we are talking about, 19—up until now in this financial year—have now been completed. That is, we have completed 13 investigations in the space of five-and-a-bit months compared to six in the previous financial year.

We have, in fact, built the capacity and the contrast is quite startling now that we are in the operational phase and very happily doing what the office was set up to do. That represents a significant body of work for the agency, which may not be seen in public unless it is in the public interest for me to allow that information to go public.

Our office has a prevention and engagement function, responsible for delivering education and training to public bodies and the general public. Eight-hundred and seventy-five sector and non-government employees



attended information sessions in 2019–20. We are happy to attend anywhere. We were prevented from doing two significant trips as a result of COVID but we want to get those back on the road again so that we can reach out into the communities.

The unit issued whistleblower protection guidelines for public bodies and public officers, developed fraud management guidance for government COVID stimulus programs and engaged with key central policy units to look at policy reform to address systemic risks. Systemic risks can be small breaches, but widespread in a department or agency. That has a debilitating effect on the whole of the agency and renders it much less effective than it can be. While some of them may not be the most serious breaches of conduct, they have a combined effect of destroying the efficacy of the agency.

The corporate function of an agency is often unseen externally but is vital to the effective running of the agency. Our office has a lean corporate services unit of two. Ms Clet is the leader of that small and lean section. Out of an agency of 22 people at the end of the financial year and 29 now, our corporate services consists of two people. We have diligently pushed our resources into facing the community and doing the work that we have to do. It is only with the very efficient work that those two officers do that we are able to spend most of our budget on the outward-facing responsibilities.

They provide support in finance, human resources, procurement, records and information, audit and risk management, security, facilities management and general services. This unit also leads the office's strategic aim to build our operational capabilities and capacity. It is an incredibly broad portfolio of responsibilities for such a small unit but they have handled it with aplomb.

We are conscious to look outward to the integrity agencies of other jurisdictions both in terms of their operations and also their strategic risks. There is a collegiality in respect of the integrity agencies around Australia. Much assistance is given to us and we provide whatever assistance we can to them.

We note that interstate trends indicate that the further public bodies are from central oversight, the greater the governance and accountability risks may be, in turn creating opportunities for improper conduct. We know how diverse and expansive the Northern Territory is. The office retains a focus on such risks to ensure that all money and resources directed to regional and remote Territorians to close the gap makes it to the people most in need. We are working with the police force to ensure high ethical standards are supported which in turn fosters community confidence, a key focus of all broad based integrity agencies.

We understand the Northern Territory Government's focus on economic recovery from the impact of COVID. Given the detrimental effect of corruption on economic growth and the fact that up to 40% of matters reported to us may directly or indirectly relate to the use, allocation or mismanagement of resources, we will continue to prevent, detect, investigate and respond to improper conduct risks in the Territory to ensure that investment reaches its intended targets.

On that point, we would like to acknowledge the Northern Territory Government for the resources afforded to my office to carry out its duties. We thank the government for its commitment to reducing and responding to corruption. We are consciously aware of the budget deficit the Territory is facing and note that our office has an important role to play in ensuring public resources are used as they are intended to benefit Territorians. If, for example, in one department we can save them 1% or 2% in any given year, that is a significant amount in respect of their budgets.

**Mrs FINOCCHIARO:** Commissioner, are you able to provide your actual expenditure for the last financial year? That information was not provided. Not just for your agency, but all agencies. We only have the budgeted figure.

**Mr FLEMING:** Can Ms Clet answer that for you?

**Ms CLET:** The total expenditure for the office was reported in the annual report 2019–20. We had total expenses of \$4.784m.

**Mrs FINOCCHIARO:** That is compared to your budgeted amount last year being \$3.6m?

**Ms CLET:** That is the original appropriation for the 2019–20 financial year. That is right.

**Mrs FINOCCHIARO:** So this year your appropriation is roughly double the amount you spent last year. Is that something that is going to continue moving forward?

**Mr FLEMING:** We hope it does not double every year but we would be happy if it would because there is so much work to do.

**Mr GUNNER:** You are terrifying me, commissioner.

**Mr FLEMING:** If you go back to the Martin report—Hon Brian Martin—in 2016 in respect of the ICAC, he estimated back then that the budget would be \$5.3m at least. What happened was that in the setting up phase nobody knew what the budget would be. We had to put in the work to see what the actuals were. It came out to be more than the budget, but I will say that it was not unexpected. The budget this year is based upon our estimates and gives us a very sound platform for doing what we do. It is adequate. We are grateful for that.

We cannot say anything about the future because—I will make one other comment. When the act was first commenced it was anticipated that we would get a rush of reports and then the rush would fall off because there would be historical reports and people who like to talk to us; they would come in as well. It would then fall away. Therefore, nobody quite knew what the needs of the office were. As it happened, those reports have continued to come in and lots of the early reports that did not have substance have now gone but the reports we are now getting are matters of substance which we must deal with. The \$7.3m budget for the financial year is, as I say, adequate. It was anticipated that we would start with a staff of about 13 people with the original budget. We now, as of today, have a staff of 29 full-time employees.

**Mrs FINOCCHIARO:** We always thought the \$3m figure would not meet the needs of the ICAC, and we were very critical of government at that time. The government's solution was to deal with that by way of Treasurer's Advances, which we felt was not appropriate. It is good to see that your budget is fixed.

Is it anticipated that level will not—we cannot anticipate the future, as you said. It will not revert back to that \$3m figure anytime soon?

**Mr FLEMING:** Sadly, no.

**Mrs FINOCCHIARO:** Has the necessity for Treasurer's Advances been done away with?

**Mr FLEMING:** Yes, for this financial year. Although, we can never anticipate what will come in. If a matter of great significance came in, that can take an enormous amount of funding to investigate. It may be that we will have to go back and ask for a Treasurer's Advance.

There is some debate going on in the southern states about the model of funding for integrity agencies to remove it to an independent body that will assess the budget and make the integrity agency truly independent of a normal budgetary process.

**Mrs FINOCCHIARO:** That is certainly our preferred model, because the government of the day is potentially being investigated, and then you would have to go to them for a Treasurer's Advance saying, 'Give me more money to investigate further'. I can appreciate the perceived issues that could occur there.

**Mr FLEMING:** The potential is for everybody to be investigated.

**Mrs FINOCCHIARO:** Of course, I am just saying that in that crude context you would have to go to the Treasurer, who could be the very person subject to the investigation. It is fraught, at least on the face of it.

**Mr FLEMING:** We understand the proposition.

**Mrs FINOCCHIARO:** How many referrals were made to government entities under section 25 of the ICAC Act in the last financial year, and which entities were those referrals made to? Are you able to break down what agencies they were referred to and what categories of improper conduct were covered by those referrals?

**Mr FLEMING:** We can say that there were reports recommended for referral in the number of 54. I can tell you some information but, sadly, I cannot divulge every piece of information.

Eight of those matters were referred to the Inspector. People have an entitlement to make a complaint about the ICAC or something that has gone on. Those matters are referred to the Inspector, who has an independent role.

Nine were formally referred to an agency. Two were reassessed and closed after we acquired further information. Three were reassessed and then progressed to an investigation. Ten were informally referred to an agency because that agency had already commenced investigations themselves and were under way with that. We look at what is happening and are content with what the agency is doing. In fact, we retain some cover of those referrals.

I apologise, but they are the only ones I can disclose.

**Mrs FINOCCHIARO:** How much misappropriated or unduly claimed money was recovered by the NT as a result of those nine referrals?

**Mr FLEMING:** I do not think I can give you an exact figure because an agency may well recover funds, and we might know that in the end. What I hope we can do, though, is prevent the funds going out in the first place, by referrals. That is where the most significant savings exist.

I ask Mr Grant to address that issue as well—what might happen with recovery.

**Mr GRANT:** As the commissioner articulated, those agencies are able to recover through their own mechanisms. What we hope in the future is, through joint investigations with the Northern Territory Police, to look at recovery of monies formally through the legal processes that are criminal processes that are available to us. That is a future body of work we are looking into.

**Mrs FINOCCHIARO:** Are you aware of how many employees were separated as a result of section 25 referrals, or how many were provided with some form of remedial training?

**Mr FLEMING:** No, I cannot give you the precise figures.

**Mrs FINOCCHIARO:** Is that best asked of OCPE?

**Mr FLEMING:** OCPE will have the figures of how many people separated. It is difficult for us to get the precise feedback to know exactly what happens. For example, in that last report we did in relation to Mr Brown, we made recommendations to assist and strengthen the processes so that it will not happen; or, if it has happened, they will go about dealing with the people that they have on their books in those states. We may not know, sadly, the final result.

With the advent of the Condor program, we need to know. We are in the process of gathering information more effectively all the time. This time next year, or whenever the estimates are held next year, we may be able to answer much more directly the questions you ask. We know that there is an impact. The measurement of that impact in dollar terms is a little beyond us at the moment. Within the next 12 months we may be able to answer that as well.

**Mr GUNNER:** If I can add, Chair? I spoke off-mic with the Deputy CEO Matthew Grant. OCPE handle the separations; they may not be aware that the separations occurred because of ICAC work. OCPE will be able to answer that, I want to flag that in advance. I am not sure—I will take this off-line—about what might be the best way to answer that question to detail.

ICAC knows the work they have done, OCPE handles the separation, but where a record might be kept that the separation has occurred because of ICAC work or not, that might be something we can take on notice. I will certainly ask ICAC and the OCPE to follow up on how we should handle that.

**Mr FLEMING:** Yes.

**Mr CHAIR:** There is an opportunity to take that on notice if you wanted to get the information?

**Mr GUNNER:** But, commissioner, you will not have it? The problem is ICAC will not have the information, OCPE may have the information. I did not want the committee to get to the OCPE and then find that out. I wanted to flag that in advance. I am assuming the OCPE people are listening, or will be advised, and they will look at it. They may have the information by separation and that it involved ICAC. I wanted to flag that they may not have that and I will follow up on who I ask about whether any of that information is stored somewhere.

**Mrs FINOCCHIARO:** I can ask a question on notice of the Chief Minister to that effect?

**Mr CHAIR:** If you would like to do that or, Mr Fleming would you like that to occur, to take it on notice?

**Mr FLEMING:** I would like to take that on notice.

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**Question on Notice No 1.2**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** How many employees were separated as a result of section 25 referrals and how many were provided with some form of remedial training? If the Chief Minister could direct us to who holds that information?

**Mr GUNNER:** Happy to take that on notice, Mr Chair.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.2.

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**Mrs FINOCCHIARO:** The annual report stated that most investigations at the year-end had a financial element where there is improper conduct that involves some sort of misuse of misappropriation of public money. You mentioned in your opening statement—I did not quite write it down quick enough—something about ‘40% of complaints had some sort of financial element’. I do not want to verbal you.

**Mr FLEMING:** Yes, misuse of resources in some form or other.

**Mrs FINOCCHIARO:** I do not know if you would call that a trend but that is quite a substantial portion of your traffic, if you like, flagging misuse of finances. Is that, then, something your office is prioritising?

**Mr FLEMING:** We are targeting that, but that is not the only issue we are targeting. Conflict of interest is an awful problem for the Territory, because it is the result of the very powerful forces in the Territory—that is, the unity of the population of the Territory, which is one of its great strengths. But often in our strengths there is an Achilles tendon. It is a problem that we are targeting as well; that is a significant issues. But yes, we are targeting resources and the use of resources.

**Mr TURNER:** In your opening statement you alluded to the different types of issues you are investigating. Is it possible that you can give us—whilst I understand not specifics—a breakdown into the alleged types—that is, misconduct, corruption et cetera?

**Mr FLEMING:** Yes. They are, in fact, many and varied. I have the annual report. This is on page 18 of the annual report:

- 8% of the reports we receive are in respect of procurement
- 11% in respect of recruitment and employment dishonesty
- HR and discipline, 10%—you can see that 21% of our reports relate to employment of one sort or another
- inadequate management of conflicts of interest is 8%
- 7% were fraud
- 18% were misuse of resources
- 22% were inappropriate performance of official functions—that is a breach of trust—and abuse of power or incompetence
- 3% were dishonesty
- 7% were police misconduct
- 2% were criminal conduct
- 4% were other miscellaneous issues.

**Mr TURNER:** In that there is such a high percentage in relation to official functions, what education programs are being run for the public service?

**Mr FLEMING:** We attend public agencies—and I do a lot of these presentations, then we have others who do presentations as well—at every opportunity we can. The invitation is given constantly to agencies that we can come and talk to them about the ICAC Act. I think 875 people came to those. The invitation goes to many more than that but they were the attendees. In the previous build-up year we had quite a significant number more than that.

There are educational facilities on our website. I cannot give you the number of hits we have had, but I can provide that information to you later. I have had to write something about the whole of the act in respect to what I expect of the ICAC staff and the directions I give them. There are pieces about conflicts of interest, whistleblower protection, what constitutes a reasonable perception that a person has of conflict of interest and improper conduct of various sorts. We have three members in our engagement and prevention team. They work constantly to build up the website and we go to whoever will have us. We are constantly writing out to the agencies saying, ‘We are here, and we would love to come and tell you about it’.

We can lead a horse to water but we cannot make it drink. We hope that we can penetrate even more.

**Mr GUNNER:** That is an important point to confirm. The independent commission does not passively wait for an invitation in, they actively send invitations and seek to go out. That goes beyond government too.

**Mr FLEMING:** Yes. We have been known, on three or four occasions recently, to invite ourselves into agencies. They find it difficult to resist.

**Mr TURNER:** Can you please explain the role of ICAC in relation to monitoring the issuance of government grants during COVID-19?

**Mr FLEMING:** You have asked for a full course in integrity in some respects. We are in the process of doing major work in respect to that. If you will bear with us until—I promised people I would have it out by the end of November. I hate blaming COVID but in fact it is a reality. We have been delayed by COVID, other illnesses and other inabilities to travel. We will be producing something about that in a report as soon as we possibly can.

It is an area where we must respect the right of government to make grants, and yet there has to be transparency of some sort.

**Mr GUNNER:** An important point there commissioner, is that you came in early in the process to be involved. It is not a late thing that you are doing a report. You were involved upfront and early. We thought it was important from a government point of view to know that scrutiny was there. It required quick decisions but the ICAC was involved from the start.

**Mr FLEMING:** There was a referral to us from high office.

**Mr MONAGHAN:** Of the 385 investigations you have suggested, 347 are in assessment and 56 had reached investigation level of which 13 were completed. Of those 13, were they progressed to a DPP or were they all referred back to the agency? If they are referred back to the agency do they go back as recommendations? What was the agency response to implement your recommendations?

**Mr FLEMING:** The investigations are complete. They then come to me to make determinations. I am in the process of making those determinations in respect to a number of them. I have recently made determinations in respect to six to eight of them. They go back to an agency if necessary. In two of those, there will be no action because upon proper investigation there was no improper conduct.

That is reported back to an agency, the whistleblower and any other person involved who we may have made an enquiry about, that there will be no action. Those that do go back to an agency—and about half a dozen of those have gone back recently—will include recommendations for what should happen.

I come specifically to prosecution, which was part of your question. We have no power to prosecute. There is some legal debate about that. I take the view that I do not have the power to prosecute because it was said by Mr Martin in the report that investigation should be separate from prosecution. In the explanatory

statement in respect of the ICAC Act, that position was maintained. In the processes which followed, that received a tick; that is what should happen.

I can refer matters to prosecution. It is entirely a matter for prosecutions what they do with it. I assess matters on the balance of probability. A prosecution is done on evidence beyond reasonable doubt. The act says I cannot make a statement about the efficacy of a prosecution, whether or not there is sufficient material to prosecute or whether there are real prospects of prosecuting. I have made my assessment on a different standard of proof. The matter goes to the DPP or perhaps the police for further investigation and it is a matter entirely for them. The Director of Public Prosecution has his own prosecutorial discretion which I cannot interfere with, nobody else can interfere with and it is a matter for him.

We can create the facts but it is entirely a matter for somebody else whether those facts are followed up.

**Mr GUNNER:** You discover the facts, you do not create them.

**Mr FLEMING:** Yes. We discover the facts, yes. I went to the Bar in 1976 when a different ethos was at work. I discover the facts and then it is for somebody else to follow them up. That includes a disciplinary process as well. Even though we might say there is improper conduct, it is up to the agency to take their disciplinary processes because it is on a different basis to what I am doing.

The ICAC is a special creature for discovering things that could not be discovered before. That is where our rights finish.

The rest of the answer is that yes, we make recommendations back into the agency. We send them the facts, and we make a recommendation on how they might strengthen their policies or procedures—and even sometimes they might give consideration to amending an act to strengthen the processes.

**Mr MONAGHAN:** So of the remaining 11, how many have gone to the DPP and how many went back to agency?

**Mr FLEMING:** Of the remaining 11?

**Mr MONAGHAN:** You said two went to agency with no further action and no corruption to be seen. Of the remaining 11 of the 13 you have completed ...

**Mr FLEMING:** Can I take that on notice? There are two aspects. Some might well go to an agency and to prosecution or disciplinary proceedings. May I answer that question for you on notice?

Can I clarify one thing I said? In the year 2019–20, there were six completed.

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### Question on Notice No 1.3

**Mr MONAGHAN:** Of the 13 completed investigations, two have gone back to agency with no further action recommended. Of the remaining 11, how many have gone to DPP and how many have gone back to agency?

**Mr CHAIR:** Do you accept the question?

**Mr GUNNER:** Yes.

**Mr FLEMING:** Can I just clarify something I said. In the year 2019–20 there were six complete. There have now been 19 completed, so 13 have been completed in the current financial year. I can answer in respect of the six—I raise that by way of contrast. We had six, and now we have 13 in the five months.

**Mr GUNNER:** In terms of the question on notice ...

**Mr MONAGHAN:** Maybe the 19, so the six plus the 13.

**Mr FLEMING:** That will be up to 13 the present financial year.

**Mr CHAIR:** The question asked by the Member for Fong Lim is allocated the number 1.3.

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**Mr EDGINGTON:** My question is for the commissioner. You mentioned earlier that you have had adequate resources and accommodation. My question is in regard to legislation. Is the current legislation you operate under sufficient, given that there was a recent bill to look at an amendment to the act?

**Mr FLEMING:** We are constantly looking at the act. One of the issues address in the amendment is that we can seize material and keep it for a limited period. If that were to go to a prosecution, the act was thought to be inadequate because we could not maintain possession or pass on to a prosecution authority or investigative body. That was the purpose of the amendment.

There are inadequacies in the act that become apparent only when you start working with it. We will put forward a proposal for amendments to better effect the procedures. The act itself is a very good one, and it is adequate for the setup of the office and administration of what we do, but sometimes the processes fall down at a point where we need to be able to carry them forward a bit further.

You will hear more from us in time.

**Mr EDGINGTON:** Just to follow up, given that proposed change, have there been any barriers to you progressing matters to the DPP? If so, how have you overcome that?

**Mr FLEMING:** We are in discussions with the DPP about a memorandum of understanding so we can progress some matters. We are obtaining legal advice in respect of two aspects of that to know the way forward. There has been a query from a parliamentarian about the adequacy of that provision, and that has to do with parliamentary privilege. We are very conscious of it and must protect it at all costs. Since the 17<sup>th</sup> century that has been the case; it is a long-standing entitlement and we do not want to interfere with it unnecessarily now.

We intend to protect that but also make a way for material to get from us to a prosecuting authority or disciplinary body. I am sorry I cannot be more specific than that.

**Mr MALEY:** You said that you investigate matters that could not be discovered before. Do you have more power than the Ombudsman?

**Mr FLEMING:** Yes.

**Mr MALEY:** In what way?

**Mr FLEMING:** We have coercive powers that the Ombudsman does not have. My background is from a human rights perspective and you will read in matters that I have written on the website that those coercive powers have to be exercised with great care. We learned the lessons of ICACs from around Australia, especially the New South Wales early manifestation of an ICAC, about the protection of individuals and their reputations.

I am reminded that our remit is much wider than the Ombudsman's. We cover some of the same ground but Section 3 of the act requires me to ensure that all improper conduct is dealt with, including what other agencies cover.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates and proposed expenditure contained in the Appropriation (2020–2021) Bill that relates to the Office of the Independent Commissioner Against Corruption. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

There are no further questions.

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

### **OUTPUT GROUP 5.0 – OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION Output 5.1 – Independent Commissioner Against Corruption Operations**

**Mr CHAIR:** The committee will now consider Output Group 5.0, Independent Commissioner Against Corruption, Output 5.1, Independent Commissioner Against Corruption Operations. Are there any questions?

There are no questions.

That concludes consideration of Output Group 5.0.

**OUTPUT GROUP 6.0 – CORPORATE AND SHARED SERVICES**  
**Output 6.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now consider Output Group 6.0, Corporate and Shared Services, Output 6.1, Corporate and Governance. Are there any questions?

There are no questions.

That concludes consideration of Output 6.1.

**Output 6.2 – Shared Services Received**

**Mr CHAIR:** The committee will now consider Output 6.2, Shared Services Received. Are there any questions?

There are no questions.

That concludes consideration of Output 6.2 and Output Group 6.0.

Are there any other non-specific budget-related questions?

There are no questions.

On behalf of the committee I thank the Independent Commissioner Against Corruption, Mr Fleming, and his staff for attending today.

We will take a few minutes' break to reset.

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The committee suspended.

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**OMBUDSMAN'S OFFICE**

**Mr CHAIR:** Chief Minister, I invite you to introduce the officials accompanying you and to make an opening statement about the Ombudsman's Office.

**Mr GUNNER:** The Ombudsman is to my right. I will let him make his opening comment and introduce himself. He has brought no staff with him; he knows everything. I will leave that to the Ombudsman.

**Mr SHOYER:** Good morning. Peter Shoyer, Ombudsman and Information Commissioner. The Ombudsman's Office has operated jointly with the Office of the Information Commissioner since August 2018. Both offices experienced a very busy year in 2019–20. Approaches to the Ombudsman Office exceeded 2,500 for the second year in a row, a substantial ongoing increase on the historical average of slightly over 2,000. The same is true for the Information Commissioner's Office, with complaint numbers almost doubling in the space of three years. These high levels have continued in the new financial year.

This additional workload was complicated by COVID, which impacted substantially on our operations, as well as on the ability of public sector agencies to respond to inquiries and complaints to respond timely.

The Ombudsman's Office still managed to finalise 2,427 approaches during the year, with 96% of them completed within 90 days. However, there was significant growth in the number of cases open at the end of the year.

Similarly, the Information Commissioner workload rose, in line with a noted increase in the number of FOI applications across government, up almost 50% in the last three years—also due to a number of additional statutory functions. Against, there was a significant rise in the number of open cases at the end of the year.



This has been a challenging year for our officers, as it has been for all Territorians. I would simply thank our complainants for their understanding because of the delays that arose partly due to COVID but due to the increased workload; agencies for their cooperation; and also our staff for their positive attitude and commitment to continuing the service to complainants and the community in difficult circumstances.

**Mrs FINOCCHIARO:** Crime is a huge issue across the Territory and people are very concerned about it. Your annual report highlight a backlog of 1,700 applications for victim-of-crime assistance. Could you explain whether you have made any recommendations to government on how to address this? If there is a backlog of 1,700 that is a significant number of people having challenges with that system and given the higher rates of crime, we can expect the demand on victim services to be higher?

**Mr SHOYER:** This has been a challenge for the government for a number of years. We have been working with the Crime Victims Services Unit and we have been monitoring the approach they have made on a quarterly basis. We have not done a formal investigation as such; we have been looking at what they can achieve within the existing structures. I think they have done a lot of work in terms of increasing the throughput of a number of applications and the amount that has been able to be paid out to victims of crime over the past couple of years in particular.

There has been a lot of work done internally within the Department of the Attorney-General and Justice to address these issues, but there is still very much an outstanding backlog. The government has commenced a review—I think that commenced about 18 months ago—into the existing crimes victims legislation. We put submissions in to that review.

I think there needs to be consideration of a change in the actual structure of and payment system in relation to victims of crime. Ultimately, it is a matter for government to decide on the best policy approach and, if they consider it appropriate, to put forward amendments to the legislation.

We have certainly been working closely with government to try and improve the day-to-day administration. That is part of the answer, but the bigger answers lies in considering the best way to frame legislation so that the assistance to victims of crime is produced in a timely manner and the backlog is addressed.

**Mrs FINOCCHIARO:** What length of time are people waiting as a result of this backlog?

**Mr SHOYER:** There are a number of much older cases and we are talking several years in a number of cases. There can be complications in terms of obtaining medical advice and also in changing circumstances, which means the nature of the application needs to be reconsidered and readdressed. There are cases where there will be extensive delays, but there are a significant number of cases where we are talking about delays in years, rather than simply months, in dealing with these matters.

It is something I think needs consideration given to whether a purely monetary amount as compensation is the most helpful way to assist victims or whether you are looking at providing assistance in terms of medical care, counselling; whether the emphasis on that should be increased.

**Mrs FINOCCHIARO:** Do you have a breakdown of those 1,700 applications by time frame of how long people have been waiting? You mentioned some have been waiting years. Do we know the proportion of people or could I take that on notice?

**Mr SHOYER:** It could be taken on notice. I think the best thing to do though would be to address that to the Department of the Attorney-General and Justice because they would have details about the breakdown in the cases that are outstanding.

**Mrs FINOCCHIARO:** You would expect that the Department of the Attorney-General and Justice, if we were to ask them about the length of time victims had been waiting, would have that information?

**Mr SHOYER:** I think it would, yes.

**Mr CHAIR:** Opposition Leader, do you want to take that on notice?

**Mrs FINOCCHIARO:** I just want to make it very clear for AGD, who are undoubtedly listening, that the question is coming for you. You do not hold that information, Ombudsman?

**Mr SHOYER:** I would hold some information along those lines. It may not be up to date and it would be better for you to get the up to date information from them.

**Mr GUNNER:** Chair, if it assists, we could take the question on notice and then direct it out to AGD.

**Mrs FINOCCHIARO:** Sounds good.

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**Question on Notice No 1.4**

**Mr CHAIR:** Please restate the question for the record.

**Mrs FINOCCHIARO:** Could you please provide the number of victims waiting for access to the Victims of Crime Assistance Scheme? Of that number of victims, broken down into the number of years people have been waiting, the number of months people have been waiting and the number of days people have been waiting.

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes, I do, with the acknowledgement that it will be delegated to the Department of the Attorney-General and Justice.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.4.

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**Mrs FINOCCHIARO:** Ombudsman, you mentioned that the Department of the Attorney-General and Justice commenced a review into the scheme 18 months ago and that you provided a submission. Is your submission public?

**Mr SHOYER:** I do not think it has been made public but I am happy enough to provide it. I do not have a copy with me at the moment. Can I take that on notice please, Chair?

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**Question on Notice No 1.5**

**Mr CHAIR:** Please restate the question for the record.

**Mrs FINOCCHIARO:** Please provide a copy of the Ombudsman's submission to the Department of the Attorney-General and Justice review into the Victims of Crime Assistance Scheme.

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Happy to take that question on notice.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.5.

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**Mrs FINOCCHIARO:** Ombudsman, is funding for the Victims of Crime Assistance Scheme sufficient given the current demand?

**Mr SHOYER:** Within existing funding levels, in terms of administration, there is a significant amount allocated to it. There has also been a significant rise in payouts in recent years. My recommendations go more to the overall approach to the scheme, which will make it faster and more timely in terms of the response to victims rather than the overall amount allocated.

**Mrs FINOCCHIARO:** Are you able to shed some light on how it could be made faster?

**Mr SHOYER:** It may be easier simply to read my submissions to government rather than me trying to summarise them at this stage.

**Mrs FINOCCHIARO:** In your annual report, it was noted that a briefing was provided to you on the Paget review into the riot at the Darwin Correctional Centre in May 2020 but that you had not been provided with a copy of the report itself or its findings and recommendations. Is this still the case?

**Mr SHOYER:** Yes, I am still awaiting a copy of the report.

**Mrs FINOCCHIARO:** Why is it that you have not been provided a copy?

**Mr SHOYER:** I have requested it and I am still awaiting a copy of it.

**Mrs FINOCCHIARO:** How many times have you requested a copy?

**Mr SHOYER:** I have spoken to the Commissioner of Corrections and the Acting Commissioner of Corrections I think on two or three occasions just to remind them that I am still seeking a copy.

**Mrs FINOCCHIARO:** How long ago was the first time you sought a copy of the report?

**Mr SHOYER:** It would have been shortly after its completion which would be—I do not want to put too fine a point on it but—a couple of months ago, I think.

**Mrs FINOCCHIARO:** Receiving a copy of this report is within your purview. As Ombudsman, you have the power to have a copy and request a copy, is that correct?

**Mr SHOYER:** Essentially I have asked for a copy because Corrections is within our jurisdiction and it is important to consider whether all aspects of the response to that particular incident have been considered and dealt with. On the basis of the briefings I have received, I do not necessarily consider that there will be an issue we need to follow up, but it is important that we receive a copy of the report to confirm that is the case.

**Mrs FINOCCHIARO:** Why do you think you have not been given a copy of the report?

**Mr SHOYER:** My understanding is that is still under consideration by government.

**Mrs FINOCCHIARO:** Chief Minister, were you aware that the Ombudsman is being deprived of a copy of the report?

**Mr GUNNER:** I would not describe it that way. The Attorney-General will be happy to take more questions on it.

**Mrs FINOCCHIARO:** Are you aware that the Ombudsman—this is your portfolio area—has not received a copy of the report?

**Mr GUNNER:** I said through Cabinet I am the minister who helps allocate the budget to the Ombudsman. The Ombudsman is an independent officer, so I am not involved in their day-to-day activities. This relates to the Attorney-General's department, which is not a department under my purview.

**Mrs FINOCCHIARO:** Are you not concerned at all that the Ombudsman is yet to receive a copy despite asking for it on multiple occasions over a series of months?

**Mr GUNNER:** I have no doubt this will be sorted out between the Ombudsman and AGD.

**Mrs FINOCCHIARO:** So you are not aware—despite the annual report being handed down, as clearly you have not read your own agencies annual report—that the Ombudsman has not received a copy of the Paget review?

**Mr GUNNER:** I think that has just been covered in an answer.

**Mrs FINOCCHIARO:** I guess that is a yes. Despite this being your portfolio, you have not read the annual report, as provided by the Ombudsman, which clearly states that the Paget review had not been provided. By extension you have not taken any affirmative action to address that shortfall.

**Mr GUNNER:** There are a couple of things to address there. First, I do not agree with the colourful interpretation by the shadow minister. Second, the Ombudsman is an independent officer who I do not direct and who does their own work. This is a matter between the Ombudsman and the Attorney-General's department, which again is not under my purview.

**Mrs FINOCCHIARO:** Ombudsman, you mentioned earlier that there has been an increase in FOI requests of about 50%, comparatively. How does the Northern Territory Government compare with other jurisdictions when it comes to granting FOI requests?

**Mr SHOYER:** The only comparative figures we have from a national point of view are based on refusals in full on the basis of an exemption. Those figures for last year and previous years are around 3% to 4%. That compares favourably with other jurisdictions.

There are a lot of complications in regard to calculating and comparing figures from different jurisdictions. This arose a number of years ago when the information we obtained from agencies was fairly global in terms of refusals in full. Figures that were published previous to 2017–18 included a lot of reasons for refusal that were not on the basis of exemption. They were for things like people not providing ID, not having identified the information they were looking for adequately, in some cases they asked for numerous amounts of material and the application was rejected on the basis that it was too broad after an attempt at consultation proved unsuccessful.

The only thing we can say in relation to the comparative figures is that those figures refused in full on the basis of exemptions compare favourably with other jurisdictions.

**Mrs FINOCCHIARO:** Do you have the breakdown?

**Mr SHOYER:** Yes, it is in the published annual figures. The figures for 2019–20 have not been published yet, but for previous years they are available on a published website. I have the figures for 2018–19, or the graphs, with me. I do not have multiple copies but I could ...

**Mr GUNNER:** Do you want to take the question on notice so we can provide the website details?

**Mr SHOYER:** We can provide those details.

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#### Question on Notice No 1.6

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** I would like the Ombudsman to provide the comparative figures for each state and territory on the—what did you call it, sorry?

**Mr SHOYER:** Refused in full applications on the basis of exemption.

**Mrs FINOCCHIARO:** Refused in full, yes. For refused in full applications on the basis of exemption, as against the other states and territories for 2019–20.

**Mr SHOYER:** To clarify, those figures are not available to me yet. I have our figures for 2019–20. I am not sure when that will be published, but I could provide it for 2018–19.

**Mrs FINOCCHIARO:** Okay.

**Mr GUNNER:** I am thinking that by taking that question on notice, there are two things. One is the Ombudsman does not keep the data for other states and territories, but he will be able to provide the website where that data is kept and reported on. While that data is not up yet, it will be up at some stage. That way, you will have access to that information.

I am happy to take the question on notice, recognising that we may not be able to answer the data range that the shadow minister has just given, but the website we will provide will eventually publish that data. For the purpose of the question on notice, that will answer the question on notice.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.6.

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**Mrs FINOCCHIARO:** Ombudsman, what is the average amount of time it takes for the government to make a decision on an FOI request?

**Mr SHOYER:** I do not have an average immediately. I am not sure that I can provide you with one. I can give you figures for 2019–20 for the number of finalised applications within a particular time frame: 895 finalised within 30 days of receipt of the application; a further 153 finalised within 31 to 90 days of the application; and a further 24 finalised after 90 days of receipt of application. They are all figures for applications that were handled within time frames that were mandated, or extensions that were approved.

There is a small number of others that are not recorded as being finalised within a particular time frame, for example an organisation may have dealt with something, but in 35 days, and they did not seek an extension in relation to that. The total for that—and I am sorry, I do not have the difference there—is there were 1,215 applications made in 2018–19 and 1,145 were finalised. So, there is another small number there—the difference between the 1,145 and those figures where there was not an extension sought.

**Mrs FINOCCHIARO:** Can you clarify that? What do you mean, there were no extensions sought? The government did not meet the mandated time frame, but the applicant did not pursue it past the time frame?

**Mr SHOYER:** The matter was finalised, yes. It may have been a situation where you have your initial time frame, an agency has spoken to someone and said, 'We can get it to you next week'; therefore, they did not make a formal decision extending the time frame. I use that as an example. It may well have been much more than a week in some cases.

**Mrs FINOCCHIARO:** Yes, okay. Understood, thank you. The annual report shows that in 2019–20 37 applications were refused in their entirety. Do you have a breakdown of what agencies those requests were made to?

**Mr SHOYER:** In the annual report on page 29 in the first table, there is detail of all applications lodged, by agency, and then information released entirely, in part or not at all on the basis of exemption. That is available in the annual report. I think that answers your question.

**Mrs FINOCCHIARO:** What is your role in determining the validity of an application? For example, is it the agency itself that makes the decision to redact all of the pages except the front and back pages? Do you have a review process over that?

**Mr SHOYER:** It is initially the agency. There is capacity for anyone to make a complaint about a decision of an agency to our office. We then investigate the complaint, have discussions and may be involved in mediation with the complainant. We will then make an assessment of whether there is an arguable case that the complaint could be successful. It is then a matter for either the complainant or an agency, depending on the nature of the decision we make, to refer the matter to the NT Civil and Administrative Tribunal for a final determination.

Essentially, anyone can complain to our office about a decision by an agency, but we do not review every decision that is made by an agency. It is just where someone has decided to make a complaint. We do get queries from people from time to time and we try to assist them in that regard. In terms of a formal consideration of a review or decision, we leave it to the agencies, according to the act, and act on a situation where there is an individual complaint.

**Mrs FINOCCHIARO:** How many complaints did you receive in relation to FOI applications and how many proceeded to NTCAT?

**Mr SHOYER:** During the year we had 35 new complaints about FOI matters. I think three were referred to NTCAT during the period. There were a number of matters we assisted in regard to NTCAT proceedings that had been made in a previous year.

**Mr TURNER:** COVID-19 impacted every part of the Territory. Has it impacted your agency and the nature and volume of the complaints you have received?

**Mr SHOYER:** Yes. Everyone has been affected in some way. It took a lot of preparation from our office. We needed to work out how to work from home. We did that and trialled it and never closed the offices down. We were in a position where we could continue to provide services, essentially in their entirety, if it proved necessary.

It has impacted on the ability of our office and the agencies we deal with to respond in a timely manner to complaints. It has caused delay for us. There were a number of complaints received from March onwards in

relation to COVID. It was not huge but it was a significant amount and required responses. We continued to get complaints in the current financial year.

It has impacted on us significantly and on agencies like Corrections and Police, who are the major source of our complaints. We have had a build-up of open cases in relation to those which we are continuing to have to deal with.

**Mr TURNER:** The relationship between the Ombudsman and the ICAC's office—there have been discussions about having an MOU. Do you have a formal relationship with ICAC and has that been resolved?

**Mr SHOYER:** We do not have an MOU. We have statutory provisions that allow us to interact with different complaint entities. These include the ICAC. We have discussions with ICAC about individual matters and we liaise with them reasonably closely in relation to matters that may be of interest to them or better handled by us. We do not have a formal MOU but it is something that once ICAC is established—it is getting to that stage—we may well look at a formal document. I do not think there has been an issue yet which has required that.

**Mr TURNER:** Just to clarify, the relationship at the moment is informal but there have not been any issues so far that needed formal resolution?

**Mr SHOYER:** There is a formal process, I suppose, in terms of requirements to refer matters to ICAC and the ability for us under legislation to interact with ICAC. We have not seen an absolute need for an MOU at the moment but we are quite open to that. We have MOUs with a number of complaints entities and that may well happen in due course.

**Mr GUNNER:** To clarify, there is a statutory requirement about how the two bodies work together. At the practical level about how that happens, it is all working at the moment between respective people. There has been no need to formalise the execution of the statutory requirements because it is all okay.

**MR SHOYER:** That is correct, yes.

**Mr MONAGHAN:** Just a question on your community education programs and processes, can you elaborate a bit on that please?

**Mr SHOYER:** We have a range of processes we adopt in relation to community engagement and stakeholder engagement. We have various meetings with relevant stakeholders, including legal aid agencies. We normally have a program visiting communities. That has been curtailed a great deal in 2019–20, partly due to COVID, staff limitations and absences. We managed to get to the major communities in 2019–20 but we very much had to cut back on our remote community engagement.

We are looking at building that up again in the next calendar year but we also engage in various presentations. We have the website which provides information to stakeholders and agencies in terms of various issues which may arise under the *Ombudsman Act*. We have a fairly broad-ranging series of presentations and events but not so much in 2019–20 largely due to COVID.

**Mr MONAGHAN:** Do you think this is adequate with getting your information out about what the Ombudsman's office can do and therefore curtails some of the unnecessary references you get?

**Mr SHOYER:** We can always do more. There is no doubt about it. As I say, 2019–20 has not been a great year in those terms. I would like to see more activity done and I want to reinvigorate that in the future. I think we can always do more in terms of Indigenous engagement. One of the things we have on our business plan this year is to review how we engage with Indigenous communities and people to make sure we are doing it in the best way possible to get the message across to them. We need to continue to make efforts in that regard.

**Mr GUNNER:** I think the more engagement work the Ombudsman does leads to more work for the Ombudsman. The Member for Fong Lim suggested more engagement work might lead to less vexatious complaints; I think they will just get more complaints.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2020–21 as they relate to the Ombudsman’s office. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

That concludes agency-related whole-of-government questions on budget and fiscal strategy.

**OUTPUT GROUP 7.0 – OMBUDSMAN’S OFFICE**  
**Output 7.1 – Ombudsman’s Operations**

**Mr CHAIR:** The committee will now consider Output Group 7.0, Ombudsman’s Office, Output 7.1, Ombudsman Operations. Are there any questions?

That concludes consideration of Output Group 7.0.

**OUTPUT GROUP 8.0 – INFORMATION COMMISSIONER**  
**Output 8.1 – Information Commissioner Operations**

**Mr CHAIR:** The committee will now consider Output Group 8.0, Information Commissioner, Output 8.1, Information Commissioner Operations. Are there any questions?

**Mrs FINOCCHIARO:** Ombudsman, you referred me to page 29 when I asked a question about how many applications were refused and said there was an agency breakdown. I looked at page 29 and it talks about women in prison.

**Mr SHOYER:** Sorry, there is a separate annual report for the Information Commissioner. That was page 29 of the Information Commissioner’s annual report.

**Mr CHAIR:** That concludes consideration of Output Group 8.0.

**OUTPUT GROUP 9.0 – CORPORATE AND SHARED SERVICES**  
**Output 9.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now consider Output Group 9.0, Corporate and Shared Services, Output Group 9.1, Corporate and Governance. Are there any questions?

There are no questions.

That concludes consideration of Output 9.1.

**Output 9.2 – Shared Services Received**

**Mr CHAIR:** The committee will now consider Output Group 9.2, Shared Services Received. Are there any questions?

There are no questions.

That concludes consideration of Output 9.2 and Output Group 9.0.

Are there any other non-output specific budget-related questions?

There are no further questions.

On behalf of the committee I would like to thank the Ombudsman and the Information Commissioner for attending today. I note that while the Administrative Arrangements Order puts responsibility for the Department of Legislative Assembly with the Chief Minister, by convention, the Speaker answers questions regarding the department.

The committee will now move to consider outputs relating to the Department of Treasury and Finance. We will take a brief break while the room is reordered and will return at 10.45 am.

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The committee suspended.

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## DEPARTMENT OF TREASURY AND FINANCE

**Mr CHAIR:** Treasurer, I welcome you and invite you introduce the officials accompanying you and I invite you to make an opening statement regarding the Department of Treasury and Finance.

**Mr GUNNER:** Thank you Mr Chair. I have with me Under Treasurer, Craig Graham, Deputy Under Treasurer, Catherine Weber and Assistant Under Treasurer, Tim McManus. We have other officers here sitting behind me who we may invite at the appropriate time if required.

As Treasurer I will address financial and economic matters relating to the budget, including financial statements and fiscal strategy, Territory revenue and the Territory economy. Details on specific agency budgetary matters, including infrastructure projects, can be addressed by the ministers responsible for those portfolios. As shareholding minister I can address budgetary questions related to Power and Water Corporation, Territory Generation and Jacana Energy. Operational and other policy questions should be discussed at the government-owned corporations' hearing.

The 2020 budget was delivered in a world very different to the one we were in last year. We went from turning the corner on some tough years to heading straight into a once in a century crisis. Every Territorian has felt the impact of the COVID-19 pandemic, every business has felt it and the budget has felt it too. While the final outcome for the 2019–20 budget was \$233m better than forecast, there was no escaping the hit in 2020–21. Just like the Commonwealth budget, our budget has been hit hard. This reflects the massive loss of revenue as a result of the pandemic and the cost of the measures we have taken to protect Territorians from the virus and to protect their jobs.

The biggest factor is the reduction in GST revenue. The loss of GST revenue compared to the last budget's projections amounts to an average shortfall of \$334m a year expected from 2020–21. The budget shows the full cost of controlling the Coronavirus. We threw the kitchen sink at this thing to save lives and jobs. When it comes to protecting jobs our measures to keep Territory businesses open and keep Territorians working have cost nearly \$400m so far. When it comes to protecting lives, our frontline response encompasses the health priority in our hospitals, health clinics and communities; the police priority on our borders; and the quarantine priority with the Centre for National Resilience at Howard Springs.

In 2019–20 the government spent \$63m on the frontline fight against Coronavirus for health, police and quarantine. The 2020 budget provides \$120m in funding to keep the Territory the safest place in Australia. This is the cost of controlling the virus and every dollar is worth it. Because we have controlled the virus, kept the Territory in business, kept Territorians in work and made disciplined budget decisions, we expect to see the deficit cut in half in the next two years from 2020–21 levels.

Wherever we can we have redirected existing funding to these objectives. The Coronavirus crisis has not stopped the work to implement our budget repair measures. Budget 2020 includes the government's new wages policy for the public service. From 2021–22, wage indexation will be paused for four years with an annual retention bonus available of \$1,000. The new wages policy improves the budget bottom line by \$424m over four years from 2021–22. The economic outlook in the budget, as well as recent economic data, shows us that the Territory's comeback has already begun. While the Australian economy went backwards in the last financial year the Territory's economy grew by 5.3%.

Our unemployment rate is below the national average and it is forecast to stay lower. Darwin's property price growth in October was the strongest in the nation. October's retail figures showed a year-on-year increase of 7.8%, the strongest growth reported in the Territory in more than a decade. Residential building approvals are up 7.5% in the year to September and we have reported the first two consecutive periods of positive year on year growth since early 2015.

The Territory is on the road to recovery before the rest of Australia and the budget helps kick-start the recovery with the Jobs First Plan and new measures to protect existing jobs, create new jobs and prepare Territorians for the jobs of the future. This includes the Roadhouse to Recovery fund, which we are getting great feedback on from roadhouse operators and the tourism sector; and the JobMaker booster, which is an example of how we are working closely with the Commonwealth to support local jobs. This is a budget for the times, sharply focused on our priorities and disciplined about what we spend. No cuts to schools, hospitals or jobs and no asset sales. Cuts will kill jobs, the economy and comeback. It is not the Territory way and not part of our future.

We are more than happy to take questions.



**Mrs FINOCCHIARO:** Crime it out of control across the Northern Territory and has skyrocketed under your government. In June you put out a puff piece stating that you were going to take significant action on crime. Last budget you allocated for breaking the cycle of crime which saw about \$15m attributed to dealing with crime measures. How successful have your crime measures been given the number of victims you are creating?

**Mr GUNNER:** This is an important topic but was not part of my opening statement.

**Mrs FINOCCHIARO:** So you do not want to answer questions about crime despite the fact that you have specific budget items about breaking the cycle of crime?

**Mr GUNNER:** It is an important topic and those questions should be asked at the right time. We can answer those questions ...

**Mrs FINOCCHIARO:** And when would the right time be for you, Chief Minister, to ask about community safety and crime?

**Mr GUNNER:** At the output appropriations relating to community safety and crime ...

**Mrs FINOCCHIARO:** Which would be?

**Mr GUNNER:** I have just spoken about Coronavirus and the budget position and our fiscal strategy. I am more than happy to take questions on that.

**Mrs FINOCCHIARO:** This directly relates to our budget position. It is allocated funding from you, as Treasurer.

**Mr CHAIR:** Opposition Leader, do you have a question?

**Mrs FINOCCHIARO:** Yes, I just asked a question that has not been answered. How has your \$50m gone towards bringing down the number of victims in the Territory when crime is on the up?

**Mr GUNNER:** It is an incredibly important topic, and it should be addressed in detail at the correct time. I am waiting for a question about fiscal strategy and the economic outlook for the Northern Territory, and what I am doing as Treasurer about the budget, which was tabled in the last sittings. I am expecting the shadow minister and shadow Treasurer to come to the hearing of the Treasurer prepared to ask questions about the budget. I am happy to take questions about the budget.

**Mr MALEY:** A point of order, Mr Chair! The Treasurer urged the Member for Spillett as the 'shadow minister'. She is, in fact, the Opposition Leader.

**Mr CHAIR:** Thank you, Member for Nelson. Are there any further questions?

**Mrs FINOCCHIARO:** Sorry, I am the Opposition Leader and I am asking questions of the opening statement, thank you, Mr Chair.

Chief Minister ...

**Mr CHAIR:** Opposition Leader, I am allowed to ask if there are any further questions.

**Mrs FINOCCHIARO:** No, I have lead on questions. Members are allowed to follow a line of inquiry or ask questions when I have finished.

**Mr CHAIR:** Opposition Leader, my opening statement this morning I was very clear there will be questions and then there will be the opportunity for other members to ask questions.

**Mrs FINOCCHIARO:** That is right—after I have asked my line of questioning or if a member is following another line of questioning.

**Mr CHAIR:** I was not specific in that.

**Mrs FINOCCHIARO:** It is written in your own information handbook.

**Mr CHAIR:** I was not specific in that and I am allowed to ask if there are ...

**Mrs FINOCCHIARO:** I am sorry, Mr Chair, but that is what the handbook is. That is what 19 years of estimates has delivered for the Territory, and that is what we will be doing today. Chief Minister ...

**Mr CHAIR:** Pardon me, Opposition Leader. I am happy if you would like to have an ongoing debate, but we can do that or you can retire and have the conversation. At this point in time ...

**Mrs FINOCCHIARO:** I do not want to have any conversation. I want to ask the Chief Minister a question which is my right as Opposition Leader.

**Mr CHAIR:** At this point in time, I am happy to ask and open it up for questions. You are allowed to ask questions, but do not argue with me about whether or not you are asking a question. Ask the question.

**Mrs FINOCCHIARO:** I am saying to you that it is my turn to ask questions.

**Mr CHAIR:** You argue and waste time about ...

**Mrs FINOCCHIARO:** I do not know what you are talking about, Mr Chair. I would like to ask the Chief Minister a question. Can I please ask the Chief Minister a question?

**Mr CHAIR:** Opposition Leader, I will open up the floor for questions and if you would like to ask a question, then that is your opportunity. Are there any other questions related to the statement?

**Mrs FINOCCHIARO:** Chief Minister, what is your government doing to address crime in our community? Crime is through the roof; the numbers are not looking good. There is no way we will have a strong economy or a rebound if you cannot get this issue under control. It is squarely relevant to you, as Treasurer. It involves how much you are allocating to deal with these issues. We have already heard from the Ombudsman that Victims of Crime is substantially delayed. The pressure on that service is clearly increasing. Our police are in distress; they are stretched to breaking point. Yet, you do not want to talk about it in this output because it does not suit you. You are happy to put out media releases under your name saying all the things you will do to tackle crime, but you are not happy to answer budget questions about what you are doing to address this issue.

**Mr GUNNER:** Chair, there are a couple of false assertions in the Leader of Opposition's—shadow Treasurer, shadow minister and Member for Spillett's—statement just then. We are more than happy to take questions about community safety throughout 60 hours of estimates. There are a number of significant spots for those questions to be asked and answered in detail ...

**Mrs FINOCCHIARO:** You do not want to answer them! You are happy for me to ask them tomorrow of the Police minister, but you do not want to answer them.

**Mr GUNNER:** Chair, with respect ...

**Mr TURNER:** A point of order, Mr Chair! Standing Order 20, the member is speaking over the Chief Minister.

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

**Mr GUNNER:** Where we are with this Estimates Committee is the opening statement from the Treasurer, which spoke to the budget and our fiscal and economic position and what we are doing as a government. The shadow Treasurer just suggested that we cannot have an economic rebound in the Northern Territory. That is not true ...

**Mrs FINOCCHIARO:** Unless law and order is under control. Do not verbal me, Chief Minister. You know that is exactly what I said. We cannot have a strong economy if law and order is not being controlled.

**Mr TURNER:** A point of order, Mr Chair! Standing Order 20.

**Mr CHAIR:** Thank you, Member for Blain. Opposition Leader, please allow the Chief Minister to answer the question or provide his comment.

**Mrs FINOCCHIARO:** I would love him to answer the question.

**Mr GUNNER:** The Leader of the Opposition—shadow Treasurer, shadow minister, Member for Spillett—just made the same point about economic recovery. We can have and are having an economic recovery ...

**Mrs FINOCCHIARO:** With law and order out of control, is that what you are saying? You are verballing me incorrectly. Mr Chair, I seek your ruling on that because I said we cannot have a strong economy if law and order is out of control. The Chief Minister is insisting on dropping off the second part of my comment.

**Mr TURNER:** A point of order, Mr Chair! Standing Order 109; questions should not contain statement of fact unless they can be authenticated. The Opposition Leader keeps asking questions with dramatic statements of fact.

**Mrs FINOCCHIARO:** Oh my goodness! None of you have been involved in estimates before, but this is a process where the opposition and crossbench members ask the government of the day questions that are important to Territorians. You can sit here and standing order your way through the next 60 hours—it does not bother me—but nothing will stop us from asking the questions that are important to Territorians. The key focus of that is crime.

The Chief Minister does not want to answer—he can point to the output where they belong.

**Mr TURNER:** You could be professional about it.

**Mr CHAIR:** Member for Blain and Opposition Leader, we will continue in an orderly manner. The Chief Minister is answering the question as he sees fit.

**Mrs FINOCCHIARO:** I am asking him to tell me which output he would like me to ask the question.

**Mr CHAIR:** If he does not believe it is the correct output he is allowed to answer in that manner.

**Mrs FINOCCHIARO:** I did not say he was not.

**Mr CHAIR:** I take your point, Member for Blain—Standing Order 20 is not to interrupt. That is a very good principle. From about 8.12 am today we have tried to establish that, so let us continue in an orderly manner. The Chief Minister was answering the question in the way he saw fit. We will proceed to questions after that.

**Mrs FINOCCHIARO:** Chief Minister, where would you like you to ask questions about crime?

**Mr CHAIR:** The Chief Minister has the call and was maybe finishing answering the question.

**Mr GUNNER:** The economic outlook in the budget, as well as recent economic data, shows us the Territory's economic comeback has already begun. When the Australian economy went backwards in the last financial year, the Territory's economy grew by 5.3%. Or unemployment rate is below the national average and is forecast to stay lower. Darwin's property price growth in October was the strongest in the nation.

October's retail figures showed a year-on-year increase of 7.8%, the strongest growth reported in the Territory in more than a decade. Residential building approvals were up by 7.5% in the year to September and we reported the first two consecutive periods of positive year-on-year growth since early 2015.

The Territory is on the road to recovery before the rest of Australia. We are having an economic recovery in the Northern Territory because of hard, early decisions ...

**Mrs FINOCCHIARO:** Chief Minister, this is a lovely story. I want to know where I can ask questions about crime in your outputs.

**Mr CHAIR:** Opposition Leader, please do not interrupt the Chief Minister while he is answering the question.

**Mr GUNNER:** Our fiscal strategy is the same as the Commonwealth Government. You have to control the virus to grow the economy, and you have to grow the economy to repair the budget. We have control of Coronavirus in the Territory. We did not make a fateful decision in June to open the borders too early, as others suggested we should have done. As a result, we are the first and fastest to recover.

**Mrs FINOCCHIARO:** I can clearly see that you do not want to answer any questions on crime. Suit yourself.

Why in the budget papers was there no actual expenditure? All that was provided in this budget was the budget for the year ahead. Normally we would get the budget and the estimate. Given the period we are in, that you pushed this back to after the election, here we are. Why were actuals not provided in the budget?

**Mr GUNNER:** There are a couple of things there. It is not normal to have a budget this late in the year. Every state and territory in Australia made that decision because of the impact of Coronavirus.

Every department has released its annual report with the actuals present, so they are available. There are a number of machinery of government changes as well. I ask the Under Treasurer to add a bit further to the answer.

**Mr GRAHAM:** There is not a lot I can add. It is simply the fact that the budget was delayed. It coincided with the preparation of the TAFR and annual reports where the actuals were reported. There was literally a very compressed time frame for us to produce a budget between TAFR, the COVID report and next May's budget.

For the budget next year we will return to that traditional format in BP3.

**Mrs FINOCCHIARO:** With respect, expecting Territorians to burrow through umpteen annual reports is not acceptable. This goes to the heart of scrutiny, openness and transparency. Chief Minister, it would not have been too big a stretch to include that detail as a line item, particularly regarding the fact that you have had those machinery of government changes which made it even harder for people to understand where things have moved to. I would suggest this is a deliberate move by you to avoid scrutiny by not including those numbers in the budget paper, if you are saying you have those numbers.

**Mr GUNNER:** I think there are a couple of misleading assertions there. First of all, the Leader of the Opposition is suggesting that we have delayed the budget. We are not going to delay the budget. The information that she is seeking is available.

**Mrs FINOCCHIARO:** Did you just say you did not delay the budget?

I am genuinely seeking clarification. Is that what I just heard you say?

**Mr CHAIR:** Leader of the Opposition, please allow the Chief Minister ...

**Mrs FINOCCHIARO:** No, I am seeking clarification on what he just said. Did he just say ...

**Mr CHAIR:** Please allow the Chief Minister to answer the question.

**Mrs FINOCCHIARO:** No, I understand. I am asking him to repeat that part of the answer.

Did you just say you did not delay the budget?

**Mr GUNNER:** I am happy to clarify that. We posted a date for when the budget would be delivered after the impact of Coronavirus. What I am suggesting is—following on from the Leader of the Opposition's suggestion just then—is that it would have delayed the budget further. I am happy to add the word 'further' in there.

The information is also available in annual reports. There has been no avoidance of scrutiny and there have been machinery of government changes. The Under Treasurer just addressed that. The information is available. The budget was delivered at the time we said we would deliver it. We are now here before estimates; the committee including the shadow ministers and the Leader of the Opposition can ask the questions they need to ask of ministers as they appear.

**Mrs FINOCCHIARO:** Why would it have delayed the budget to include that detail in the budget papers?

**Mr GUNNER:** The Under Treasurer just spoke to the compressed time between the TAFR and the annual reports coming in and the budget being delivered. The Under Treasurer has already answered that.

**Mrs FINOCCHIARO:** Do you find it acceptable to not include that detail in the budget?

**Mr GUNNER:** The detail is public and available. What the budget includes is the estimates of what we are going to be doing. The budget provides an update, and government should do this at least once annually, of our fiscal and economic position in the Northern Territory. That is tabled in the House and that was done last sittings. The most important information in the budget is the estimates of what you think you will do over the

year to come to deliver on that fiscal and economic strategy. That is in the budget, so that information is present.

The actuals of what each department achieved is always published in its annual reports and in the TAFR—the Treasurer's Annual Financial Report—and that has been made available. That information is public and it is available. With the compressed time available in which to deliver this budget, they put in there the most important information, which is the estimate of the year ahead. We are here now in estimates; that is the name of this committee. The most important part of this committee is to look at the estimates that we have made for how departments will deliver on the budget which is the government's fiscal and economic strategy.

**Mrs FINOCCHIARO:** I do not know how you can possibly say you did not have enough time given the fact that you had months more time to prepare your budget than you would have ordinarily. It is bubble talk to blame the TAFR and all these other things when what you did not want to do was allow people to be able to trace how you have spent the money given the \$8.4bn debt you have sunk us into.

**Mr GUNNER:** There are a couple of important points to clarify here. When a budget is delivered in May, which is the normal time a budget is delivered, the financial year is not completed. There is no capacity to publish the full financial year's actuals in that budget.

**Mrs FINOCCHIARO:** That is why you do the estimate.

**Mr GUNNER:** No, the estimate is what you intend to do for the year ahead. That is the estimate. That is the budget. This budget where we are now—the actuals are in the annual reports. They are the actuals; the full completed financial year. That information is never available in a May budget. You are in a more advantageous position now than you have ever been with an Estimates Committee because the annual reports have been handed down. You have a full set of financial figures for each of those departments in their calendar years and they have been published, as has the Treasurer's Annual Financial Report.

All that information is not available normally with a budget and an Estimates Committee process. It is available this time. It is the first time we have had a sitting of the budget Estimates Committee where that information is present and available. You have more information on the actuals than you have ever had before.

**Mrs FINOCCHIARO:** Are you saying that if I was to open the TAFR and the annual reports, it would tell me, output by output, what the actual expenditure was?

**Mr GUNNER:** The annual reports note the completed activities of a department in a financial year and the Treasurer's Annual Financial Report note the completed activities for a budget in a financial year. That information is public and available.

**Mrs FINOCCHIARO:** If I was to open the TAFR or an annual report, would I find the actual budget expenditure, output by output?

**Mr GUNNER:** I do not believe the Leader of the Opposition—the shadow minister—has ever opened an annual report before, based on that question.

**Mrs FINOCCHIARO:** You are so smug, honestly. Could you point me to the page where if I go '12.1 Financial Management', I can find the actual for that exact output?

**Mr GUNNER:** Assistant Under Treasurer, could you please assist the Leader of the Opposition?

The short answer is yes and we are more than prepared to take a step back from the mics and find the information for the Leader of the Opposition.

**Mrs FINOCCHIARO:** It is to June. You had that information but you have not put it in. I do not want to give you a headache, Chief Minister, it has been a long day for you!

**Mr GUNNER:** The Assistant Under Treasurer would like to add to the answer.

**Mr McMANUS:** The reason there is not an update on the 2019–20 actual in the budget papers is that with the machinery of government changes there was not enough time to be able to provide an actual under the new agency organisational structure.

The actuals are available in each agency's annual reports under the previous IOO, but we have not had time with the election, the changes with MOG and end-of-year processes plus the budget, to be able to get those actuals restructured under the new machinery of government arrangements.

**Mrs FINOCCHIARO:** Thank you, that answered the question.

**Mr GUNNER:** That was the answer I gave.

**Mrs FINOCCHIARO:** No, it was not.

**Mr GUNNER:** I make note of the suggestion from the Leader of the Opposition that we should delay the budget further, which we chose not to do.

**Mrs FINOCCHIARO:** You were trying to say that people could possibly go back and compare it to now and you cannot pick up an output and compare it because of machinery of government.

**Mr CHAIR:** Chief Minister, please allow the Opposition Leader to ask her next question.

**Mrs FINOCCHIARO:** Your government has reigned over the worst performing economy in the nation year-on-year—and year-on-year worse budgets in history—delivering an \$8.4bn debt this year. What score card would you give your government when it comes to fiscal management and responsibility?

**Mr GUNNER:** We had a priority of protecting jobs after the INPEX construction phase ended. That was complicated by the serious reductions in GST revenue which is why, as a government, we visited fiscal strategy and did the budget repair plan. It has been a significant body of work.

In terms of the score card, I think that is school yard. All I will say is that Territorians entrusted us at the last Territory election to keep going with our fiscal and economic strategy. We are here to save lives and jobs and I thank Territorians for their trust in us and we will keep doing the work.

**Mrs FINOCCHIARO:** You believe Territorians want you to keep blowing our budget?

**Mr GUNNER:** Territorians want us to do everything we can, whatever it takes, to save lives and jobs. Our fiscal strategy is very clear: we must control the virus to grow the economy; and we must grow the economy to repair the budget. It is the same fiscal strategy as the Australian Government. We made a series of hard decisions this year to make sure we can deliver on that.

I am aware that the opposition had different policies to us at times during this year, including opening the borders up to the rest of Australia. We have made decisions we had to make, to make sure our economy is well positioned to lead the recovery. We are the comeback capital. I have been through the data several times already today about why we are recovering faster and quicker than elsewhere.

We are in a tough position right now, our revenue has been slammed. But we have to keep doing what it takes to make sure we save those lives and jobs. That is the priority we took to the election; that is what Territorians entrusted us with.

**Mrs FINOCCHIARO:** Is it true that in this year's budget, you have budgeted about \$120m for COVID?

**Mr GUNNER:** In my opening statement I made it clear that there were three priorities when it came to protecting lives:

- the health priority—hospitals, health clinics, communities
- the police priority—especially on our borders
- the quarantine priority—the Centre for National Resilience at Howard Springs.

We estimate in the 2020 budget that it will be about \$120m to keep the Territory the safest place in Australia.

**Mrs FINOCCHIARO:** Prior to this budget, you spent approximately \$400m on COVID?

**Mr GUNNER:** That is combining a number of different things we did. Specifically on the frontline fight against Coronavirus, between Health, Police and quarantine in 2019–20 it was \$63m.

**Mrs FINOCCHIARO:** Roughly about \$520m was collectively spent on COVID and yet we have an \$8.4bn debt.

**Mr GUNNER:** The biggest impact on the 2020 budget was revenue. In 2019–20 we delivered a \$233m-better bottom line. Even with the early fight against Coronavirus, especially the last quarter of that financial year, we were still able to deliver a better budget position for Territorians. I thank Treasury and a number of other people who worked to make sure we delivered it. We saved lives and jobs but were able to deliver a better budget bottom line ...

**Mrs FINOCCHIARO:** Is it not true that when you came to power there was a \$1.8bn debt?

**Mr CHAIR:** Please let the Chief Minister finish answering the question, he was clearly mid-sentence. Please do not interrupt.

**Mr GUNNER:** That was a good interruption, I have forgotten my sentence.

**Mrs FINOCCHIARO:** Great. Is it not true that when you came to government there was a \$1.8bn debt?

**Mr CHAIR:** Chief Minister, please continue to answer the question.

**Mr GUNNER:** If I could have a reminder from the Leader of the Opposition of the question before that one?

**Mrs FINOCCHIARO:** You were rambling, to be frank. I had already received my answer, thank you Chief Minister.

You inherited a \$1.8bn debt on coming to government and now we have an \$8.4bn debt.

**Mr GUNNER:** Sorry, I remember where I was.

**Mr CHAIR:** Opposition Leader, the Chief Minister is afforded the opportunity to answer the question even with a short break after being interrupted.

**Mrs FINOCCHIARO:** You do not need to interrupt as much, Mr Chair, it is okay. We can flow; it is all right.

**Mr GUNNER:** In Budget 2019–20 there was an improved bottom line, even with the impact of COVID. Budget 2020, which goes to the heart of the previous question from the Leader of the Opposition, has seen the full impact of Coronavirus, especially on revenue. We have constrained our spending in Budget 2020 to those things that directly save lives and jobs.

The big impact on Budget 2020 has been to the revenue side—which is true for all state and territory governments and the Australian Government. We have managed to deliver a better net debt-to-revenue ratio than the Australian Government. We are both in difficult positions but we have come in under where they are at. We are at 132; they are at 149.

**Mrs FINOCCHIARO:** This is the Northern Territory estimates, it is irrelevant what the Australian situation might be. If you are blaming lack of revenue for the disastrous debt your government has delivered us this year, how do you then explain the disastrous level of debt you put us in the year before, and the year before that and the year before that? Was that because of revenue as well?

**Mr GUNNER:** As has been answered at previous estimates by the previous Treasurer, based off the pre-election fiscal outlook 2016, which reflected the true state of the books left by the previous CLP government of a billion dollar deficit and a forecast \$3.5bn debt ...

**Mrs FINOCCHIARO:** And now we have an \$8.4bn debt, on your watch.

**Mr GUNNER:** We had a priority to protect jobs post the INPEX construction phase ending. We saw the GST revenues to the Territory significantly cut during that term. There was a revenue impact last term as well, regarding how the GST was assessed. The productivity rate changed, as well as the pool. There were significant revenue constraints on the Northern Territory during those four financial years.

As a result, we released a fiscal paper that showed the business as usual case, for example if we kept following the same fiscal policy in place under the CLP government, it would have left the Territory in a significantly worse position in 10 years' time.

We adopted the plan for budget repair. As a result, in the last financial year even with the impact of Coronavirus, we delivered a better bottom line for Territorians and have delivered a better debt position as a result of doing that work.

**Mrs FINOCCHIARO:** You are saying we will be the comeback capital, but what are we coming back to? You are trying to revert us back to being the worst-performing economy in the nation, which is what we were last year and the year before. Why is that an aspirational target?

**Mr GUNNER:** We are leading the national economy. The Australian economy went backward last year; the Territory economy grew by 5.3%. Deloitte are forecasting a 5.1% growth for this year. We are leading the nation in economic recovery. Because of our hard, early decisions we were the first and fastest to recovery. There are a number of positive indicators in this space that speak to how we are the comeback capital. We cannot take it for granted and there is a lot of work to go. The TERC report will be handy in how we proceed from here in delivering that to make us the easiest place to do business and keep growing.

The Territory has had a boom and bust cycle. We had the big down after the INPEX high. Our economic policy goes to more jobs in more places to make sure that future growth is possible and more stable so we do not keep seeing those cycles. This is how we intend to lead the comeback and is the advice the TERC has provided so our economic plan is delivered better and quicker.

**Mrs FINOCCHIARO:** Do you take no responsibility as Chief Minister, who has led this government for four-and-a-bit years, for the state of our books and economy? Do you take no responsibility yourself?

**Mr GUNNER:** I am the Chief Minister as well as the Treasurer. I always take full responsibility for where we are. I have even more control over the policy and fiscal direction of the Northern Territory. One reason why I took on both roles is not just because I always acknowledge the responsibility that comes with this office, but we have changed how we work on the national stage for the National Cabinet and CFFR meetings—the Council of Federal Financial Relations—and I want to act as strongly as possible with the Australian Government.

We are Australians and Territorians. What the Australian Government does has a huge impact on the Northern Territory. I take complete responsibility and took it going into the last election. I thank Territorians for backing me again to be Chief Minister this term. I have now taken on the additional responsibility of Treasurer. I accept the responsibility and it is my work to do now. I have good staff around me and departmental people at the table with me today to ensure we deliver on that responsibility.

We have good signs at the moment about how the Territory economy is recovering first and faster than the rest of the nation.

**Mrs FINOCCHIARO:** So you recognise that when you first became Chief Minister the Territory's debt was \$1.8bn and now it is \$8.4bn and shoulder responsibility for the dramatic increase in unsustainable levels of debt?

**Mr GUNNER:** The CLP refuses to acknowledge the pre-election fiscal outlook, which showed the true state of the Territory books prior to the 2016 election, the full weight of all the decisions that it made and the fact that there was debt much higher than that. It is a legacy of the CLP decisions that it does not want to take responsibility for. You see them keep going back to old figures and they do not want to take responsibility for the pre-election fiscal outlook and ownership of the true state of the books they left Territorians.

I take responsibility. We acted to protect Territory jobs post INPEX construction and make no bones about that. We were whacked by the GST revenue cuts in that term—just a fact, it happened and we have to get on with it. That is why we delivered the plan ...

**Mrs FINOCCHIARO:** But none of it is because of inability to grow our economy or manage the books, is that what you are saying?

**Mr GUNNER:** That is why we delivered a plan for budget repair which delivered a better budget bottom line.



**Mrs FINOCCHIARO:** That is why you needed Langoulant to bail you out, which you have not followed recommendations.

**Mr CHAIR:** Opposition Leader, please allow the Chief Minister to finish answering your question.

**Mr GUNNER:** Because we took responsibility, we delivered on the plan for budget repair and left a better bottom line going into the end of that last financial year, a \$233m improvement in 2019–20. We had a surplus forecast and unfortunately Coronavirus has whacked us. We are seeing revenues slammed again.

It is a reality; everyone bar the opposition acknowledges the impact of Coronavirus. It was a difficult year for many. We have been able to deliver that and I take responsibility for it. I took responsibility going into the election and I trust Territorians for backing me again this term to continue to shoulder that responsibility.

**Mrs FINOCCHIARO:** When were we going to be returned to surplus? You said we had a surplus forecast.

**Mr GUNNER:** Mr Chair, I presumed the shadow Treasurer would come in prepared and understand those papers. It is in this budget document and shows it was in the previous document.

**Mrs FINOCCHIARO:** Indulge me, given I am not up to your standard Chief Minister.

**Mr GUNNER:** It was in the last budget and was in this budget.

**Mrs FINOCCHIARO:** When is the Gunner Labor government going to deliver a surplus to the Territory?

**Mr GUNNER:** We will turn to the page of this budget which shows that and provide the answer to the shadow Treasurer.

In Budget Paper No. 2 on page 13 it shows the situation prior to us doing fiscal work with John Langoulant and the plan for budget repair. It shows the track that the Territory budget was going to be on pre-COVID and then shows the impact of Coronavirus on our budget. That is the situation that the Northern Territory faces, it is quite unfortunate and will show where the plan for budget repair would land. It shows where we sit under this budget and what would happen if we had not acted and changed the fiscal strategy for the Northern Territory that we inherited from the CLP.

**Mr CHAIR:** Chief Minister, could you just restate that? It is Budget Paper 2, page?

**Mr GUNNER:** Page 13.

**Mrs FINOCCHIARO:** Which year was the Territory going to be in surplus?

**Mr GUNNER:** It is right there.

**Mrs FINOCCHIARO:** Why can you not say it, is your mouth not working? Why do you not say it? I am asking you a question. I can see it; why do you not say it?

**Mr CHAIR:** Leader of the Opposition, please allow the Chief Minister to answer the question.

**Mr CHAIR:** Are you on the same page?

**Mrs FINOCCHIARO:** Yes, I am just waiting for him to say it. I would love him to, that is what I am asking.

**Mr GUNNER:** I think the conversation from the Leader of the Opposition has disintegrated, or descended. I think the question ...

**Mrs FINOCCHIARO:** I am asking questions. We are not interested in your commentary. You have had your team provide you a piece of paper, why will you not say, 'My government will deliver a surplus in X year'? Why will you not say that?

**Mr GUNNER:** The piece of paper was Budget Paper No. 2, page 13; the information is there. The shadow Treasurer should have come prepared. I have not told her where the information is.

**Mrs FINOCCHIARO:** You are not going to say when your government will deliver a surplus?

**Mr GUNNER:** Budget Paper No. 2, page 13.

**Mrs FINOCCHIARO:** That is not a year. That is the page number of a book.

**Mr GUNNER:** That shows ...

**Mrs FINOCCHIARO:** Chief Minister, in what year ...

**Mr CHAIR:** Leader of the Opposition, is the question the year it was forecast?

**Mrs FINOCCHIARO:** Yes, in what year will your government deliver a surplus? You can take it on notice.

**Mr GUNNER:** The question has now changed. It was, 'What year will we deliver a surplus?' That is in Budget Paper 2, page 13. The question is now, 'When will a surplus be delivered'. That is a different question; as is forecast in Budget Paper 2, page 13.

Right now, based on the current revenue situation, a conservative forecast from the Treasury, which we discussed last sitting as well, no surplus is forecast in the next 10 years. That is the current situation. We are halving our deficit through tough decisions, like the wages policy. We know the CLP does not support tough decisions on the wages policy, but we have made those decisions. That shows the next 10 years.

We put that on post the Langouant review and the budget repair document—those 10-year forecasts. We have now provided that. It shows the three forecasts. Importantly, it shows the forecast prior to adopting 'A plan for budget repair', the forecast we had after adopting that plan and the new forecast, based on the impacts of Coronavirus.

All that information is available in Budget Paper 2, on page 13. There is no surplus forecast, reflecting the revenue whack and—this is to be fair to Treasury, I understand where it is coming from—it has always had conservative estimates, including projects in the forward estimates, unless there is a final investment decision.

**Mrs FINOCCHIARO:** Chief Minister, did you just say there is no surplus forecast?

**Mr GUNNER:** Not in the next 10 years. As I just said, based on the current ...

**Mrs FINOCCHIARO:** That is a change of tune; I thought it was on page 13.

**Mr GUNNER:** No, that goes to the previous question—which I am happy to speak to again. There was a surplus forecast prior to COVID-19 hitting. Post COVID we now have a new 10-year forecast that includes the revised revenue estimates—significantly worse revenue estimates—and does not include a series of major projects which, with respect to Treasury, they will not include until there is a final investment decision.

There is no surplus forecast now, over those 10 years, as a result of those two things. I think that is fair; everyone knows that Coronavirus came along. We are halving the budget deficit over the next two years and have made tough decisions regarding the wages policy to honour the budget repair plan and do the hard work for Territorians.

**Mrs FINOCCHIARO:** How are you halving the deficit over the next two years?

**Mr GUNNER:** As I just alluded to, the big decision in this budget on expenditure constraint is about pausing of wage indexation and the annual retention bonus; that is the big thing we are doing on the discipline side. We are also expecting an improvement in revenue. I do not think any year could be as tough as 2020, particularly regarding the GST, people locked in houses in Melbourne—very difficult to spend.

There is an improvement on the expenditure side and on the revenue side. They are the two big-ticket items: GST improving and wages policy. The Under Treasurer will add other things that we think will help us deliver that improved deficit position.

**Mr GRAHAM:** The main focus at this stage over the medium term is to restrain expenditure growth. That is being done through the wages policy, budget parameters, CPI, wages, as well as adhering to the charter of budget discipline where when new budget proposals are put forward they identify offsetting savings, and keeping current expenditure growth below what projected revenue growth is over the forward estimates.

The Treasurer is right in that the focus has been on COVID for the last couple of years. The idea is that those initiatives that are aimed at supporting the economy and the public health response are time limited, so once those programs come to an end, the focus is then maintaining expenditure growth at below revenue growth.

**Mrs FINOCCHIARO:** To confirm, did you mean the focus has been on COVID for the last couple of months, as opposed to years?

**Mr GRAHAM:** For 2019–20 and 2020–21.

**Mr GUNNER:** Two financial years there. The important point the Under Treasurer made is about those things we are doing on Coronavirus are time limited. The hardship register, for example, ends at the end of this financial year, as well as the grant programs, which are time limited. That will also lead to improvement in the budget deficit going forward.

**Mrs FINOCCHIARO:** How much are you expecting to save due to the pay freeze measure?

**Mr GUNNER:** \$424m over the four years.

**Mrs FINOCCHIARO:** Yet you are expecting this to halve your budget deficit?

**Mr GUNNER:** One of the factors going to an improved bottom line is the wages policy—\$424m is a significant amount of money. It is also the improvement in revenue from the GST and the time-limited programs that the Under Treasurer just touched upon. For example, the hardship register ends at the end of this financial year. Our grant programs regarding Coronavirus end at the end of this financial year.

There are a number of things that we are doing that will lead to a better budget bottom line. Importantly, things like the wages policy will have a cumulative effect that are critical to the budget. That is why it is important to deliver that kind of discipline when making fiscal decisions.

**Mrs FINOCCHIARO:** You are relying on an improvement in revenue being on a GST increase?

**Mr GUNNER:** That is probably the most significant part of revenue. It is not the only part of revenue, it is the one that is traditionally half of our budget. We can all agree, half the budget makes it the biggest source of revenue, so it is the one we most often talk about. It is down to 39% of our budget, which reflects a couple of extraordinary things about the GST, because all revenue is down. For the GST to shrink to be only 39% of our current revenue stream shows the significant impact that our budget has taken.

A lot of attention goes to GST. It is not our only source of revenue, but it deserves that attention because it traditionally runs at about half. If you go back a decade, it was about 60%—or maybe 20 years? Yes, it is over 50%, so it has come down over the journey and is now down to 39%. That is low. We want to see the Australian economy recover as well as ours is recovering, to see those GST receipts go up. That will have the biggest impact on our budget.

Other own-source revenue is very important; that will grow as well. But it is the GST that is the biggest impactor on our budget bottom line.

**Mrs FINOCCHIARO:** What will the other 50% in revenue be derived from?

**Mr GUNNER:** There are NPPs and own-source revenue.

**Mrs FINOCCHIARO:** Can you please expand on that?

**Mr GUNNER:** I will allow the Under Treasurer to go through that in more detail.

**Mr GRAHAM:** The other main sources of revenue are tied Commonwealth funding. The GST is untied and that is about 20% to 30% of our total revenue. Then we have our own-source revenues—payroll tax, stamp duties, mining royalties.

**Mrs FINOCCHIARO:** What percentage of our own-source revenue comes in? Taking out the tied funding and the GST, what is left?

**Mr GRAHAM:** It is about 30%.

**Mrs FINOCCHIARO:** If this budget predicts mining royalties going down, with no royalties from gas, how will we be bringing that own-source revenue in?

**Mr GUNNER:** There are a couple of things there. Royalties regarding gas cannot be included beyond the ones that are operating in the centre of Australia. Royalties cannot be included from onshore oil and gas—say in the Beetaloo—until there is a final investment decision. Once that is made then those royalties can be included. That is Treasury's approach to the budget so I understand why they are not there. Treasury takes a conservative approach to how it estimates future royalties and taxes in general.

I understand where they are coming from: plan for the worst, deliver the best. It is an important point around gas. There is a reason why onshore oil and gas does not feature in the budget books yet. As it would be the same for other projects that have not hit final investment decision.

**Mr GRAHAM:** To elaborate, we expect to take a hit through revenues over 2019–20 and 2020–21 primarily as an effect of COVID. Then we expect the economy to return to growth from 2020–21, which will support own-source revenues. We also expect the national economy to return to growth after 2020–21, which will support GST revenue. Our GST revenue has declined each year since 2015–16 and we expect in 2020–21 our GST revenue to be lower than it was in 2013–14. We expect that is where it will bottom and start returning to growth. The focus of the fiscal strategy over the medium term is to restrain expenditure growth at below revenue.

**Mrs FINOCCHIARO:** How is our economy going to grow if state final demand is estimated to have shrunk by 4.5% for 2019–20 and 0% for this year? How is that an economic comeback?

**Mr GUNNER:** I have just gone through the figures for where we are, which are very positive for where we are going. Our economy grew at 5.3% last financial year and Deloitte are forecasting growth of 5.1% for the year ahead. I am more than happy to have the Under Treasurer talk about SFD, also known as GSP. There are a number of different ways of looking at the Territory economy.

**Mr GRAHAM:** Our current economic outlook is expecting growth from 2020–21 to be supported by consumption and investment. We had the impact of INPEX construction on our numbers. We think from 2019–20 that effect has washed out. There is a large pipeline of projects, most of which are not included in our forward estimates. The ones that we think have a firm level of commitment are. They relate to the ship lift, the Darwin and Alice Springs city deals, there are some large Defence projects which have been announced and there is tentatively some significant investment associated with Jabiru and Kakadu. We expect those projects to support investment and SFD growing—fairly moderate but still growing—over the forward estimates.

**Mr GUNNER:** Further to this, in the Northern Territory economy book—it is not one of the ones that has the number but is the economy book in the budget—on page 15:

*... projections made in the economic outlook are conservative and do not factor in potential or planned projects that are yet to reach final investment decision.*

There are many projects that could fit that box. The book goes on to talk about the reduction of Darwin LNG. This is an important one because if you do not incorporate the 'numbers until final investment decision', Treasury are obliged to assume that Darwin LNG will essentially cease.

There is a backfill decision pending; that is a massive turnaround for our economic forecast, as you can appreciate, between the Darwin LNG project not continuing to continuing. That is an example of how the economic outlook figures in the budget are arrived at and why they are conservative. That is a big impact on an FID regarding Barossa ceasing or continuing.

**Mrs FINOCCHIARO:** It clearly seems to me that you are hanging your hat on the pay freeze. Are you even going to be able to implement the pay freeze as you anticipate, given that will be up for EBA negotiation?

**Mr GUNNER:** It is one of a number of things. It is our wages policy position and our fiscal position. We have no room to move on that. Anything different to our wages policy will lead to fewer jobs. There is no way around it. Our wages policy is our policy and it is how we will determine our departments' budget appropriation—it will be based on that wages policy. Any outcome that is different to what we have flagged as our policy will not change the allocation to a department. It will have to lead to fewer jobs; that is simply what the position is. We will be implementing the wages policy.

We have a number of other things—the GST and Australian economy will improve. The Leader of the Opposition might not have confidence, but I have confidence in the Australian Treasurer, Josh Frydenberg, and the Australian Government. There will be an improvement in GST revenue. They are forecasting that, as are we. We have slightly different approaches to the assumptions, but we believe the Australian economy and GST will improve.

We believe our economic position will improve. Treasury, in its budget forecasts, cannot include things like the Santos project that bought out Conoco. We have significant confidence in Santos. While they have not made FID yet—final investment decision—they have made public remarks about what they intend to do in that space.

There are a number of reasons to be optimistic about the Territory's economic future and why that will then return a better result to our budget and fiscal position. The wages policy is important, but it is not the only thing we are doing.

**Mrs FINOCCHIARO:** In regard to the pay freeze, you are going into EBA negotiations with no negotiation. As far as you are concerned, this is non-negotiable.

**Mr GUNNER:** Negotiations always occur in an EBA. What I am saying is that department budgets are set off our wages policy.

**Mrs FINOCCHIARO:** Are you saying there is room to move on your wages policy?

**Mr GUNNER:** No, the department's budgets are set based on that wages policy, and we will go into negotiations with the unions.

**Mrs FINOCCHIARO:** The pay freeze might end up different to how you envisage it now?

**Mr GUNNER:** There are two separate things. Our budget going forward, and what departments have to spend on wages, is determined by our wages policy. That is not changing. We will take that policy position to EBA negotiations. What I am indicating is that it will not have an impact on the departments' budget appropriations.

**Mrs FINOCCHIARO:** You are saying that if the pay freeze does not go ahead, departments will have to essentially cut jobs to fit within their budget. Are you going to EBA negotiations with the pay freeze as a non-negotiable?

**Mr GUNNER:** We have been very public about our position from the moment we released the budget. Our wages policy sets the appropriation for departments' budgets going forward. That is the policy position we will take to EBA negotiations; we will see where we get to in those negotiations. But in regard to how a department's budget is set, it is based on the wages policy.

**Mrs FINOCCHIARO:** The pay freeze may not come to fruition because you are not saying it is non-negotiable. Are you are saying it is negotiable? You are saying that going in to EBA everything is on the table, which may mean that how you envisaged your pay freeze is not delivered at the end of those negotiations.

**Mr GUNNER:** There are two things, and I will do my best to explain. There is how we set a department's budget, and that is dictated by our wages policy, which is not changing. That is set.

**Mrs FINOCCHIARO:** I understand that.

**Mr GUNNER:** Then there are negotiations with the unions, upon which our policy position is the one we have taken. We have to see what happens at the negotiating table, but it will not impact how we are setting a department's budget appropriation.

**Mrs FINOCCHIARO:** You are going to negotiations to negotiate. You are not going in with the pay freeze as a non-negotiable position?

**Mr GUNNER:** I think I have answered that. The policy is set in regard to how it impacts a department's budget appropriation. That is done.

**Mrs FINOCCHIARO:** Yes, but you are going to the EBA knowingly negotiating. You are not going in and saying, 'Right, pay freeze is non-negotiable. What else can we talk about?'

**Mr GUNNER:** You have to negotiate at negotiations. There is a formal process around that, which the OCPE would be happy to take you through ...

**Mrs FINOCCHIARO:** We could end up with something other than the pay freeze?

**Mr GUNNER:** ... regarding the negotiations and the formal process that goes through an EBA, with Fair Work Australia or ballots about the final EBA position. You must enter negotiations to negotiate. I am being clear that our wages policy determines the setting of the departments' budgets when it comes to wages. That is done; it is in place.

**Mrs FINOCCHIARO:** So, it is pay freeze or cuts, and we might walk out of the EBA without the pay freeze?

**Mr GUNNER:** I have answered this question multiple times.

**Mrs FINOCCHIARO:** I am asking a new question. Is it correct that you could walk out of the EBA negotiations without the pay freeze?

**Mr GUNNER:** I have answered this question in great detail already.

**Mrs FINOCCHIARO:** Why can you not answer with yes or no? Could you leave the EBA negotiations without the pay freeze?

**Mr GUNNER:** I have now answered this question a number of times.

**Mrs FINOCCHIARO:** You have now not answered the question a number of times, that is for sure.

**Mr GUNNER:** I have answered the question. I am happy to take it at another question.

**Mrs FINOCCHIARO:** You have answered the question how you would like to answer the question.

**Mr GUNNER:** That how you answer questions.

**Mrs FINOCCHIARO:** Your wages policy is in place, the budget is set; I understand that. You said before if the pay freeze does not happen there will have to be cuts. You have said you have to go in negotiating but you cannot bring yourself to say that means that as a result of the negotiations you might not end up with a pay freeze. I think everyone else can read between the lines, Chief Minister. That is fine.

Chief Minister—and I note we are still on the opening statement—for the extra \$6.6bn you have delivered to our collective net debt, what do Territorians have to show for that?

**Mr GUNNER:** First of all, that again ignores the true state of the budget that the CLP left at the pre-election fiscal outlook. The Leader of the Opposition does not want to acknowledge the decisions the CLP made or take responsibility for them. We have, over a number of years ...

**Mrs FINOCCHIARO:** You mean the \$1.8m debt? We are failing after that point.

**Mr CHAIR:** Opposition Leader, please allow the Chief Minister to answer, then we can all hear the answer.

**Mr GUNNER:** We have made a record investment over the last four years, going into our fifth, in infrastructure, which is critical to protecting jobs and enabling future jobs. There has been a significant infrastructure investment made by the Territory government. The number one thing we can point to where the budget has gone to protect and create Territory jobs ...

**Mrs FINOCCHIARO:** Can you list five of those infrastructure projects?

**Mr CHAIR:** Chief Minister, please continue without interruption. That will be a first and final warning, Opposition Leader.

**Mr GUNNER:** There have been ...

**Mrs FINOCCHIARO:** Sorry, with respect. On what basis are you giving me a warning? Under what standing order?

**Mr CHAIR:** I have asked on several occasions during the day that people be allowed to answer the question out of respect. Now I am giving a warning.

**Mrs FINOCCHIARO:** Yes, and estimates—the Chief Minister has been in your shoes, I have been in your shoes and we have both been in these shoes, so we are very familiar with how it works, and there is usually latitude.

**Mr CHAIR:** I will conduct the role as Chair as I see fit and have been instructed. I will continue to conduct hearings in this manner. I have asked on several occasions ...

**Mrs FINOCCHIARO:** I want to understand what sort of—is this a formal warning or are you ...

**Mr TURNER:** A point of order, Mr Chair!

**Mr CHAIR:** Please hold, Member for Blain.

I ask that now I not be interrupted. That I am able to speak without being interrupted right and that anyone answering a question be allowed to answer that question without being interrupted. We have had this on several occasions today. I am asking that again. I hope we can continue to conduct ourselves in an orderly manner.

**Mr TURNER:** Mr Chair, it was respect for the Chair, under Standing Order 20. You are moving into Standing Order 38, Irrelevant or Tedious Repetition. She has already covered it, thank you very much.

**Mr CHAIR:** Chief Minister, you have the opportunity to answer the question, hopefully without interruption.

**Mr GUNNER:** We have a significant capital works program for the year ahead, of which the majority goes to transport—roads is the number one thing we have invested in. We invested last term and will invest this term. The minister for Infrastructure has said that no one has built more bridges than she has. We have done a significant amount of investment into roads.

I can break down the current program for the shadow Treasurer if she desires:

- over \$1bn in transport
- over \$600m in housing
- over \$200m through recreation, culture and religion
- \$180m on economic affairs
- \$160m on public order
- \$86m on health
- \$60m on education
- \$40m on environmental protection
- \$28m on general social
- public services is \$7m.

There is a breakdown by category. We have spent a record amount of money on infrastructure. For last term, with the Territory and Australian governments combined, there was over \$700m spent on remote housing, which is probably one of the most significant infrastructure programs the Territory has ever been involved in—building and repairing a lot more remote houses. There has been a significant amount of time, effort and investment in infrastructure, particularly remote.

Darwin, for example, is 60% of the Territory's population, yet only 17% of construction is spent in Darwin. The majority of money on infrastructure is spent outside Darwin.

**Mr GUYULA:** Please correct me if this output is somewhere else. Treasurer, the Langoulant report outlined a chronic lack of transparency and accountability in departmental spending. For years we have seen significant amounts of federal funding, earmarked for remote areas and Indigenous disadvantage, used to pay the salary of departmental staff in Darwin. What is this government doing to increase transparency and accountability of how federal funding for Aboriginal disadvantage is spent?

**Mr GUNNER:** This gets raised regularly and we have had several reviews into how the Northern Territory expends its money, most notably in recent years from the Productivity Commission which has found that we do invest the majority of our money in remote areas and in Aboriginal people. It is a constant myth that keeps getting raised, that we do not spend money outside of Darwin. Importantly, Member for Mulka, it is not true.

We spend the majority of our money in remote areas doing remote service delivery. It does cost a lot. This point has been made a few times before, but what you get for a dollar in Darwin is not what you get for a dollar in a remote part of the Northern Territory. It costs more to build remotely, but the majority of our money does go remote. I am trying to find some information for you on that.

The most recent Productivity Commission Indigenous Expenditure Report in 2017 showed that the Territory spent over half of its budget on services to Indigenous Territorians—52.8%, which was an increase from 52% in 2012–13. Only slight, but it went up!

Importantly, the review is not done by us. The Productivity Commission has done the work, looking at where the Territory Government spends its money. I am happy to provide that to you. I think it is an important question which we get asked a lot and we have to rebut it a lot. We want as many people as possible to know that it is not a correct assertion and we want to keep working on making sure people are aware that is where we spend the majority of our time and money.

**Mr CHAIR:** Chief Minister, would you like to take a portion of that question on notice?

**Mr GUNNER:** Yes.

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#### Question on Notice No 1.7

**Mr CHAIR:** Member for Mulka, please restate the question for the record.

**Mr GUYULA:** The Langoulant report outlined a chronic lack of transparency and accountability in departmental spending. For years we have seen significant amounts of federal funding, earmarked for remote areas and Indigenous disadvantage, used to pay the salary of departmental staff in Darwin. What is this government doing to increase transparency and accountability of how federal funding for Aboriginal disadvantage is spent?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Member for Mulka has been allocated number 1.7.

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**Mr GUNNER:** I would like to add a further, important example. The Royal Darwin Hospital is one of the most expensive things that a Territory government runs and operates, as the Alice Springs Hospital would be. We cannot replicate that in a Wadeye or Maningrida.

There is a consolidation of essential services at those two hospitals which caters for all Territorians no matter where they live. It is sometimes the nature of where you need to build things to get the best services. That can sometimes lead to confusion about where money goes, how we deliver those centralised services. You cannot decentralise a hospital in that sense. It is an important example as to where the money goes to make sure all Territorians get the best results possible.

**Mrs LAMBLEY:** Given the peculiarity of this year, I am wondering, to put this budget in context, how it was derived? Was it derived through a normal Cabinet budget process, just like any other Territory budget?



**Mr GUNNER:** Yes.

**Mrs LAMBLEY:** Why did you not include the fifth budget document? Why did you not make it a regional highlights paper like normal and has been the case for many years?

**Mr GUNNER:** The Treasury, with the time available to them, asked permission to do a truncated set of books and I am happy to ask the Under Treasurer to talk to that. We will see a return—I have not asked this question, but will we see a return to the full set of books next year, Under Treasurer?

**Mr GRAHAM:** Yes. It was simply a timing and resourcing issue. There was the TAFR, the COVID-19 report and the budget all done within a very short timeframe. We had to publish a slightly cut down version of budget books, but for the May budget we will return to the normal budget paper format.

**Mrs LAMBLEY:** I look forward to that. I missed my regional highlights paper. Will the next budget be in May 2021?

**Mr GUNNER:** I hope to God so. I do not see any circumstances where it will not be in May; I did not see any circumstances this year that it would not be in May. I cannot see fate striking twice. I do not know if I just jinxed us. Every intention is for May. The caveat will be an understandable one but I cannot see that happening.

My understanding also—not to speak on behalf of other state Treasurers and the Australian Treasurer—is there are no plans at any jurisdictional level to move away from May.

**Mrs LAMBLEY:** Why did you make yourself Treasurer?

**Mr GUNNER:** I thought it was important to take on what I saw was the biggest job in government this term. We had the whack from COVID and where the books were. The huge challenge going forward is to make sure our policy and fiscal settings align completely. The Deputy Chief Minister and I have an excellent working relationship and I wanted to take on what I saw was the biggest job in government going forward.

There is also the change at the national level about how parties are working together. There is now the National Cabinet and the Council of Federal Financial Relations. They were meeting weekly, then fortnightly and now monthly. I wanted to be putting myself on the national stage, having those conversations with the Prime Minister and the Australian Treasurer directly, taking on responsibility at the Territory level directly and doing what I saw as the hardest work available in government. I thought it was an important responsibility to take on.

**Mrs LAMBLEY:** It suggests a lack of confidence in your colleagues.

**Mr GUNNER:** Not the case. I simply saw it as taking on the workload. You cannot take on everything but you try your best as Chief to allocate your time to where you are going to get the best results. I saw that this term as taking on the challenge of Chief and Treasurer. It is not the first time it has happened. It has happened before with other Chief Ministers. Sometimes you have to look at the circumstances around you and work out what is the best way of applying yourself and this is simply the best way.

You can see from the industry load I have given the Deputy Chief Minister, which is significant, that I have allocated her the bulk of the recommendations out of the Territory Economic Reconstruction Commission and the industry side of things. I have taken on the challenge of Chief and Treasurer.

**Mrs FINOCCHIARO:** Is it not because you are centralising power in yourself?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** It is not because you do not have any confidence in the worst-performing Treasurer in the Territory's history? Which is now you incidentally.

**Mr TURNER:** A point of order, Mr Chair! Standing Order 109: questions must not be asked which reflect on or are critical of the character or conduct of other persons.

**Mrs LAMBLEY:** A point of order. Time wasting.

**Mrs FINOCCHIARO:** Protecting. Shielding.

**Mr CHAIR:** We will move on.

**Mr GUNNER:** I think it was a quite respectful point of order from the Member for Blain. I will speak to the work of the former Treasurer, which has been significant over a four-year period. The GST cuts that came year after year were tough and our priority last term was protecting jobs. I think the Member for Wanguri did a magnificent job as Treasurer. You can see from the workload I have allocated to her that I have given her a lot, an epic amount of work, and I have similarly tasked myself with what I see as the biggest job in government.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2020–2021) Bill as they relate to the Department of Treasury and Finance. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

There are no questions. That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.

## **OUTPUT GROUP 12.0 – FINANCIAL MANAGEMENT**

### **Output 12.1 – Financial Management**

**Mr CHAIR:** The committee will now proceed to Output Group 12.0, Financial Management, Output 12.1, Financial Management. Please note that it is 11.55 am, and we are due to break for lunch. We have four-and-a-half minutes before we break.

**Mrs FINOCCHIARO:** Chief Minister, your first budget as Treasurer is clearly historic for all the wrong reasons. Net debt has now eclipsed our total appropriation and is projected to grow exponentially over the forward estimates from the staggering \$8.4bn this year to \$12bn in 2023–24. Is the Territory in danger of insolvency if this trend continues?

**Mr GUNNER:** The Territory government is paying its bills. We have an economy that is recovering first and fastest in the nation. I reject the assertion from the shadow Treasurer. We have a budget repair plan in place. We are delivering a significantly improved set of numbers from when we first revisited our fiscal policy under that budget repair document.

We still have a lot of work to do. We have to make sure we deliver that economic growth. We have controlled the virus and are seeing economic growth occur, but we have to maintain that. The Territory Economic Reconstruction Commission has delivered an excellent roadmap towards how we take our existing economic plan and deliver it better and less cluttered, making it easier for businesses to do business. I am confident in that and it is why I am confident in the future of the Territory.

**Mrs FINOCCHIARO:** You said the Territory is paying its bills, but if all its bills were to fall due would we be able to pay them?

**Mr GUNNER:** Yes. The Under Treasurer will go into more detail about how the books work to provide comfort for the shadow Treasurer.

**Mrs FINOCCHIARO:** I do not want comfort; I want answers. We are spending more than we earn, and therefore if all our debts became due, would we be able to pay for them? As we continue forward with this projection of increasing debt, at what point do we fail to be able to pay those bills?

**Mr GUNNER:** The answer will provide comfort.

**Mr GRAHAM:** At the moment we are able to finance our debt. All states and territories have gone heavily into debt in the last three or four months. At the moment we are managing a borrowing program and we are still seeing significant investor interest in our debt. Our cost of debt is quite low and our spreads to Commonwealth Government bonds are not widening substantially since we published our budget, which suggests there is still a level of confidence in our ability to service our debt.

The ratings agencies will have a view as to the extent to which we can manage our borrowing commitments. We are on stable outlook at the moment. We are not seeing any nervousness in capital markets regarding our fiscal position at this stage.

**Mr GUNNER:** That is an important point. The cost of borrowing has gone down. We are lower than the 2019–20 budget projections because of that. I think you spoke to that, Mr Chair, during the Public Accounts Committee hearings.

**Mr CHAIR:** It is now 12 pm, so we will break for 30 minutes for lunch and be back at 12.30 pm.

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The committee suspended.

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**Mrs FINOCCHIARO:** We were talking about the Territory's borrowing and our ability to pay bills as and when they fall due. Under Treasurer, you mentioned that the cost of borrowing is cheaper and types of strategies that go in our favour at this point in time, if you could even say that. But at the moment is the Territory government not just borrowing money to stay afloat?

**Mr GUNNER:** At the moment we have an operating deficit and this is one reason why the wages policy is important. We have the plan for budget repair. We need to control the virus, grow the economy and repair the budget. We accept all that.

The cost of borrowing has gone down but we want to return to a fiscal and operating surplus. This is the reason we are doing the work.

**Mrs FINOCCHIARO:** How has our cost of borrowing gone down? How much are we saving?

**Mr GUNNER:** For the 2019–20 financial year the cost of borrowing was forecast \$1.017m, it has come in at \$1.010m. For the 2020–21 financial year it was forecast at \$1.12m and has come in at \$1.09m, so the cost of borrowing is less than what it was expected to be.

**Mr CHAIR:** What was the second set of numbers? Were they percentages?

**Mr GUNNER:** They are millions. In the 2019–20 financial year it was forecast at \$1.017m, and in 2020–21 it came in at \$1.010m. For the 2020–21 financial year it is forecast at \$1.120m and has come in at \$1.090m.

**Mrs FINOCCHIARO:** An ever so slight decrease. How much are we borrowing every day?

**Mr GUNNER:** That is the interest expense per day.

**Mrs FINOCCHIARO:** That is per day?

**Mr GUNNER:** Yes.

**Mrs FINOCCHIARO:** So we are borrowing \$1.090m every day?

**Mr GUNNER:** Yes, which is less than what was forecast because the cost of borrowing has come down.

**Mrs FINOCCHIARO:** Okay. As we borrow \$1.090m every single day, what are we paying in interest every single day?

**Mr GUNNER:** That is the interest.

**Mrs FINOCCHIARO:** That is the interest on our debt, not our borrowing.

**Mr GUNNER:** You borrow once and then you pay regularly.

**Mrs FINOCCHIARO:** Are we not borrowing about \$6m a day just to run the government?

**Mr GUNNER:** I think you have done some creative math there. I will have the Assistant Under Treasurer answer.

**Mr McMANUS:** Sorry, I do not have the per day amount with me.

**Mr GUNNER:** It is not how we operate.

**Mr McMANUS:** We have a total borrowings program, but I do not have it by day.

**Mr GUNNER:** Just to clarify the borrowing program. You go out and borrow money as a lump and you have the interest expense per day. It is two different things.

**Mrs FINOCCHIARO:** That is right. If we break them down into a per day, how much do we borrow per day and how much in interest do we pay per day?

**Mr GUNNER:** That is not how it works. We can take you through the borrowing program. We will just bring in a witness.

**Mr CHAIR:** Opposition Leader, with Mr Pollon, General Manager of NT Treasury Corporation coming into the room, please restate your question about borrowing and per day.

**Mrs FINOCCHIARO:** I want to know the per day figure that we borrow and the per day interest figure we pay.

**Mr GUNNER:** What we just explained was that we do not borrow per day; we have a borrowing program ...

**Mrs FINOCCHIARO:** If you were to divide it by the number of days in a year, what number would that give you?

**Mr CHAIR:** Chief Minister, you have the call. Please answer the question without interruption.

**Mr GUNNER:** With the borrowing program, of which has an interest bill—I am more than happy to have Mr Pollon explain how the borrowing program works.

**Mr POLLON:** Yes, as the Treasurer suggested, we have from the budget an annual borrowing program which gives permission to NT Treasury Corporation to go out and undertake those borrowings from the Australian debt markets. The borrowing program stated from 2020–21 is \$1.68bn.

**Mrs FINOCCHIARO:** That is our borrowings?

**Mr POLLON:** Correct.

**Mrs FINOCCHIARO:** Chief Minister, you do not want to explain the per day amount? When Langoult dropped his report, we were borrowing about \$4m a day and paying, I think, \$700,000 in interest per day. My account shows we are borrowing about \$6.7m per day just to keep the lights on and we are paying \$1.1m per day in interest repayments.

**Mr GUNNER:** We have a borrowing program. For clarity, we borrow in a lump sum, we do not borrow per day. That is one reason why—it is not how a borrowing program works. You can divide the amount of borrowings by the days in the year, but it is not how we borrow. The interest bill is per day.

**Mr POLLON:** Just taking that \$1.6bn per annum for the financial year 2020–21, dividing it by the 365 days in the year, you arrive at \$4.6m per day.

**Mrs FINOCCHIARO:** Right, in borrowings. How much in interest are we paying per day then?

**Mr GUNNER:** That was the answer we previously gave.

**Mrs FINOCCHIARO:** The \$1.090m. So, we are borrowing \$4.6m per day? When you calculate the \$1.6bn ...

**Mr GUNNER:** No, we have a borrowing program and then we have interest expense.

**Mrs FINOCCHIARO:** What are we set to borrow over the forward estimates?

**Mr POLLON:** The forecast in our budget estimates relies on two components. One is the refinancing of any maturing debt for each financial year, and then in addition to that we consider any new money that might be

required to fund government spending. We have a breakdown which shows the annual refinancing task and the new money component by financial year. If I was to give you an example, in 2021–22, next year's budget, we have an estimate of \$761m of refinancing and approximately \$1.25bn in new money, giving you an annual borrowing program in 2021–22 as a forward estimate of an assumption of just over \$2bn—\$2.015bn.

**Mrs FINOCCHIARO:** The \$2.015bn borrowing is at the end of the four years?

**Mr POLLON:** No, that is an assumption for the 2021–22 financial year ahead of us.

**Mrs FINOCCHIARO:** Jesus. All in all, pretty horrific numbers, Chief Minister. Beside your pay freeze, which may or may not even happen as we talked about earlier this morning, what is your government doing to address this clearly unsustainable position that your government has led us into? How can we sustain borrowings of \$2bn a year?

**Mr GUNNER:** There are two active decisions that we have made. The first is our fiscal strategy which is the same as the Australian Government's and our net debt-to-revenue ratio is below the Australian Government's. We are going to control the virus to grow the economy and we grow the economy to repair the budget. That will see an improvement in revenues. We also have a wages policy, for example, that will deliver a significant saving to the bottom line and we halved the deficit as a result of doing that important work. That is our fiscal policy going forward.

The other active decision we made was to not cut, we still must deliver services to Territorians. Territorians' needs have not gone away and we recognise and respect that. We made other tough decisions regarding the wages policy and, as I explained before the break, our wages policy will set our department's budgets and that will not be changing. The forward estimates in terms of expenditure is set. That is not changing and I can give that certainty. That is done. That is our fiscal policy going forward in crib notes.

The budget is the fiscal policy. There are a lot of pages there. Governments at least once a year update the fiscal and economic policy going forward for the Northern Territory and we have done that.

**Mrs FINOCCHIARO:** You said part of your fiscal policy is to control the virus. When you achieve controlling the virus, how much have you attributed that it will bring into the Territory's books?

**Mr GUNNER:** Controlling the virus allows you to grow the economy.

**Mrs FINOCCHIARO:** What is the dollar figure?

**Mr GUNNER:** One reason why the Territory economy is recovering first and fastest—and I can go through those figures again—is because we have controlled the virus. It has an important impact on the economy.

**Mrs FINOCCHIARO:** You must have crunched the numbers on what that is going to do to the bottom line.

**Mr GUNNER:** The Australian economy went backwards last year, and our economy grew by 5.3%.

**Mrs FINOCCHIARO:** Off a very low base.

**Mr GUNNER:** Deloitte is forecasting a 5.1% growth next year which I think is important. The unemployment rate is below the national average. We have strong property price growth, retail figures are the best they have been in 10 years, residential building approvals are up—that is an important figure because it speaks to work to come, which is significant for the local economy. All those things are why we are positive about economic growth in the NT.

Critically for our books, we are reliant on the Australian economy also growing, because of the significant contribution the GST makes to our fiscal situation. We are confident in the work the Australian Government is doing. We have more confidence than the CLP in the federal Liberal National government and how they are going to grow the national economy. That will also see a turnaround in the GST receipts which is important and is how you improve the fiscal outlook for the Northern Territory.

**Mrs FINOCCHIARO:** Unlike you, Chief Minister, we are not obsessed with the federal government and what bailout they could provide to the Territory. We are focused on where our own-source revenue kicks in and how we are going to grow our economy through our abundance of natural resources and other opportunities to be able to stand on our own two feet. You keep talking about the Australian Government and that is lovely but this is estimates about your government, your budget and what you are doing going forward.

If controlling the virus is one of your key pillars, you must have a dollar figure associated with that and what that will bring into our economy and how that is going to address our debt. You cannot just hope and pray that things will get better. You have to do things differently. You need to have a strategy that wraps around that to do things differently.

What are you doing differently as part of this so-called strategy you have that is going to address the looming \$12bn in debt?

**Mr GUNNER:** Controlling the virus is one reason why our economy is recovering first and fastest. It is difficult for the Leader of the Opposition to understand because she did not recognise or respect the severity of the virus.

**Mrs FINOCCHIARO:** This is not a running race. You do not run to the end and go through the chequered flag. This is about dealing with our budget.

**Mr GUNNER:** We can look at the economic figures that are contained in the budget, which looks at the year ahead. One reason we have those figures in the budget and we are predicting growth is because we were able to control the virus. That growth prediction is conservative even though it is growth, because we are waiting on the final investment decision before those things go into our budget.

We can forecast growth. That growth is based around the control we have had regarding the virus. We have been able to do that in the Territory, I would argue, better than anywhere else. The Chief Health Officer says it is better than anywhere in the world apart from Antarctica. That is one reason why our economy is recovering.

The Leader of the Opposition may want to question the statistics I have read out a number of times that show the economy is recovering. It is a fact that the budget is predicting growth. The growth is predicated on the fact that we have controlled the virus. It is the same fiscal strategy as the Australian Government.

Own-source revenue is about 30% of our budget. I have a strong interest in the Australian economy recovering because GST is traditionally at least half of our budget and is important to how we deliver it.

It is important that the Northern Territory looks outside its own borders. If you want to grow jobs then you have to look at export and money coming in to the Territory from outside. We recognise that we have an economy plan. We thought the economic plan needed an update as there was going to be a different world post COVID. During COVID supply chains were challenged and there were vulnerabilities. How do you adjust to a post COVID world?

The Territory Economic Reconstruction Commission has given us advice about how we update our economic plan and deliver it to make the Territory the easiest place to do business. That will be on top of the growth that Treasury have forecast. That is how you do the work with the private sector, Australian Government and important contributors to the Northern Territory. If you grow the Territory economy, you grow the Australian economy.

We are partners with the Australian Government and we cannot operate in isolation from the Australian economy, Australian Government or world economy. We have to have an eye to that. TERC outlines an update to our economic plan and how we deliver it. It will grow the budget further and beyond what is in the budget figures.

**Mrs FINOCCHIARO:** How much borrowing is too much? What limit have you set yourself and your government, as Chief Minister and Treasurer, on the level of borrowing? At what point does this kill our viability going forward?

**Mr GUNNER:** I do not agree with the assertions of the Leader of the Opposition or the vocabulary she uses. At the next budget we will implement the recommendation from the budget repair plan regarding a debt ceiling for the Northern Territory. We have just had a pandemic and Langoulant gave an important caveat in his budget repair plan that allows for emergencies. We were not expecting a pandemic this year and I do not think John Langoulant had given recommendations predicting a pandemic. We will have the debt ceiling in place in the next budget.

**Mrs FINOCCHIARO:** What is it going to be?

**Mr GUNNER:** It will be in place in the next budget.

**Mrs FINOCCHIARO:** You must know how much borrowing is too much. How much is too much?

**Mr GUNNER:** It will be in place in the next budget.

**Mrs FINOCCHIARO:** Territorians have to wait until next budget to get the surprise of how much is too much?

**Mr GUNNER:** It is simply that the work we are doing to have a debt ceiling in place in the next budget.

**Mrs FINOCCHIARO:** Do you know that figure now?

**Mr GUNNER:** It will be in place in the next budget.

**Mrs FINOCCHIARO:** I do not care when it will be in place. Do you know it?

**Mr GUNNER:** That is the work we are doing for the next budget.

**Mrs FINOCCHIARO:** I am asking, do you know how much borrowing is too much for the Northern Territory? You have said to us you are the Chief Minister and Treasurer which means you can be involved nationally, be across everything and make all the decisions. Here you are in this all-powerful centralised position of being Treasurer and Chief Minister. How much borrowing is too much?

**Mrs FINOCCHIARO:** I thank the Leader of the Opposition for the compliment. It requires more than one budget. There are going to be a number of budgets this terms. The next budget I deliver as Chief Minister and Treasurer will have the debt ceiling.

**Mrs FINOCCHIARO:** So you do not know how much borrowing is too much for the Northern Territory and whether or not that threatens our ongoing viability?

**Mr GUNNER:** I reject the imputation of the question and have done so a number of times. The Opposition Leader wants to use colourful language ...

**Mrs FINOCCHIARO:** Do you know? It is a yes or no question. Do you know how much borrowing is too much? You must have a line? You would hope there would be a line.

**Mr CHAIR:** Opposition Leader, the Chief Minister has answered the question. If he is answering the question please afford him the opportunity to answer without interrupting.

**Mr GUNNER:** The answer remains the same. That work is being done and will be in the next budget.

**Mrs FINOCCHIARO:** So you do not know how much borrowing is too much? You can pass it on to one of the many people sitting next to you, I am sure they would know.

**Mr GUNNER:** They will be doing the work with me for the next budget.

**Mrs FINOCCHIARO:** So no one in the Northern Territory Government knows how much borrowing is too much? That cannot be true.

**Mr GUNNER:** The Leader of the Opposition is trying to be theatrical at the moment. I support her in her attempt to be 'stunty'. We will answer that question in the next budget.

**Mrs FINOCCHIARO:** I do not know how you used to do estimates but it is not 'stunty', if that is even a word. Are you telling me that no one in the whole Northern Territory Government knows how much borrowing is too much? Or are you not going to tell me?

**Mr GUNNER:** In the next budget we will provide advice on a debt ceiling for the Northern Territory. That will complete the recommendation from the plan for budget repair that we delivered in partnership with John Langoulant, who is the former under treasurer from Western Australia. In providing that advice he noted that there can be emergencies that come along from time to time. We have had one this year. An unexpected pandemic can happen.

We will be doing the work to provide the advice on what the debt ceiling will be for the Northern Territory at the next budget.

**Mrs FINOCCHIARO:** I am not asking what the debt ceiling will be in a year's time. I am asking right now, how much is too much?

**Mr GUNNER:** That is what the debt ceiling dictates for the Northern Territory ...

**Mrs FINOCCHIARO:** For right now, I do not want to know about ...

**Mr GUNNER:** ... and it is not about what is too much, it is about setting a ceiling full stop.

**Mrs FINOCCHIARO:** Tell me how much is too much? How much borrowing per day is too much, how much borrowing in a year, whatever you want to call it. Is it \$2bn, \$3bn, \$4bn, \$5bn? Have we surpassed it? How much is too much?

**Mr GUNNER:** I am not sure there is any other way I can answer the question, apart from the fact that next budget we will be delivering advice on a debt ceiling for the Northern Territory which I think is an important completion of the recommendation from the plan for budget repair.

**Mrs FINOCCHIARO:** Perhaps I can say it a different way. What debt can the Territory afford?

**Mr GUNNER:** The Territory can afford the debt it has, it can afford its forecast debt and we will be advising on a debt ceiling in our next budget.

**Mrs FINOCCHIARO:** Our debt ceiling will be higher than our forecast debt?

**Mr GUNNER:** That is not what I said.

**Mrs FINOCCHIARO:** You said we can afford our forecast debt.

**Mr GUNNER:** Yes.

**Mrs FINOCCHIARO:** Will our debt ceiling be higher than the forecasted debt?

**Mr GUNNER:** We will advise on what the debt ceiling is at our next budget.

**Mrs FINOCCHIARO:** Otherwise you will be breaching your own debt ceiling, if it was not higher.

**Mr GUNNER:** We have not set the debt ceiling yet.

**Mrs FINOCCHIARO:** That is right, but you have set the forecasted debt.

**Mr GUNNER:** We have advised on what we forecast the debt to be.

**Mrs FINOCCHIARO:** That is right. No one knows and no one wants to say. That is very interesting. You are happy with a \$16bn debt that has been forecast? We can afford that?

**Mr GUNNER:** There is an important context here. When we delivered the plan for budget repair, the business as usual case, if we had implemented the fiscal policy we inherited from the CLP we would have seen debt at \$35bn. By implementing a plan for budget repair, even with the impact of Coronavirus, which has been significant, we are more than halving what that net debt was going to be. That is a significant outcome.

I will not say I am happy with that, but is quite extraordinary that even with the impact of the Coronavirus pandemic, the work we have been able to do as a Territory government will see the net debt halved from what it was forecast to be if we had continued the business as usual case on the fiscal policy we inherited from the CLP. We would have been better again if the pandemic had not hit and that is shown in Budget Paper 2 page 13, the 10-year forecast regarding the deficit position.

We have been able to deliver a better result. We should not be happy with that net debt position—that is not a phrase I would use—but it is a significant improvement on what it would have been if we had done business as usual. It is extraordinary that we have been able to deliver that, even with the pandemic impacting.



**Mrs FINOCCHIARO:** When you refer to the fiscal situation you inherited from the CLP, do you mean the \$1.8bn debt as opposed to the \$8.4bn debt you have racked up?

**Mr GUNNER:** The CLP refused to acknowledge the pre-election fiscal outlook that was handed down prior to the 2016 election that laid out fiscal ...

**Mrs FINOCCHIARO:** But this is where you guessed the GST would increase even though the Under-Treasurer in her earlier answer said 2015–16 GST receipts were going in decline?

**Mr CHAIR:** Opposition Leader, again, could you allow the Chief Minister the opportunity to answer the question without interrupting?

**Mr GUNNER:** The pre-election fiscal outlook showed the budget deficit from the CLP around \$1bn and debt net getting out, from memory, \$3.5bn. That was the fiscal policy the CLP took to the Territory election ...

**Mrs FINOCCHIARO:** So what is it now? Is it not \$8.4bn and ...

**Mr CHAIR:** Opposition Leader, the last time I asked for you to not interrupt, the one before that was to not interrupt and the one before that was to not interrupt the Chief Minister while he is answering his question.

**Mrs FINOCCHIARO:** There is always latitude during estimates. You go backwards and forwards.

**Mr CHAIR:** Opposition Leader, especially while I am talking, can you please not interrupt me of all. Allow the Chief Minister to at least answer the question you have asked before interjecting.

**Mr GUNNER:** The priority after 2016 was protecting jobs after the INPEX construction phase ended. We wanted to avoid cuts as much as possible, as a Territory government, to protect Territorians and their jobs and the services that Territorians received. We saw the GST reduction year-on-year during that term; a difficult set of financial circumstances.

This year the impact of Coronavirus led to a significant deficit for this financial year and the net debt position for this financial year. There is no dodging it, every state and territory in the Australian Government got whacked. Our net debt-to-revenue ratio has come in under the Australian Government for this financial year. Last financial year, despite the whack of Coronavirus, we delivered a better budget.

We are doing the work fiscally and economically to make sure we can deliver a better situation for Territorians and continue saving jobs. The reason we have been able to do that is because we have had such a focus on saving lives and significant decisions are being made in and around controlling the Coronavirus.

**Mrs FINOCCHIARO:** Can I confirm that Coronavirus in global spending terms both projected for this year and what we have spent to date is around \$500m and the debt is \$8.4bn?

**Mr GUNNER:** There are two sides to a budget: one is revenue and the other is expenditure. The Leader of the Opposition refuses to acknowledge the full budget situation. We do and have to be realistic about it. The Coronavirus had a whack on revenue and expenditure. We made deliberate decisions about saving lives and jobs. We accept both of those and took them to the last election. Territorians trusted us to continue that work this term. We will continue doing that work but there is an impact on the budget on both the revenue and expenditure sides of the books.

**Mrs FINOCCHIARO:** Budget Paper No 2 states that:

*... persistent or structural operating deficits subsequently pass debt relating to current services to future generations to service and are unsustainable.*

Over the last four years of your government your outrageous spending and lack of plan and vision for where the Territory is going and how it is going to spend its money and move forward has resulted in growing deficits. It has gone from \$550m in 2016–17 to \$2.5bn this year. What is your plan to halve this deficit? How on earth are you going to create that even if you end up with the pay freeze you want? Which you do not know you will get. That only attributes \$400m.

**Mr GUNNER:** The fiscal outlook for the budget reflects the decisions we have made. That is why I have confidence in halving the budget deficit. As explained already, the wages policy sets the department's budget; which is done. The Leader of the Opposition keeps making a false assertion regarding the impact of the

wages policy on department's budgets. We have confidence in that. That is the expenditure side and the discipline we have to show to execute a budget.

On the revenue side we believe the Australian economy will recover. The Australian Government believes that the economy will recover too and we are confident about the Territory's economic future. We predict growth.

The point I made before about conservative predictions does not mean that the economy is not growing; it is growing. The budget simply forecasts conservative growth reliant on the final investment decisions. Control the virus, grow the economy and repair the budget. There is a clear plan and it is being executed. We are seeing positive signs already based off the decisions we are making. It is how we can show in the budget we are halving the deficit.

**Mrs FINOCCHIARO:** If it was not so serious, you would ...

**Mrs LAMBLEY:** It is called putting lipstick on a pig.

**Mrs FINOCCHIARO:** Thank you Member for Araluen, I was looking for the words. That sums it up nicely.

If the net debt was to increase to \$30bn by 2029–30 as was predicted, how much interest would we be paying at that point? If you do not want to give it to me per day, you can give me the annual figure.

**Mr GUNNER:** It is a hypothetical situation which does not exist. We have made the decision not to deliver that.

**Mrs FINOCCHIARO:** What about your \$16bn? That is your 10-year plan. On your \$16bn debt that you magically think you will arrive at, how much interest will Territorians be paying?

**Mr GUNNER:** There are a number of factors that will need to be considered, including the cost of borrowings. The Under Treasurer has indicated that we will take that question on notice.

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#### Question on Notice No 1.8

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** If the government achieves the \$16bn debt by 2029–30, how much in interest will we be paying on that debt, broken down by year and per day?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.8.

**Mrs FINOCCHIARO:** It is interesting, Chief Minister, that you do not have that information available.

What is the projected tipping point where we reach an unsustainable level of debt that then stops the Territory from being able to fund services adequately?

**Mr GUNNER:** That is not the situation in front of us; it is a hypothetical question. It is not a challenge in our budget estimates, say, in the next 10 years. It is not a question I accept.

**Mrs FINOCCHIARO:** At your current rate of racking up debt—we had the Manison Mastercard, now we have Michael's Mastercard—there is no point where you will have to cut back on service delivery to cover the hideous debt you have created?

**Mr GUNNER:** You are proposing a hypothetical scenario that is not forecast in our estimates. I am not entertaining the notion. Next budget we will be advising on a debt ceiling for the Northern Territory. I have already answered that.

**Mrs FINOCCHIARO:** What services are suffering as a result of the debt?

**Mr GUNNER:** We made a decision this budget not to cut. We recognised that was important. We think cuts would also kill the recovery. We are seeing that turnaround—the first and fastest to recover. Importantly, we are the comeback capital for the country right now. We will not damage that with cuts. We made the decision not to cut.

**Mrs FINOCCHIARO:** But you have. For example, you cut the repairs and maintenance budget for infrastructure by \$15m. What you just said is not true.

**Mr GUNNER:** That is not how repairs and maintenance budgets work. They are demand driven. We had a significant amount of investment in our repairs and maintenance budget over the last four years. We repair and maintain things in the Northern Territory with support work we do. It is one way we have made sure we protected jobs post the INPEX construction phase ending. That is simply how much money we are allocating towards repairs and maintenance that need to be done in the Northern Territory.

**Mrs FINOCCHIARO:** Are you saying that the budget position is so great and sustainable that there is no area of service delivery that has to be restrained, constrained, cut, shrunk—any description you want to use—because we are able to continue to fulfil our service requirement at this level, manage the books and repay our debt?

**Mr GUNNER:** We made the decision not to cut. The decision we made on budget discipline was the wages policy, which is a significant decision that will lead to significant savings for the Northern Territory Government. I understand the CLP does not support our wages policy. If they could indicate where they would cut, then I am happy to take that advice on. That is not a policy decision we have ...

**Mrs FINOCCHIARO:** I am asking the questions today, Chief Minister, do not deflect off yourself.

**Mr GUNNER:** We made the decision about the wages policy, currently not supported by the CLP.

**Mrs FINOCCHIARO:** Chief Minister, what are the 'other' operating expenses that are projected to increase from \$1.9bn in 2019–20 to \$2.284bn in 2020–21? What is driving that increase and what do you include in 'other'?

**Mr GUNNER:** Treasury have the \$1.9bn figure; they cannot see the \$2.284bn figure. Which document is the \$2.284bn figure from?

**Ms FINOCCHIARO:** BP2, page 21.

**Mr GUNNER:** Treasury have a lot of information, but not that. It is a good one; we will take it on notice.

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#### Question on Notice 1.9

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** Total other operating expenses are projected to increase from \$1.9bn in 2019–20 to \$2.284bn in 2020–21. What is driving that and what is included in 'other' operating expenses?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I will take it on notice. It reflects that the increase in the year is reflected in some of the temporary Coronavirus responses, but we will check that is correct.

**Mr CHAIR:** The question asked of the Chief Minister by the Opposition Leader has been allocated number 1.9.

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**Mrs FINOCCHIARO:** Chief Minister, page 13 of Budget Paper 2 states that the fiscal strategy panel estimated the net debt would reach \$30bn by 2029–30. Is that correct?

**Mr GUNNER:** Yes, in the original John Langoulant document.

**Mrs FINOCCHIARO:** Who are the members of the fiscal strategy panel?

**Mr GRAHAM:** The membership of the panel was John Langoulant, as the Chair; Helen Silver; myself; and Jodie Ryan.

**Mrs FINOCCHIARO:** How can you explain the reduction from \$30bn to the new \$16bn figure? What assumptions were made that underlie the revision of the estimate?

**Mr GUNNER:** It is not just off assumptions, it is off actuals. We put the budget repair plan in place and restrained government expenditure. We changed our approach; we did not go on with business as usual. There is a mixture of actuals and what we did as a government to constrain expenditure, for example last financial year we did better with the bottom line than predicted—a \$233m improvement—and a mix of assumptions.

**Mr GRAHAM:** The initial projections were prepared two years ago and they were the business-as-usual projections based on historical expenditure and revenue patterns. Since then we had COVID, and the budget repair measures were introduced. The reduction to \$16bn reflects policies such as the new wages policy, budget parameters approved as part of this year's budget and the outlook for revenue that we see compared to two years ago.

**Mrs FINOCCHIARO:** Does it not assume a huge increase in own-source revenue, which is questionable given that it is largely reliant on GST increases?

**Mr GRAHAM:** It relies on own-source revenue growth that we are now projecting.

**Mrs FINOCCHIARO:** That 30% of own pie that we are responsible for, the assumption of reducing it to \$16bn is based on growing our own-source revenue? Growing the mining sector, on-shore gas industry et cetera.

**Mr GRAHAM:** Yes.

**Mrs FINOCCHIARO:** So while you have not included growth—it is interesting that you say that as mineral royalties are forecast down. Over the next four years if we are getting less royalties, how can we be increasing our own-source revenue in 10 years?

**Mr GRAHAM:** Beyond the forward estimates we are projecting that they return to a more historical growth rate.

**Mrs FINOCCHIARO:** Based on what?

**Mr GRAHAM:** The outlook that we see for the mining industry now.

**Mr GUNNER:** Some important clarification is that production and exploration in mining has been the highest it has been over the last couple of years, for about 7 or 8 years. The last time it was this high was under the previous Labor government. Treasury have already indicated, and have answered questions to this extent, that they are conservative in their predictions going forward. For example, onshore oil and gas is not included in the forward estimates because there has not been a final investment decision yet.

The economy though is still predicted to grow, even with that conservatism built in to the forecasts. Presuming the own-source revenue will grow is not an optimistic outcome, it is a conservative expectation. We can outperform that and it is the challenge I want to set the Territory government. It is also reasonable to assume that the Australian economy will return to a more normal footing post COVID, which will impact on the GST receipts as well—which is an important contributor to the Territory budget, you cannot ignore that.

On the discipline side, we have put that in place already and we are putting further decisions in place regarding budget discipline.

**Mrs FINOCCHIARO:** Can you provide the presumptions that underline the projections for the next 10 years?

**Mr GRAHAM:** Yes, we can. The main driver of the difference is the difference in assumed expenditure growth. Under the BAU projections, we are assuming about 6% per annum growth in expenditure, which is the historical pattern. We are now assuming a much lower rate for the current projections.

**Mr CHAIR:** BAU being 'business as usual'?

**Mr GRAHAM:** Yes.

**Mrs FINOCCHIARO:** What is that new rate of growth? What was the rate of growth for the last financial year?

**Mr GUNNER:** I will answer initially then pass on to the Under Treasurer to add more.

Historic growth in the Northern Territory under the CLP and Labor governments has been 6% year-on-year. We put in place changes to that and, importantly, delivered on that reduced expenditure growth even with the impact of Coronavirus. The amount of constrained expenditure is down. The revenue got a whack in the Corona year, which was painful. I will have the Under Treasurer answer the rest of the question.

**Mr GRAHAM:** It is easier, given there are lots of moving parts and we do not have them in the folder here, to provide you with a list of assumptions. Over the forward estimates, it is what we budgeted for and beyond that something like 2% or 2.5%.

**Mr GUNNER:** I think the Opposition Leader asked what the expenditure was in terms of growth for the last couple of financial years. It was less than 6%, but we will take it on notice to give you the exact information.

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#### Question on Notice No 1.10

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** What was last financial year's actual growth and what is this financial year's projected expenditure growth?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.10.

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#### Question on Notice No 1.11

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** Please provide the list of assumptions which underline the projected growth to \$16bn over the 10-year forward estimate.

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.11.

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**Mrs FINOCCHIARO:** What is our current credit rating?

**Mr GUNNER:** Aa3.

**Mrs FINOCCHIARO:** What was it when you came to government?

**Mr GUNNER:** Aa2.

**Mrs FINOCCHIARO:** It has been downgraded over the course of your government?

**Mr GUNNER:** That was about two years ago.

**Mrs FINOCCHIARO:** During your time as Chief Minister our credit rating has dropped. How does our projected debt impact our credit rating going forward?

**Mr GUNNER:** That will be a decision for the credit agency. They have not provided any change to our outlook to date.

**Mrs FINOCCHIARO:** When are they likely to undertake that assessment?

**Mr GUNNER:** The credit agency usually does it after a budget. I presume they will do it after this budget.

**Mrs FINOCCHIARO:** Are you anticipating a downgrade?

**Mr GUNNER:** The credit agency will do what they do. We have discussed this at National Cabinet, at the Council of Federal Financial Relations, with the Reserve Bank of Australia Governor and with the secretary of the national Treasury. Their advice at the moment is to do what we can to fiscally support the economy during a recession. The advice from the reserve bank governor is that the cost of borrowing has never been lower and will continue to lower. We will see what the credit agency says.

For once the credit agencies are not having a big impact on the cost of borrowings. We had a CFFR meeting last Friday where the Australian Treasury emphasised the desire for all states, territories and the Australian Government to lean into supporting and saving jobs. I do not know what the credit agency will or will not do but the national advice at the moment is to do everything you can during a recession to save jobs. That will have a significant impact on future costs. If you can save the job now, it helps the economy moving forward.

This is the advice from the reserve bank governor and the secretary for the federal Treasury based on historic recessions to ensure we deliver a better outcome for the Territory and Australia.

**Mrs FINOCCHIARO:** But are you expecting a downgrade in our credit rating?

**Mr GUNNER:** I do not know what the credit agency will do.

**Mrs FINOCCHIARO:** I know you do not know what they will do. Are you expecting a downgrade?

**Mr GUNNER:** I am not expecting anything. The credit agency will do what they do. Whatever it is, it is.

**Mrs FINOCCHIARO:** So you do not care either way what it does?

**Mr GUNNER:** That is the advice from the reserve bank governor at the moment. The cost of borrowing is at historically low levels and for once the credit agency is not going to impact on the cost of borrowing. The most important thing is to lean in to saving jobs.

**Mrs FINOCCHIARO:** So if our credit rating is downgraded your government is not going to take that as a poor reflection, you are going to continue on business as usual?

**Mr GUNNER:** We always pay attention to what credit agencies say. One of the impacts of a credit agency is the cost of borrowing which is a fair thing to acknowledge. Right now, that is not having a material impact on the cost of borrowing.

**Mrs FINOCCHIARO:** So you do not think a downgrade in our credit rating will negatively impact our cost of borrowings?

**Mr GUNNER:** That is the current understanding of where the cost of borrowings is at. There are historically low levels. We cannot emphasise enough that the cost of borrowing is incredibly low right now. There have been deliberate policies set by the reserve bank governor and others. That is the advice from the reserve bank.

**Mrs FINOCCHIARO:** That is if borrowing new money. Does it impact any of our existing borrowing arrangements?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** The Langoulant report recommended that the government adopt a charter of budget discipline which should be accomplished in 2019. The Under Treasurer mentioned it earlier. Have you developed the charter of budget discipline? Has it been adopted by your government?

I am just getting nods. Hansard cannot work with that.

**Mr GUNNER:** Yes and yes.

**Mrs FINOCCHIARO:** Can you please table the charter of budget discipline?

**Mr GUNNER:** We are happy to take that on notice. I do not have it on me.

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**Question on Notice No 1.12**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** Please table a copy of the charter of budget discipline.

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.12.

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**Mrs FINOCCHIARO:** One concern when it comes to budget allocation is the shortened circulation of budget-related submissions and lodgements with the Cabinet office. Can you outline the proportion of submissions that have resource implications that were submitted to the cabinet office for shortened circulation or late lodgement?

**Mr GUNNER:** That is not handled by Treasury; it is handled by the Department of the Chief Minister, so we will have to come to that question then. Cabinet office handles Cabinet papers.

**Mrs FINOCCHIARO:** Treasurer's Advances are intended to cover off on those one-off extraordinary items that are unbudgeted for. What is the current process for an agency to request a Treasurer's Advance and how are they handled?

**Mr McMANUS:** Agencies liaise with Treasury throughout the year and keep us posted of any pressures that are impacting their budget. The Treasurer's Advance criteria have been tightened significantly to make sure they are used purely for items that are unforeseen and one-off in nature, and that are not readily budgeted for in a coming year.

As we get to the end of the financial year, agencies will write to the Treasurer seeking a Treasurer's Advance for those unfunded items that occurred throughout the year. Treasury assesses their budget and capacity to manage those costs within their overall budget. If they have had underspends in other areas of their budget throughout the financial year, they will be directed to manage those costs from within. Where there is no capacity, a Treasurer's Advance would be approved by the Treasurer.

**Mrs FINOCCHIARO:** What is the budget allocation for Treasurer's Advances for 2021?

**Mr McMANUS:** It is \$20m.

**Mrs FINOCCHIARO:** In the budget there is \$2.3m in advance for the Thoroughbred Racing Northern Territory services funding agreement shortfall. Can you please describe the circumstances of that advance, when it was granted, what the purpose is for it and is it a top-up for the \$12m grandstand?

**Mr McMANUS:** It was funded at the end of the financial year, when the Department of the Attorney-General and Justice put forward a number of unfunded items that they had not been able to budget for. There are some variables within the agreement each year, depending on the amount of collections. There is a set agreed amount, depending on what is collected through the betting items. The government has committed to pay the balance of that.

I am not entirely across the ins and outs of the agreement. That is a question for Racing, Gaming and Licensing. It comes up regularly each financial year as part of the normal agreement.

**Mr GUNNER:** For clarification, TRNT is racing services across the Territory; it is the peak body. It has a funding agreement with the Department of the Attorney-General and Justice which includes an element of

return through betting agencies. The money that comes in from betting agencies varies from year to year. The Department of the Attorney-General and Justice had a gap in that financial year.

**Mrs FINOCCHIARO:** The department of corrections received an advance for \$423,000 related to the multimillion-dollar riot that took place in May 2020, which involved more than 20 prisoners setting fire to the fire and injured staff. What does the \$423,000 relate to and what is the estimated cost to the Territory of that riot?

**Mr GUNNER:** That question will need to go to the Department of the Attorney-General and Justice.

**Mrs FINOCCHIARO:** Why can you not answer that question?

**Mr GUNNER:** A request was made by the Department of the Attorney-General and Justice; it will have the details on what occurred there.

**Mr GUNNER:** Do you not have to approve the advance?

**Mr McMANUS:** Yes, but we do not have that detail on hand at the moment. We would have been given some details on it, but I do not have the specific breakdown on the costs, whether it was for repairs and maintenance or other damages. We do not have that level of information.

**Mr GUNNER:** The Department of the Attorney-General and Justice definitely has that level of detail.

**Mrs FINOCCHIARO:** Would you know about how much will be recovered from insurance and things like that?

**Mr GUNNER:** That can be answered by the Department of the Attorney-General and Justice.

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#### Question on Notice No 1.13

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** The department of corrections received an advance for \$423,000 related to the multimillion-dollar riot that took place in May 2020, which involved more than 20 prisoners setting fire to the fire and injured staff. What does the \$423,000 relate to and what is the estimated total cost to the Territory of that riot? What portion will be reimbursed from insurance or other offset payments?

**Mr GUNNER:** We will take that on notice and indicate to AGD that it is coming.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.13.

**Mrs FINOCCHIARO:** What are the non-compliance sanctions for spending money in excess of budget?

**Mr GUNNER:** We will be providing advice very soon on how we will be implementing accountability for CEOs.

**Mrs FINOCCHIARO:** Why can you not answer my question now?

**Mr GUNNER:** Because we will be providing that information soon.

**Mrs FINOCCHIARO:** You mean you will be doing a press release and having fanfare? This is estimates. You have to answer the questions; you cannot just delay giving us an answer because it does not suit your media schedule.

**Mr GUNNER:** I am not saying that. I am saying we will be providing that information soon.

**Mrs FINOCCHIARO:** Does that mean there are no sanctions for over-expenditure of budget?

**Mr GUNNER:** No. We are saying that we will be providing soon, as per to the plan for budget repair, the formal advice on how we intend to strengthen CEO accountability.



**Mrs FINOCCHIARO:** Does that mean since last year when you talked tough about CEOs being on notice and going after them for non-compliance, you have not done anything over that 12-month period?

**Mr GUNNER:** No, that is not correct. We will be providing advice soon on how we will be strengthening CEO accountability. Last financial year, we delivered a better bottom line by \$233m. Department CEOs and others are to be commended. They heeded our message about budget discipline and, in fact, returned a better bottom line. We will be providing the information soon on how we will be strengthening CEO accountability.

**Mrs FINOCCHIARO:** How do you hold CEOs to account?

**Mr GUNNER:** CEOs have a contract and performance agreement as part of their employment. Right now we have control. What we are doing is strengthening those controls and we will be providing information on that soon.

**Mrs FINOCCHIARO:** To date no new sanctions have been put in place for accountable officers who go over their budget?

**Mr GUNNER:** CEOs responded to our message of budget discipline by delivering a better bottom line, going into the end of last financial year. We had COVID-19 hit and I have an understanding that particular agencies have had to respond over and above regarding Coronavirus. They are agencies which came in under budget and they are to be commended as well. We will be providing advice on how we are strengthening CEO accountability soon.

**Mrs FINOCCHIARO:** But you have not done anything to date?

**Mr GUNNER:** We have been working on how we are strengthening that and we will be providing that advice soon.

**Mrs FINOCCHIARO:** Is that code for you have done nothing?

**Mr GUNNER:** No, it is not.

**Mrs FINOCCHIARO:** Well, it sounds like it. What have you done then?

**Mr GUNNER:** We have been working on how we will be strengthening CEO accountability and will be providing advice at that ...

**Mrs FINOCCHIARO:** I do not want to know what you are working on, I want to know what the measures are. What are the measures?

**Mr GUNNER:** We will be providing that advice soon.

**Mrs FINOCCHIARO:** You do not have any current measures?

**Mr GUNNER:** I just answered that.

**Mrs FINOCCHIARO:** You said you will be providing advice soon ...

**Mr GUNNER:** On strengthening.

**Mrs FINOCCHIARO:** The only existing measure is to enforce their contract through performance management?

**Mr GUNNER:** Yes, which is a significant measure that has already delivered a better bottom line for 2019–20.

**Mrs FINOCCHIARO:** You answered the question and it did not even hurt that much. My gosh, we got there in the end. Well done!

**Mr GUNNER:** That is the answer I have already provided on multiple occasions; it is clearly listed.

**Mrs FINOCCHIARO:** I am very conscious of the time, Mr Chair. I have a truckload of questions but I am keen to move on to other outputs, so I might leave it there.

**Mr MONAGHAN:** How does the Territory's fiscal strategy compare with the Commonwealth's?

**Mr GUNNER:** Through coordination at the National Cabinet and CFFR level, we are on the same page when it comes to our fiscal strategy. The best way to sum it up is as I have earlier, regarding controlling the virus, growing the economy and repairing the budget as a result. We are having significant continuous conversations with the Australian Government, at a ministerial level—I am doing it through CFFR—and at officer level, to make sure we stay on the same page. There is the plan for the nation, regarding which we remain the only jurisdiction that has all green ticks going into Christmas, which is an important outcome when it comes to controlling the virus.

I thank the Under Treasurer for his work in coordinating this with Stephen Kennedy, who provided advice at every CFFR meeting and is a regular attendee at National Cabinet along with Philip Lowe, the Reserve Bank Governor to make sure that, as a nation, we remain in step in how we respond to the Coronavirus crisis economically. That drives the fiscal plan.

**Mr TURNER:** We have already discussed the new wages policy, which was raised by the Leader of the Opposition. Are there any alternatives that would also deliver the same level of budget repair?

**Mr GUNNER:** You would have to make cuts equal to the same amount, which would have a detrimental impact on the economy and only create bigger bills down the line. If you look at what the Territory is working on, \$424m is a lot of money. If we do not invest in social policy outcomes, the problem does not go away, it just grows in size and we end up with a deteriorating budget position and more expensive services down the line.

This is an important measure that saves Territory jobs and keeps the public service working against the biggest challenges in Australia of a small population across a massive land mass—working towards an outcome.

The pressure on the budget is often from the social policy demand-driven agencies, like Health, Police and Corrections. That is why cuts would kill the recover and the budget. It would drive up costs for future governments; we cannot afford to do that.

I am not aware of an official alternative to the wages policy; I am aware the CLP does not support it. It did not support an alternative policy, but it can only be cuts. I cannot imagine it being massively increasing our own-source revenue, because we have not ...

**Mrs FINOCCHIARO:** A point of order, Mr Chair! The member has asked a question. The Chief Minister is now theorising about what a CLP government would do. The question has to be about what his government is doing, not what he thinks the CLP would do.

**Mr TURNER:** A point of order!

**Mr CHAIR:** Just a moment, I will deal with the first point of order. The question was about other savings options.

**Mrs FINOCCHIARO:** Yes, and he is rambling on about how a Country Liberal Party government would do it differently.

**Mr CHAIR:** The minister is answering a question and it is relevant.

**Mrs FINOCCHIARO:** This is cute as a Dixer in Question Time, but it is ridiculous for estimates.

**Mr CHAIR:** Did you have a point of order, Member for Blain?

**Mr TURNER:** If the Leader of the Opposition wants to raise the point of order, could she at least tell us what it is and what the relevance is.

**Mrs LAMBLEY:** Oh, go on. This is estimates, it is not parliament. We ask the questions and you answer.

**Mrs FINOCCHIARO:** This is estimates, work it out. You are a government member, I am the Opposition Leader and she is an Independent member. We ask the questions and you guys do not pat each other on the back. You can ask questions during your Dixer time, which you have increased, in Question Time.

**A member:** This is just a rant, as usual.

**Mr CHAIR:** Leader of the Opposition, let us get back to the question.

**Mr COSTA:** I want to listen to the answer.

**Mr CHAIR:** The question Mr Turner asked the Chief Minister was about other savings options. The Chief Minister has the call.

**Mrs FINOCCHIARO:** Presumably, Chair, just a point of clarification—I am not interrupting, I am asking a point of clarification. Presumably the ‘any other savings’ measures would be any other savings measures the government is offering other than the pay freeze?

**Mr CHAIR:** I would not like to presume what the question has asked. I will leave the question as it has been asked and let the Chief Minister answer.

**Mr GUNNER:** An important point to note is that from 2025–26 onwards, it is a permanent \$210m recurrent saving to the budget if we adopt our wages policy; that is huge. The average cost of a public servant when you are doing estimates is \$100,000. Public servants cost a whole range of wages, but Treasury use \$100,000 as the average cost. That is 2,100 FTE less from 2025—26 onward if you go down any alternative path. That would be devastating to the Territory.

Our wages policy in place to deliver a significant fiscal result for the Northern Territory, while saving jobs and still delivering the services outcome we need for the Northern Territory. That is why it is such an important policy.

**Mrs LAMBLEY:** I have been listening intently to the Treasurer. I remember before the budget came out that even members of your government were telling the media that this would be the bleakest of bleak budgets and that we are in for a difficult fiscal future because of the circumstances. I am not hearing that from you at all, Chief Minister. I maintain that it is like seeing someone put lipstick on a pig.

All the indicators suggest that we are in a very dire fiscal position. I refer back to the budget repair report which your government commissioned in November 2018. In this report, which was delivered to us in March 2019, it said that:

*... the Territory faces serious financial challenges and is currently in the unsustainable position of borrowing to fund recurrent activities and interest costs.*

This was well before COVID-19. We were in a very difficult financial position and you acknowledged that by commissioning this report. There are lots of recommendations in here. But here we are today and there seems to be no recognition or acknowledgement of how bad our position is. The Opposition Leader has tried to extract very basic information from you, like how will our unsustainable level of debt impact on Territorians now and in the future when the Territory Economic Reconstruction Commission is forecasting a possible \$16bn debt by 2030? That is on page seven of their report. They say that if things do not improve, that is where we are heading.

To ignore that question from the Opposition Leader, in the broader context of what we have seen under your government—this fiscal deterioration—is insincere. What you have developed, Chief Minister, is an incredible way of presenting things in a positive way which is not necessarily sincere. Territorians need to know how this impacts on them. How will the people of Alice Springs be impacted by us paying \$2m per day in interest repayments rather than the approximately \$1m we are paying at the moment?

There is an impact but you are saying there is not, that you have this miraculous fiscal plan that means no one in the Territory will be impacted. That is not true, Chief Minister. I would like you to be more honest with the Territorians who are listening today.

**Mr GUNNER:** The quote from the plan for the budget repair was regarding the fiscal strategy in place at the time, which had a business-as-usual case tracking towards a \$30bn-plus net deficit in 10 years’ time. The decisions we have made since then, incorporating the impact of Coronavirus, sees us at a \$16bn, 10-year forecast. That is from our budget books and TERC quote it again in their report. It was public in the budget books a month ago.

I am not happy about \$16bn but it is an improvement on the \$30bn-plus. We were tracking to be better before Coronavirus hit, but we are now at \$16bn. We are halving what the forecast was in the budget repair document, which is a significant outcome, but I would not be happy about the \$16bn.

I am indicating that the economy will grow. This is predicted in the budget with conservative estimates on growth. I am confident about a number of projects which are not reflected in those economic forecasts such as the Santos project, the Darwin LNG back fill. It will have a big impact on the Northern Territory and its economic numbers when that decision is made.

I am not shying away from what has happened this financial year. There is a \$2.4bn deficit and an \$8.5bn net debt. That is a big whack. We let Territorians know it was coming. Every state and territory has had that same whack. Our net debt-to-revenue ratio has come in below the Australian Government's. It is not a bragging point as both numbers are not good but it shows where we stand relative to the rest of the country. We are seeing a recovery, which is important to note. We are seeing the way we climb out of it over the forecast, a halving of the fiscal deficit and a reduction in the operating deficit.

These are all important outcomes which we want to improve on. As we do the economic work, TERC will be a guiding light. We can and must grow the economy further than what we have flagged in those budget books.

Yes, I am optimistic about the Territory's future. I am optimistic based on the realism of where we stand right now, which is a whack—\$2.4bn deficit; we cannot get away from it. We got hit on the revenue side. We tried our best to restrain our expenditure to COVID-only things, which was an important decision to make. We will provide that advice soon. We have come in below the historic 6% year-on-year growth, but we will give you the exact figure in a question on notice.

Yes, it hurts this financial year. I am up front about it, but I am also optimistic about where we are going and how we are going to get there. That is based on the numbers we have in the budget we have tabled and they are conservative. My demand to government is to improve on those numbers and we must improve on those numbers.

**Mrs LAMBLEY:** Eighteen months ago, when this budget repair report came out, the position of the Territory was unsustainable with regard to our borrowings, when the debt was probably around \$4.5bn. Now we are up to \$8.4bn in December 2020. If it was unsustainable then, what is it now?

**Mr GUNNER:** That was based on a business-as-usual case, with net debt going out to \$30bn-plus in the 10-year forecast. We have not done business as usual. We have made big decisions as a government and delivered a better bottom line than forecast last financial year.

The section the Member for Araluen is quoting relates to a different fiscal strategy and a different fiscal outcome than what has been delivered.

**Mrs LAMBLEY:** It seems to me that the goalpost changed very easily when it came to you presenting this diabolical budget. I am not going to thrash this to death, I will leave that to the Opposition Leader. I will say to Territorians listening, it is not very convincing. It is still very concerning and I do not think we are getting the answers we deserve.

A question on the public service: how big has it grown? What is the size of the public service as opposed to what it was in the last budget, May 2019? Has it grown like we are hearing in the media and by how many FTEs?

**Mr GUNNER:** We made some Coronavirus-related decisions to increase the size of the workforce. For example, we approved a Police recruit training program to support them and extra people to help manage quarantine and borders.

Increases in the frontline:

- 94 FTE nurses
- 50 FTE policy auxiliaries
- 35 FTE medical officers
- 27 FTE classroom teachers

- 26 FTE correctional officers
- the administrative and professional streams are not broken down by agency.

**Mrs LAMBLEY:** Could you give me a total please, across the public service?

**Mr GUNNER:** The average for the March quarter in 2020 for FTE was 21,494 and for the September quarter it was 21,969.

**Mrs LAMBLEY:** Compared to the May 2019 budget?

**Mr GUNNER:** That was March and September this year. I do not have the May figures on me. Do you want me to take that on notice?

**Mrs LAMBLEY:** Yes, if you could give me the increase from the last budget to this budget.

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**Question on Notice No 1.14**

**Mr CHAIR:** Member for Araluen, please restate the question for the record.

**Mr GUNNER:** We need to clarify that. Normally that would make sense as it is made in May, but it has been made in November.

**Mrs LAMBLEY:** Does that matter?

**Mr GUNNER:** I can give you a May to May figure but that might be misleading. I can do May to May and November to November.

**Mr CHAIR:** Member for Araluen, do you want to craft the question to reflect May to May and November to November?

**Mrs LAMBLEY:** Would the May 2019–20 budget papers not show a figure of the ...

**Mr GUNNER:** I was just thinking that there is often a seasonal workload in the public service. With May to November I do not know which way it will go. One way or another might be misleading, therefore May to May and November to November—I am offering four sets of figures.

**Mrs LAMBLEY:** Okay, that is very generous.

**Mr CHAIR:** Member for Araluen, could you craft that question to reflect that please.

**Mrs LAMBLEY:** I request the change in the public service FTEs from May 2019 to May 2020 and then November 2019 to November 2020.

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** I can take that question on notice.

**Mr CHAIR:** The question asked by the Member for Araluen has been allocated number 1.14.

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**Mr MONAGHAN:** I have two questions for the Treasurer. This is probably along the lines of the Member for Araluen's question, but more to do with the staffing caps of the agencies—one of our largest costs. Which agencies are the most over their staffing caps? There will be a difference between your frontline staff and other agencies, bearing in mind that I am trying to separate from a COVID figure which was ...

**Mr GUNNER:** Yes. The other thing to bear in mind this financial year is the election. The Electoral Commission had 50 staff pop up and then go away again, which is how they run the election.

The agencies that were impacted were all frontline, as you can imagine. There were variances in Police, Fire and Emergency Services; Territory Families; the Health sector; Education; Attorney-General and Justice; and Local Government.

The only agency outside of those that went up—everyone else essentially delivered on cap—was Trade, Business and Innovation, which reflects the additional staff relocated there to manage the grants program. That was 39 extra in DTBI; that is a frontline increase. The Electoral Commissioner had 50 for managing the election.

I see Corporate and Information Services went up by seven. Was that Coronavirus as well, because they managed the whole back end?

**Mr McMANUS:** Yes, it might be three of them.

**Mr GUNNER:** It was basically frontline or Coronavirus. Every other agency came in under; all the industry and support and central agencies came in under cap. The ones that went over cap were the service agencies.

**Mrs LAMBLEY:** In the Territory Economic Reconstruction Commission report on page 23, it talks about how:

*Most of the industries discussed in this report are located in the Territory's regions ...*

This is a great personal interest of mine. The regions miss out on a lot of investment. Earlier in your opening statement you said that is not true. I want to see a full breakdown. You have not provided it in the budget papers because of restrictions and limitations because of COVID. I would like to see a breakdown of investment into the regions by this government because I do not believe you.

**Mr GUNNER:** The Productivity Commission, which is independent of government, made that point, not the government. The Productivity Commission made the point about government that most of our money goes to the regions ...

**Mrs LAMBLEY:** No, most industries discussed in this report are located in the Territory's regions. Therefore, if all this business activity that the TERC is referring to is located in the regional areas, then let us compare your investment in the regions to the business activity they are flagging.

**Mr GUNNER:** There are a couple of different ways of looking at that. One might be enabling economic infrastructure. The majority of our infrastructure spend occurs outside of Darwin. Darwin is 60% of the population and gets 17% of the infrastructure spend. The majority of money is invested outside of Darwin.

**Mrs LAMBLEY:** I would like to see proof of that. I want to see your regional highlights and that you are doing that. It does not feel like that to a lot of Territorians living in regional areas.

**Mr GUNNER:** This is not unique to this budget and has been reflected in every budget. The majority of infrastructure money is spent outside of Darwin. There is a certain amount of money in services where the population is, Darwin and Palmerston. Therefore that is where the numbers go for teachers and schools. The Royal Darwin Hospital is an example I used before or the Central Australian example with the Alice Springs Hospital. A significant investment goes into it.

**Mrs LAMBLEY:** But that is a part of a region, is it not?

**Mr GUNNER:** Yes. Darwin belongs to a region too if you want to go down that path. Alice Springs also belongs to a region. You cater services from there.

We did not have the time to do the regional highlights this budget but we will do them next budget. We could take on notice the capital works by region if you want?

Do you want advice on infrastructure by region?

**Mrs LAMBLEY:** Yes, I would. I want evidence that you are investing in the regions.

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#### Question on Notice No 1.15

**Mr CHAIR:** Member for Araluen, please restate the question for the record.

**Mrs LAMBLEY:** I am requesting a forecast breakdown of government investment in the 2020–21 budget into the regional areas of the Northern Territory which excludes Darwin and Palmerston.

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Member for Araluen has been allocated number 1.15.

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**Mr YAN:** I want to go back to the FTEs as I have a question regarding that. Prior to COVID, the Langoulant report put forward a cap on public service employees. Most agencies respected that cap and did not increase their public servants.

Since that cap came into place and prior to COVID-19 at the end of 2019, there was an estimated 400–425 increase in FTEs in that period. The amount you are trying to save now by putting in a wages cap equates to about the wages of those extra 425 FTEs. Would it be safe to say that if those 425 FTEs were not employed post the Langoulant report, public servants would not have to face a cap on their wages for the next four years?

**Mr GUNNER:** That merges a couple of things that are not accurate. Where there has been an increase in staffing, for example at Palmerston Regional Hospital where staffing was required, this was added and the cap was changed to reflect that we had to employ those people. A number of things have happened that reflect government decisions regarding services where Territorians want them. We kept recruiting additional police, contradicting what we said, which changes the cap. People wanted the Palmerston hospital staffed, which is reasonable. If you build a hospital you want staff in it.

It is not a fair statement to say that if we did not employ the staff for Palmerston Regional Hospital that we would not have to do a wages policy. I have not done the math but whether or not we would come to the same saving if we chose to not staff the Palmerston Region Hospital compared to the wages policy.

The staff who have come on since the cap was put in place reflect public government decisions about where those staff should go and we have explained why. Police recruitment, teachers in classrooms and staff at the Palmerston Regional Hospital all make sense. They have all been service-related agencies and we need to deliver those services.

### **OUTPUT GROUP 13.0 – ECONOMIC Output 13.1 – Economic Services**

**Mr CHAIR:** The committee will now move on to Output Group 13.0, Economic, Output 13.1, Economic Services.

**Mrs FINOCCHIARO:** State final demand is predicted to grow between 0% in 2020–21 and 1.4% in 2023–24. How does this compare to the 10-year average?

**Mr GUNNER:** We do not have the 10-year average here, so we will take the question on notice and provide an answer to the fourth year state final demand.

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### **Question on Notice No 1.16**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** State final demand is predicted to grow between 0% in 2020–21 and 1.4% in 2023–24. How does this compare to the 10-year average?

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.16.

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**Mrs FINOCCHIARO:** Chief Minister, you say we will be the comeback capital, but population growth is predicted at 0.2% for 2020–21. The population is an anchor point to our economy, and clearly you have little confidence in our ability to grow our population in the short term.

**Mr GUNNER:** Population is, unfortunately, often marked by lag indicators. I have had the conversation with Treasury a number of times about how we measure a population. We have seen a significant influx of people in to the Territory to become Territorians in recent months. We have border control data on that. If you look at some of the things that might indicate population, it is hard to get your hands on things that are not lag indicators.

We have a much more positive population growth forecast than the Australian Government. Ours is based on more recent data than the Australian Government's. We can go beyond the Treasury forecast. Treasury will talk to why they have the forecasts they have and what assumptions they have used.

We can and should beat these population numbers. There are some positive indicators that Treasury will use in their data: rental vacancies, new builds and a few things like that.

**Mr GRAHAM:** It is fair to say that the most volatile element of our population growth is net interstate migration; it tends to swing around with major projects and economic activity. For the last two or three years, since the completion of INPEX, we have had particularly high net interstate migration outflows. In more recent times the rate of outflow has slowed considerably, particularly with the onset of the pandemic.

More recently, provisional ABS data indicates that our net interstate migration has almost halved compared to what it has been in recent years. Anecdotally we understand that the NT is seen as a bit of a safe haven, and other forms of administrative data suggest a turnaround in that net interstate migration outlook. Our forecasts are for population growth to turn positive over the forward estimates more broadly in line with our employment and economic growth forecasts.

**Mr GUNNER:** There are three things that drive population growth: birth rate; international migration; and interstate migration. We have seen our best interstate migration figures for seven years, which is excellent. Birth rate remains stable. International migration is the most difficult thing to forecast; no one has an answer on the international borders. I agree with the Prime Minister that our priority is bringing Australians home, but then we might get on to skill migration, students et cetera.

The most difficult thing about population forecasting is what might happen with international migration but it is positive to see the best population net migration results in nine years. It could not have come at a better time, because we do not have the international movement.

Jobs drive growth, and in the middle of the recession we have jobs available. The Australian Government has just made a recent announcement, which is incredibly positive, about financial support for people moving to an ongoing permanent job: \$6,000 for a region and \$3,000 for Darwin. It is an excellent policy from the Australian Government, supporting movement to where the jobs are.

**Mr MONAGHAN:** Could you please explain some of the assumptions underlining the budget economic forecast?

**Mr GUNNER:** There are a number in that area of budget; there are five or six different economic indicators. We have a difference of assumptions to the Australian Government on a number of those: the size of the GST pool; the growth of population; state final demand; and gross date profit are most impacted by whether there is a final investment decision or not.

**Mr GRAHAM:** The main components of economic growth are public and private consumption; public and private investment; and international and trade exports and imports. When we frame our forecast, we build those components up, in a bottom-up approach.

Our forecasts do reflect significant projects in the investment component, which will support growth over the forward estimates. I have listed those previously. There is a much longer list of projects which are not included in those forecasts because they are yet to reach final investment decision. To the extent that those projects come to fruition, there is upside in those forecasts. We also expect consumption to make a positive contribution to growth as well.



**Mr MONAGHAN:** You mentioned before about the bringing Australians home policy, working with the federal government. What percentage of those returning Australians are Territorians?

**Mr GUNNER:** It is difficult to assess at this stage. There are a number who belong to jurisdictions, and a number who are stateless, for want of a better word—that sounds terrible but when someone is stateless they have been out of the country for so long that they do not necessarily have a state they call home. We like to claim those. We also like to believe that some of those, who might normally be a Queenslander, might choose to stay in the Territory. For a lot of those returning, it is a question mark about which state they will end up choosing to call home. For health impact decisions, if you have a nominal state and say you have an illness or some other underlying health need, you will be transferred to that state for care, which is important.

They are potentially all up for grabs in terms of where they choose to call home after leaving the Centre for National Resilience. I am happy to take the question on notice about how many may be predetermined to be Territorian.

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#### Question on Notice No 1.17

**Mr CHAIR:** Member for Fong Lim, please restate the question for the record.

**Mr MONAGHAN:** If you could find out the information about returning Australians. What percentage of those are returning Territorians, predetermined?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Member for Fong Lim has been allocated the number 1.17.

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#### Output 13.2 – Payments on Behalf of Government

**Mr CHAIR:** The committee will now consider Output 13.2, Payments on Behalf of Government.

There are no questions. That concludes consideration of Output 13.2 and Output Group 13.0.

#### OUTPUT GROUP 14.0 – TERRITORY REVENUE Output 14.1 – Territory Revenue

**Mr CHAIR:** I now call for questions relating to Output Group 14.0, Territory Revenue, Output 14.1, Territory Revenue.

**Mr MONAGHAN:** Treasurer, how would the budget be impacted if you scrapped the royalties regime and switched to an ad valorem model?

**Mr GUNNER:** That is about a \$200m whack to revenue.

**Mr GRAHAM:** We estimate that if we applied Western Australia's average ad valorem rate to the value of production in 2019–20, it would result in a reduction in royalty revenues of between \$150m and \$200m.

**Mr MONAGHAN:** How did you determine that?

**Mr GRAHAM:** Using our value of production for mines in the Northern Territory and applying the Western Australian average ad valorem royalty rate.

**Mrs FINOCCHIARO:** You have just taken a number and multiplied it, and all of a sudden you came up with a number of what impact it would have?

**Mr GRAHAM:** Yes, it is an estimate based on what royalties we would collect if we applied an average ad valorem rate.

**Mrs FINOCCHIARO:** But you acknowledge that you could do it in a number of ways which would not take a hit to the budget?

**Mr GUNNER:** Then you have to have a higher rate.

**Mr GRAHAM:** Yes, you could do it in a revenue-neutral manner, but you would need to apply a rate.

**Mr GUNNER:** A very high ad valorem rate.

**Mrs FINOCCHIARO:** But you could have an ad valorem rate that was delivered revenue neutral?

**Mr GRAHAM:** Yes.

**Mr GUNNER:** That would then be a significant increase in expenses ...

**Mrs FINOCCHIARO:** Is this not hypothetical anyway? Or are you taking a change of policy position, Chief Minister?

**Mr GUNNER:** I have answered questions regarding estimates and forecasts.

**Mrs FINOCCHIARO:** But are you changing royalty regime? No.

**Mr MONAGHAN:** The Territory Home Owner Discount was due to expire last month ...

**Mrs FINOCCHIARO:** I am sorry, Mr Chair, but this is an absolute Dixer. It was in today's newspaper. This is estimates; it is not backbench 'pat the Chief Minister on the back' day.

**Mr MONAGHAN:** A point of order! I get to ask questions just like the opposition get to ask questions.

**Mrs FINOCCHIARO:** I am sorry, but if you do not know the answer to your question, there is a severe breakdown in your Caucus.

**Mr COSTA:** A point of order! I want to listen to the question and at least hear the answer.

**Mrs FINOCCHIARO:** It is an outrageous abuse of the estimates process to ask your Chief Minister about a story in today's newspaper, which you have the information on.

**Mr MONAGHAN:** Thank you, it is my question and my point. You did not have any other questions.

**Mrs FINOCCHIARO:** BuildBonus has been extended—there, I can answer it for him. I am keen to move on and he is just trying to filibuster the time away.

**Mr MONAGHAN:** Now you are just talking, so you are wasting my time to ask a question.

**Mrs FINOCCHIARO:** Are you saying you do not know the answer? You are wasting the parliament's time. Shame on you!

**Mr MONAGHAN:** You are wasting my time and the estimates time.

**Mr CHAIR:** Please refrain from arguing during the Estimates Committee. Member for Fong Lim, you have a question for the Chief Minister.

**Mr MONAGHAN:** The Territory Home Owner Discount was due to expire last month. What was the rationale behind extending it to 30 June 2021?

**Mr GUNNER:** There are a couple of important points. This relates to the Home Owner Discount—the BuildBonus is a different ...

**Mrs FINOCCHIARO:** It is also the wrong output, just while we are shooting the breeze here.

**Mr GUNNER:** I have this under Output 3.0 ...

**Mrs FINOCCHIARO:** Output 14.2, Home Owner Assistance.

**Mr GUNNER:** My advice from Treasury is that it comes under this output, Territory Revenue.

**Mrs FINOCCHIARO:** You were ready for the question, it is a Dixer.

**Mr GUNNER:** I can confirm this is not a Dixer. I have briefs by output.

An important point to clarify is that we chose to extend the BuildBonus scheme, which is different to the Home Owner Discount scheme. We predict that extending these schemes will provide certainty for about 785 homebuyers, and will be foregone revenues—that is why it is in this output—of about \$10m. That is the estimate.

It helps people get into a home, which is important. The best way to keep Territorians is to have them in a home. It is matched by the BuildBonus decision we made today. It is not a question, but if you have a question about BuildBonus I am happy to answer.

#### **Output 14.2 – Home Owner Assistance**

**Mr CHAIR:** The committee will now consider Output 14.2, Home Owner Assistance.

**Mr TURNER:** The Territory Home Owner Discount was due to expire last month.

**Mr CHAIR:** You have just walked in and missed this one.

**Mrs FINOCCHIARO:** This is definitely not a Dixer, hey says. Well sorry guys, you mismatched your Dixers and you just made a fool of yourself.

Are there any other questions for 14.2 or can we move on?

**Mr MONAGHAN:** That is the Chair's job, by the way.

**Mr CHAIR:** That concludes consideration of Output 14.2 and Output Group 14.0.

#### **OUTPUT GROUP 15.0 – SUPERANNUATION** **Output 15.1 – Superannuation**

**Mr CHAIR:** The committee will now move to consider Output Group 15, Superannuation, Output 15.1, Superannuation.

**Mrs FINOCCHIARO:** Chief Minister, will you be recovering the overpayments in superannuation?

**Mr GUNNER:** Recovery sits with the Department of Corporate and Digital Development, not with the NT Superannuation Office. That policy is being implemented and can be answered by Minister Kirby.

**Mr CHAIR:** That concludes consideration of Output Group 15.0.

#### **OUTPUT GROUP 16.0 – ECONOMIC REGULATION** **Output 16.1 – Utilities Commission**

**Mr CHAIR:** The committee will now move to consider Output Group 16, Economic Regulation, Output 16.1, Utilities Commission.

**Mrs FINOCCHIARO:** The Utilities Commission Electricity Outlook Report lists the decommissioning dates of all the generator units in the Darwin and Katherine power system. Eight of the generators are set to be decommissioned between 2026 and 2028. How much will it cost the government to replace those units?

**Mr GUNNER:** That would be a question for the government-owned corporations. They would be happy to answer it.

**Mrs FINOCCHIARO:** Even though it is under a Utilities Commission report and you are the Treasurer?

**Mr GUNNER:** The government-owned corporations do that. We reported it but the line agencies do the work.

**Mrs FINOCCHIARO:** No further questions.

**Mr CHAIR:** Would you like to take it on notice considering the utilities are here on Friday and will have plenty of time?

**Mr GUNNER:** I am happy to do that.

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**Question on Notice No 1.18**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** The Utilities Commission Electricity Outlook Report at pages 56 and 57, lists the decommissioning dates of all the generator units in the Darwin and Katherine power system. Eight of the generators are set to be decommissioned between 2026 and 2028. How much will this cost?

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.18.

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**OUTPUT GROUP 17.0 – CORPORATE AND SHARED SERVICES**  
**Output 17.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now move to consider Output Group 17, Corporate and Shared Services, Output 17.1, Corporate and Governance.

There are no questions. That concludes consideration of Output 17.1.

**Output 17.2 – Shared Services Received**

**Mr CHAIR:** The committee will now consider Output 17.2, Shared Services Received.

There are no questions. That concludes consideration of Output 17.2.

**Output 17.3 – Shared Services Provided**

**Mr CHAIR:** The committee will now consider Output 17.3, Shared Services Provided.

There are no questions. That concludes consideration of Output 17.3 and Output Group 17.

Are there any nonspecific budget-related questions?

There are no questions. That concludes consideration of the Department of Treasury and Finance outputs. Thank you for your time.

**OUTPUT GROUP 18.0 – CENTRAL HOLDING AUTHORITY**

**Mr CHAIR:** The committee will now consider the income and expenses of the Central Holding Authority.

There are no questions; therefore that concludes consideration of the Central Holding Authority.

**OUTPUT GROUP 19.0 - NORTHERN TERRITORY TREASURY CORPORATION**

**Mr CHAIR:** The committee will now consider the income and expenses of the NT Treasury Corporation.

There are no questions; therefore, 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 for attending today.

The committee will move on to consider outputs relating to the Department of the Chief Minister and Cabinet. We will take a short three to four minute break to allow for the changeover and to have a cup of tea. I ask Treasury people to move promptly so we can do the changeover quickly. Let us return at 2.21 pm.

### DEPARTMENT OF THE CHIEF MINISTER AND CABINET

**Mr CHAIR:** Chief Minister, I invite you to introduce the officials accompanying you and make an opening statement regarding the Department of the Chief Minister and Cabinet.

**Mr GUNNER:** I have with me today CEO Jodie Ryan, Deputy CEO Andrew Cowan, and Senior Executive Director Jean Doherty, with other officers here as well who we may invite at the appropriate time, if required.

Following the machinery changes in September, I will quickly advise the committee of some of the ministerial responsibility changes in the Department of the Chief Minister and Cabinet.

Ministry responsibility for Aboriginal Affairs, Office of the Treaty Commissioner and Local Decision Making agenda are now the responsibility of Minister Selena Uibo as the Minister for Aboriginal Affairs and Minister for Treaty and Local Decision Making.

Whole-of-government policy on teachers of children has transferred to the Minister for Children, Lauren Moss.

Additional functions have also been transferred from former agencies to the Department of the Chief Minister and Cabinet, including commercial facilitation and investment attraction and Major Projects from the former Department of Trade, Business and Innovation. I will have responsibility for these areas.

The local government and community development functions, including the Aboriginal Interpreter Service from the former Department of Local Government, Housing and Community Development have also transferred to this department. Community development for regional centres, remote communities and the Aboriginal Interpreter Service will be the responsibility of Minister Paech. Local government functions are the responsibility of Minister Paech as well as Central Australian Economic Reconstruction.

I have oversight of ministerial responsibility for the broader Territory Economic Reconstruction function, including the Northern Territory Economic Reconstruction Commission.

As a central agency the Department of the Chief Minister and Cabinet provides a critical role in coordinating and implementing the government's policy agenda. In 2020, this role has been more important than ever. The Coronavirus crisis has demanded perhaps the biggest and most complex government response in the Northern Territory's history, to save lives and jobs. The Department of the Chief Minister has led this unprecedented multi-agency effort with distinction.

The Territory would not be as safe or as strong as it is today without the efforts of our dedicated and diligent public servants. The department played a coordinating role in designing and delivering our first measures to protect Territorians from COVID-19, including the targeted shutdowns and resultant economic support and successful border restrictions and quarantine measures to help make the Territory the safest place in Australia.

Though it is easily forgotten now, we received a lot of criticism for our border arrangements earlier in the year. There were some who wanted us to fold and open our borders early but we held firm, followed the expert advice, stayed the course and kept the Territory safe.

One of the department's most important functions through this crisis has been to communicate the myriad health, operational and policy updates to Territorians and all Australians, particularly updates of declared hot spots. We established the public information group to undertake this role. They developed the [coronavirus.nt.gov.au](https://www.coronavirus.nt.gov.au) website which has had 3.1 million visits since it was created. Our Coronavirus hotline has had 80,000 calls and the SecureNT Facebook page has provided critical updates to Territorians.

The department coordinated the Security and Emergency Subcommittee of Cabinet, which met 71 times and provided policy advice and support for the Territory's contribution to National Cabinet, which has met 31 times. It has also supported the ongoing work of the Emergency Operations Centre as we continue to be in a declared public health emergency, and provides support to all other agencies as they carry out their critical functions, including the supervised quarantine arrangements at Howard Springs.

The Department of the Chief Minister and Cabinet has led negotiations with the Commonwealth to secure the Centre for National Resilience, which has taken in over 1,300 repatriated Australians. We are providing a leading national role in response to this crisis and are the gold standard for quarantine in Australia.

Although the successful management of the COVID-19 pandemic has been the department's top priority this year, it has continued to fill its various other functions. The Darwin City Deal is going from strength to strength. Work has started on the new CDU campus site, which means more jobs for Territorians and more activity happening in the CBD.

On coming into government, we had a huge task to reverse the previous government's neglect of Jabiru and give the region a future it deserves. The memorandum of understanding on the future of Jabiru has been signed, which includes the government's \$135m investment to help the town establish itself as a centre for tourism and culture in Kakadu and the West Arnhem region.

Through the Activate Darwin Team, we have had the second annual Darwin International Laksa Festival. Despite all the challenges this year, it was even bigger and better than the first.

Team Rebound provided essential support to the Territory Economic Reconstruction Commission with the final report released last week.

**Mrs FINOCCHIARO:** At what point did your department determine that the best way to communicate with Territorians about COVID was to put the messaging on your Facebook page?

**Mr GUNNER:** That was not a decision that was made. We have a public information group, they provide advice through [coronavirus.nt.gov.au](https://coronavirus.nt.gov.au) and SecureNT. I also speak directly to Territorians through my Facebook page, but I would encourage every Territorian to follow [coronavirus.nt.gov.au](https://coronavirus.nt.gov.au) and SecureNT.

**Mrs FINOCCHIARO:** Do you say that at no time your Facebook was the first point of call for people to receive information about COVID?

**Mr GUNNER:** I do my best to talk directly to Territorians and I do that through my Facebook page. I try to do it as quickly and responsive as possible. That is not part of any coordinated messaging from government and what happens through the public information group and [coronavirus.nt.gov.au](https://coronavirus.nt.gov.au) and SecureNT. I tell everyone to follow those pages. That is where you will get the best, most up-to-date and consistent information. I do my best through Facebook to talk directly to Territorians but that is not where you should go for regular updates; that is [coronavirus.nt.gov.au](https://coronavirus.nt.gov.au).

**Mrs FINOCCHIARO:** On how many occasions did your Facebook communication happen in advance of the official channels of communication?

**Mr GUNNER:** It is not part of any plan. It is not something we track. It is not anything we aim for. I talk directly to Territorians through Facebook but it is not part of any communications plan for the public information group. It is not something that we keep any data on or are trying to do, either be first or second. It is not part of any plan, I just talk directly to Territorians through Facebook as often as I can. If you want regular updates go to [coronavirus.nt.gov.au](https://coronavirus.nt.gov.au). That is where you will get the consistent regular reporting regarding the public health emergency.

**Mrs FINOCCHIARO:** Do you agree there were times throughout the crisis when people had to get their information from your Facebook because it was not available on the official channels?

**Mr GUNNER:** I do my best to talk directly to Territorians. I appreciate it if people find the information on my page useful. It is not ever done in a way to beat or not beat the public information group and what it is doing. As Chief, I do my best to talk directly to them. There is no plan or anything. If I have come first a number of times, it is not by design or part of any government plan. I just do my best to talk direct and straight to Territorians when I can regarding what is happening with Coronavirus.

It is a big situation that we are dealing with. I cannot match Premier Andrews who did some ridiculous number of press conferences in a row during the lockdown. We did not have that circumstance here, but I do my best to talk directly to Territorians.

**Mrs FINOCCHIARO:** Do you think official channels should always be updated first?

**Mr GUNNER:** Official channels should be updated as soon as they can with reliable information every time; that is the plan. If I have beaten them on occasions—I have not kept any record of that to know if I have or what number—it is not by design. It can be a bit quicker for me to draft a Facebook post sometimes than it is for the public information group. It is not part of any design or coordination.

**Mrs FINOCCHIARO:** Can I take on notice how many occasions the Chief Minister beat the official channels of communication for updates on COVID?

**Mr CHAIR:** Opposition Leader, would you like to ask the question?

**Mrs FINOCCHIARO:** I have and he is not answering. I thought I would ask it on notice.

**Mr CHAIR:** Then it would be the Chief Minister's prerogative to take it on notice or not.

**Mr GUNNER:** I am not taking that question on notice.

**Mrs FINOCCHIARO:** Why are you not taking that question on notice?

**Mr GUNNER:** Because it is not something we have ever recorded, attempted or tried to get any data or records on. It is not a thing that I can go back and take on notice.

**Mrs FINOCCHIARO:** You could check and see how many times you beat the official channels at providing notification during COVID?

**Mr GUNNER:** I am not going to waste staff resources on something as silly as that.

**Mrs FINOCCHIARO:** You are not going to take a question on notice?

**Mr GUNNER:** Yes.

**Mrs FINOCCHIARO:** I will ask the question and then he can reject it. Is that alright, Mr Chair?

**Mr CHAIR:** Opposition Leader, you are entitled to ask your question.

**Mrs FINOCCHIARO:** My question on notice is: on how many occasions did the Chief Minister's Facebook page provide updated information about COVID in advance of the official channels in which people were reassured they could get the most up-to-date information from?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** There you go!

On scrutiny—seeing as that topic has come up sooner than I realised. It is well known that you do not recognise the NT Independent as a media organisation and that you have banned them from your press conferences. Can you explain to Territorians why you do not recognise it as legitimate media?

**Mr GUNNER:** That has nothing to do with budget estimates or my opening statement.

**Mrs FINOCCHIARO:** You are the Chief Minister and we are in the Department of the Chief Minister. Would you like me to ask it at a different spot?

**Mr GUNNER:** No. It is not a part of any budget appropriation or estimate.

**Mrs FINOCCHIARO:** It is about policy, how you conduct yourself as Chief Minister and public impact.

You cannot explain why? If you have a legitimate reason you must be able to explain it. Can you explain why you do not recognise the NT Independent as legitimate local media?

**Mr GUNNER:** Has the Opposition Leader come prepared to ask questions to the budget estimates of the Department of the Chief Minister? If she has then I am happy to answer questions.

**Mrs FINOCCHIARO:** Do you think that ignoring a media outlet fosters freedom of reporting by the media?

**Mr GUNNER:** I am happy to take questions on the budget estimates for the Department of the Chief Minister.

**Mrs FINOCCHIARO:** Are you not going to entertain this at all even though it is a huge question regarding scrutiny and your conduct? It is about media freedom and the public receiving information. You cannot justify why you do not recognise them?

**Mr GUNNER:** Budget estimates is an important time for the scrutiny of the budget. It is the biggest thing the government does every year. I am happy to take questions on the budget.

**Mrs FINOCCHIARO:** But you are happy to take questions from the backbenchers which are not on the budget.

**Mr GUNNER:** Every question asked by fellow committee members has been related to the budget.

**Mrs FINOCCHIARO:** Of course you believe that because they are your own Dixie. You cannot rule out questions like that.

**Mr GUNNER:** Do you have a question on the budget?

**Mrs FINOCCHIARO:** I have plenty of questions on the budget, Chief Minister.

**Mr GUNNER:** I am happy to answer questions on the budget.

**Mrs FINOCCHIARO:** What about your recent trip to Hawaii? There was a story about official travel that you took to Hawaii in November 2017, from Alice Springs to Sydney, Sydney to Honolulu, back to Sydney and then to Darwin. Do you recall the trip and what its purpose was?

**Mr GUNNER:** I am not aware of any recent trip to Hawaii and certainly none in the budget estimates or financial year just completed.

**Mrs FINOCCHIARO:** You do not remember your trip to Hawaii in 2017?

**Mr GUNNER:** I have not come prepared with information from 2017.

**Mrs FINOCCHIARO:** You can take it on notice if you do not remember.

**Mr GUNNER:** What is the question?

**Mrs FINOCCHIARO:** What was the point of the trip?

**Mr GUNNER:** In 2017 we met with senior defence officials in Hawaii including then commander Pat Com and the lieutenant general for the marines, Berger. We discussed the marine rotations. From memory in that trip I also discussed fuel storage in the Northern Territory. We are seeing investment from the American government and potentially from the Australian government. I also attended a number of Veterans Day functions in Hawaii.

**Mrs FINOCCHIARO:** Can you explain why the trip was kept off the official travel reporting records and why a movement requisition in TRIPS was not completed?

**Mr GUNNER:** That is not correct.

**Mrs FINOCCHIARO:** Can you please say what happened?

**Mr GUNNER:** It is the opposite of what you suggested happened. Your assertion is not correct.

**Mrs FINOCCHIARO:** You are saying that the movement requisition was filed through TRIPS in accordance with official travel reporting records?

**Mr GUNNER:** Yes, that is how I travel and, as far as I am aware, every minister travels.

**Mrs FINOCCHIARO:** Was there confusion over your itinerary and different legs of the trip?



**Mr GUNNER:** On every trip I have made there has been changes to itineraries and dates. It is a standard factor of my travel.

**Mrs FINOCCHIARO:** Was your trip changed from Honolulu to Sydney instead of Honolulu to Melbourne?

**Mr GUNNER:** Not that I am aware of, no.

**Mrs FINOCCHIARO:** You were not originally going via a different capital city?

**Mr GUNNER:** I do not believe that is correct.

**Mrs FINOCCHIARO:** Regarding press freedom, have you given a direction to your department to not deal with any media outlets—or the NT Independent—seeing as you do not recognise them?

**Mr GUNNER:** I am not aware of any direction I have given. I have taken a position.

**Mrs FINOCCHIARO:** What is your position?

**Mr GUNNER:** My position is on the public record.

**Mrs FINOCCHIARO:** DCM is free to respond to media inquiries from the NT Independent?

**Mr GUNNER:** I have not given a direction.

**Mrs FINOCCHIARO:** That means they are?

**Mr GUNNER:** I have not given a direction.

**Mrs FINOCCHIARO:** It does not matter if you have given a direction. I heard that answer, so my next question is: is the Department of the Chief Minister able to engage with the NT Independent?

**Mr GUNNER:** That is covered by my answer.

**Mrs FINOCCHIARO:** Yes. I will say that is a yes then. You cannot bring yourself to say it. Unless someone else has given them a direction?

**Mr GUNNER:** Not that I am aware of. This has nothing to do with budget or estimates. I am surprised the Leader of the Opposition has no interest in the budget.

**Mrs FINOCCHIARO:** I have plenty of interest in our \$8.4bn debt, but we have just spent hours circling around the issue rather than talking to the point.

**Mr GUNNER:** That is not correct.

**Mrs FINOCCHIARO:** When you attended the Reaching South event in Shenzhen in October last year, you signed a document with a Chinese official. What was that document?

**Mr GUNNER:** I have publicly answered this question on the floor of parliament. I am happy to find the answer and provide it again to the Leader of the Opposition.

**Mrs FINOCCHIARO:** You cannot provide it now?

**Mr GUNNER:** I am happy to take it on notice and provide the Leader of the Opposition with a copy of the answer I have already provided to the House.

**Mrs FINOCCHIARO:** You cannot remember, you do not know, you are incompetent—how can you not just explain? You went to China to sign something. You must remember what it was.

**Mr GUNNER:** I do. I have already answered the question in the House. I find the Leader of the Opposition ...

**Mrs FINOCCHIARO:** Well, this is estimates ...

**Mr GUNNER:** I am happy to take the question on notice and provide the answer again

**Mr TURNER:** A point of order, Mr Chair! Standing Order 109(5): questions reflecting or are critical of the character or conduct of a person.

**Mrs FINOCCHIARO:** You did not like that I called him incompetent? Is that what you meant?

**Mr TURNER:** It is not a question of whether I like it, Opposition Leader, the standing orders are there for a reason.

**Mrs FINOCCHIARO:** Oh, I was just making sure I knew which word you did not like.

**Mr TURNER:** If you want to be professional and not waste the taxpayers' time.

**Mr CHAIR:** Member for Blain, thank you for your point of order. Opposition Leader, some nicer terms would be nicer.

**Mrs FINOCCHIARO:** Nicer? I will try to ramp up my nice.

**Mr CHAIR:** This is the nice—we are doing it nicely.

**Mrs FINOCCHIARO:** All right. We are getting into the nice part of the day? Okay.

**Mr CHAIR:** Chief Minister, were you answering the question?

**Mrs FINOCCHIARO:** No, he said he would not.

**Mr GUNNER:** I previously answered the question. I am happy to provide a copy to the Leader of the Opposition.

**Mrs FINOCCHIARO:** I will ask a different question. What was the name of the official who signed the document with you?

**Mr GUNNER:** I am happy to take that question on notice and provide all the information to the Leader of the Opposition, as previously answered.

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#### **Question on Notice No 1.19**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** In October 2019, the Chief Minister signed a document with a Chinese official. What was the nature of that document and what was the name of that official?

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** I am happy to take that question on notice and confirm again that all the work we do overseas is in full collaboration with the Australian Government, with interpreters from the Department of Foreign Affairs and Trade. All our trips are well organised. I thanked the Department of Trade, Business and Innovation at the time, which helped organised that trip.

I previously answered this question. I am happy to provide a copy of the previous answer to the Leader of the Opposition.

**Mr CHAIR:** The question on notice asked by the Opposition Leader has been allocated number 1.19.

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**Mrs FINOCCHIARO:** Could you provide a copy of the document you signed on behalf of the Territory?

**Mr GUNNER:** There are a couple of important things here, Mr Chair. This occurred in a different department. At the time it was the Department of Trade, Business and Innovation. It has nothing to do with my opening statement or the estimates of the Department of the Chief Minister. I am happy to take that question on notice, but I am flagging that this has gone well off track talking about the budget estimates.

**Mr CHAIR:** Opposition Leader, would you like to restate the question as the Chief Minister has indicated he is prepared to take it on notice?

**Mrs FINOCCHIARO:** Yes, but I am seeking clarification. My question was: will you table it? I am not sure how you could take that on notice. You either take it on notice to table it at a later date, or you could table it now.

**Mr GUNNER:** I assume you would substitute the word 'table' for 'provide'.

**Mrs FINOCCHIARO:** No, because you could just write back to my question, 'No'. I am asking you if you will table it. It is either yes or no that you will table it. If you do not have it on you, at a later date.

**Mr GUNNER:** That is why it is a question on notice.

**Mrs FINOCCHIARO:** You are happy to table it?

**Mr CHAIR:** Opposition Leader, would you restate the question for the Chief Minister?

**Mrs FINOCCHIARO:** I want to make sure we are not at cross-purposes. Are you accepting tabling the document?

**Mr GUNNER:** I will take on notice providing the document. Recognising the time, it is unlikely I will have the document to table prior to completion of my time in front of the Estimates Committee. I am taking the question on notice.

**Mrs FINOCCHIARO:** Are you happy to table it?

**Mr GUNNER:** I just answered that.

**Mrs LAMBLEY:** That is great.

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#### Question on Notice No 1.20

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** I am not sure what my question is then. Will you table, by the end of today's estimates, a copy of the document you signed on behalf of Territorians with the Chinese official during your October 2019 visit to Shenzhen?

**Mr GUNNER:** I will take on notice providing it. I cannot speak for an agency that is different to the one that is with me today. This question is going to a different department and away from budget estimates. I am happy to take on notice providing the paper. It is unlikely I will get hold of a different department and a copy of that report prior to me completing my time before the Estimates Committee. If the question on notice is provided, that is something I should be able to do.

**Mrs FINOCCHIARO:** If you say, 'I will provide a copy of the document', it is done.

**Mr CHAIR:** Opposition Leader, do you want to be less specific with your question rather than saying, 'by the end of the hearing today'? As in, 'will the Chief Minister table the document?'

**Mrs FINOCCHIARO:** I do not know how to word it. If he will do it, there is no reason for it. If he will not do it, there is a reason for it.

**Mr GUNNER:** It helps Hansard record the transcript. If there is a question on notice, when I provide the information it is tagged in a specific part of the transcript; that is my understanding. It assists Hansard if you put the question on notice, then I say I will take it and provide the information that is pursuant to the question on notice.

**Mr CHAIR:** Opposition Leader, are you comfortable with the questions or would you like to restate it for the record?

**Mrs FINOCCHIARO:** I can restate it. Chief Minister, will you table a copy of the document you signed on behalf of Territorians during the October 2019 visit to Shenzhen with the Chinese official?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.20.

**Mrs FINOCCHIARO:** Just for clarification, given that DTBI does not exist anymore ...

**Mr GUNNER:** It would be the Department of Industry, Tourism and Trade. In this instance, it is a schools cooperation document or something. DITT will be able to coordinate and get it from the Education department. We will take it on notice and get the relevant document. It was regarding how two schools will cooperate.

**Mrs LAMBLEY:** A lot of people have asked me who is paying for the operation at Howard Springs. What is the breakdown between the federal government and the Northern Territory Government? Who is paying for what?

**Mr GUNNER:** Both entities are paying for—it depends on your time scale. We are paying for our side of the fence at Howard Springs up to a certain point. We have no hot spots, and the number of people at Howard Springs has declined. The Australian Government has a bilateral agreement that covers its side of the fence. We had expenditure up to a certain point in time that would then drop off to close to zero. The Australian Government is paying for its side of the fence and that will be ongoing.

**Ms DOHERTY:** The repatriation agreement with the Commonwealth is for \$54.7m under a national partnership agreement. That expires on 31 March 2021 and it includes capital infrastructure works as well as the mechanic services, activities and all requirements of the international repatriation exercise.

**Mrs LAMBLEY:** Does that assume that Howard Springs will wind up at that point, on 31 March?

**Mr GUNNER:** No, that is just the point in time the current bilateral goes to, depending on international borders and quarantine arrangements. I suspect there is every chance the agreement will roll on past 31 March, but it is what the Australian Government has signed up to.

I suspect the Centre for National Resilience will be needed throughout the majority of 2021, but we have an agreement up to 31 March.

**Mrs LAMBLEY:** For me and others who do not understand how you just described it—I do not know what you mean by one side of the fence and the other side of the fence.

**Mr GUNNER:** There are some operational things that would be easier for the Minister for National Resilience to talk about. We have negotiated the deal with the Australian Government and I can talk in broad terms; the Minister for National Resilience can talk in more specifics.

We have broken up the Centre for National Resilience into areas or zones. In one zone—our side of the fence—we are looking after domestic hotspot people and on the other side of the fence is the National Critical Care and Trauma Response Centre. All is supervised and comes under the authority of the Territory Controller so there is uniformity in terms of how we manage security and other things on site. This is one reason why the Australian Government has given us the tick.

The costs for that side of the fence are covered by the Australian Government. There has been crossover between us and the Australian Government are picking up running costs. Their agreement goes until March 31.

**Mrs LAMBLEY:** Is it costing Territorians money?

**Mr GUNNER:** It has been costing Territorians money until the point in time where the Australian Government picks up the running costs for international people only. The cost falls on them for that period, which is reasonable. We were picking up on the running costs for domestic hotspot. There is a crossover in the timing.

It has been an awkward year in the sense that there is a calendar year, financial years and then going into a new calendar year. Sometimes the ways you discuss the costs cover different calendar and financial years.

**Mrs LAMBLEY:** The people coming in from overseas will not cost Territorians anything?

**Mr GUNNER:** No. The Australian Government has been good in their negotiations. The National Critical Care and Trauma Response Centre is based here. There are Territorians involved in all of it and the Territory Controller is overseeing the lot of it. There will be minimal cost to make sure there is consistency in the staffing and security. NT Police are involved on site to make sure security is maintained at the centre. For the international people the cost is born by the Australian Government, including our staff.

**Mrs LAMBLEY:** How much will the whole exercise generate for the Territory economy? Have you done any modelling on that?

**Mr GUNNER:** No, will be the short answer. From a cost point of view it is not costing us money but it is not a profit-raising exercise. There are more people working in jobs here and there has been a relocation of some staff. Across the country all staff working in the Coronavirus space are probably starting to hit fatigue levels, which we are sensitive to. That will impact on us in terms of headroom—the ability to grow, expand and take in more Australians is a national problem and is hitting fatigue levels at some stages rather than bed levels. That is a problem we need to manage.

**Mrs FINOCCHIARO:** On the basis of misconduct or any other basis, did you or your office refer the \$12m grandstand to the ICAC? If not, why not?

**Mr GUNNER:** I provided information I received from a freedom of information request to the Independent Commissioner Against Corruption, who makes his own decisions and is in charge of what he looks at. I made sure I provided the information I received to the ICAC.

**Mrs FINOCCHIARO:** Did your office conduct its own internal investigation?

**Mr GUNNER:** I do not have an office of investigative people. I have an office of policy workers. The ICAC does investigations.

**Mrs LAMBLEY:** The NT Infrastructure Development Fund—this is going back to a problem that arose a couple of years ago now. Last time I recall we spoke about it within parliament or estimates, there was \$7m outstanding from the money given to NT Beverages. The administrator, Ferrier Hodgson, commented on debt recovery. Where is that at? Have we received any more money from that?

**Mr GUNNER:** Treasury officials may have known the answer to that. I do not have that in front of me.

**Mrs LAMBLEY:** Ms Ryan is here, who used to be on the IDF—if there is any more information?

**Mr GUNNER:** Formerly on the IDF but that now sits with Treasury.

**Mrs LAMBLEY:** There is no more information?

**Mr GUNNER:** I do not have information in front of me, nor these officials.

**Mrs FINOCCHIARO:** In regard to machinery of government changes, you said that the changes reducing the number of agencies from 15 to 11 would ensure efficiency and would also deliver a budget saving of \$5m. Are you on track to achieve your \$5m budget saving due to the MOG changes?

**Mr GUNNER:** There are a couple of important points there. I was very clear that the machinery of government changes were about delivering better outcomes for Territorians, better service delivery and better coordination of results in the Industry department as recommended by the plan for budget repair. It was done for services.

The advice I received is that it will probably lead to a \$5m saving in terms of MOG efficiencies. In terms of whether that is on track or not, that would have been a question for Treasury and the Treasury officials, if we had been asked back at the Treasury slot. I am happy to talk to Treasury officials. I cannot take the question on notice at this point, it is the wrong output and all that sort of stuff. I am happy to go away and work on that for the Leader of the Opposition.

**Mrs FINOCCHIARO:** You do not know whether or not the savings you said would come from your machinery of government changes are going to happen?

**Mr GUNNER:** We are very early in the process of the MOG changes occurring. We are in this financial year. It is an estimated saving. I want to declare that it is not why we did the changes. I did not do it for the savings. That was for economy of scale, shared services et cetera. Treasury would have the advice on whether that is on track or not, but it is very early in the days of the MOG changes that just occurred.

**Mrs FINOCCHIARO:** The MOG changes seem to be going at a glacial pace. Some of your agencies have not even updated their new agency online presence. How is that transition going and have we reached any efficiencies yet?

**Mr GUNNER:** I can say from a work point of view—in terms of how the Department of Industry, Tourism and Trade have hit the ground et cetera, and my meetings with the new Department of Territory Families, for example, with Housing being located over there—that they are doing an excellent job and moving quickly.

With respect to webpages, I cannot answer that question. I did give an instruction as this can be a concern. Sometimes when we do MOG changes, people will run off and order a letterhead or whatever. I said to the departments that I did not want to see them racking up bills when it came to that sort of work and to just do it as part of the ordinary business and get around to it eventually. That is a less important side of the MOG changes, if that makes sense.

The more important side, in terms of delivery for Territorians—which I am confident is happening, and happening quickly—I said is to ‘not make any changes to signage or general stuff like that, which will cost money. Do it as part of your ordinary business or ordinary changing of programs.’ It is important.

**Mrs FINOCCHIARO:** How are the public service finding the transitions? Some of them are very confusing. You have four or five ministers interfacing with one government department. When are the MOG changes going to be finalised?

**Mr GUNNER:** From my experience meeting with a range of CEOs, they are working well with their new ministers. There are a couple of different coordinating mechanisms in government. Firstly, there is COORD, which is an important coordinating mechanism. There are also a couple of subcommittees of CEOs. From all of my experience and my conversations, CEOs and ministers are working well with the new changes, which is important.

In terms of transitioning new organisational structures et cetera, they are going at a pretty good clip. That is significant, serious work of government. It involves people; you always have to remember that. They are doing it in a good way. The CEO of Chief Minister and Cabinet will talk a little further; she has had more of those conversations at an operational level than I have. I do not talk at that operational level.

**Ms RYAN:** All of the MOG changes have happened in a structured-sense. The staff have officially transferred into their new agencies. The budgets have transferred into the new agencies, as you would have seen in the budget delivered last month. It does take time. There are only four agencies restructuring; the majority of the public sector was not affected by this machinery of government change. The ones that were affected are quite large changes.

Those four agencies—my own agency, Department of the Chief Minister and Cabinet; the Department of Industry, Tourism and Trade, which has picked up the former Department of Primary Industry, Resources and Tourism; the Department of Territory Families, Housing and Communities, which has picked up the Housing portfolio and some of the community development functions; and the Department of Environment, Parks and Water Security—have been the ones most substantially affected by the machinery of government changes.

The staff and the budgets are all in those departments. Each of us have been busy restructuring. As the Chief Minister said, it is about people. You cannot just move people and change their jobs without talking to them, so there has been a proper consultation process. We followed the agreed consultation process in our EBAs in consultation with unions.

Our department structure is almost finalised. We set up a high-level structure very quickly within the first month. We had a high-level department structure and we are now working through at that lower team level to make sure everyone is in the right spot. Ken Davies and Shaun Drabsch are working through theirs and are hoping to have their structures finalised before Christmas so that people can take their Christmas leave

and know what they are coming back to at the start of the year. You would have to check with Jo Townsend, but I am fairly certain her structure is sorted because it is probably the smallest change in picking up a single function coming in to the department.

Everyone has been working very rapidly and, hopefully, on the ground people doing their day jobs should not see a lot of difference in who they are reporting to, because we have moved quite large functions.

**Mrs FINOCCHIARO:** Who made the decision and why did you make the decision to hide Veterans' Affairs in the Department of Industry, Tourism and Trade?

**Mr GUNNER:** Veterans' Affairs did not move. It has always been in the Department of Trade, Business and Innovation, which is now known as the Department of Industry, Tourism and Trade. We are not hiding it. It remains where it was.

**Mrs FINOCCHIARO:** What is the synergy there for veterans?

**Mr GUNNER:** Formerly the Department of Trade, Business and Innovation, now the Department of Industry, Tourism and Trade, had picked up the majority of our Defence work. It is still doing significant Defence work. Veterans' Affairs has always been in that agency. It has remained in that agency. It was doing good work; it continues to do good work.

**Mrs FINOCCHIARO:** I have no doubt it is doing good work, it is just whether or not it is appropriate for Veterans' Affairs to be in a business department, whether or not that provides them the most support possibly available to them and whether there are greater synergies with other departments.

**Mr GUNNER:** I received advice last term that it was not performing in the Department of Trade, Business and Innovation. I believe it is. If that changes for some reason—that is not advice I have received—I can assure you I am happy to consider that. Veterans' Affairs was not touched as part of the machinery of government changes.

**Mrs FINOCCHIARO:** What is the specific efficiency dividend for your agency for this financial year?

**Mr GUNNER:** It is uniform. The Department of the Chief Minister and Cabinet is the same as all other agencies, apart from—frontline is a slightly different one. It is the same efficiency dividend across ...

**Mrs FINOCCHIARO:** Which agencies have the 3% and which have the 1%?

**Mr GUNNER:** The efficiency dividend is a Treasury determination. Treasury officials, when they were here, would have been able to answer that question more neatly. I can explain that ours is in the bulk of the agencies. The other dividend is frontline. That would have been a question to Treasury officials when they were present.

**Mrs FINOCCHIARO:** What is the efficiency dividend for DCM?

**Mr GUNNER:** Confirming this with the CEO, I believe it is 3% ...

**Mrs FINOCCHIARO:** You are trying to tell us you are creating savings and taking the budget seriously and we have this historically high, crazy levels of debt, but you do not know what efficiency dividend your department is supposed to be delivering?

**Mr GUNNER:** The efficiency dividend is factored in to the budget, so the department works to the budget it has. DCM has been good at delivering on budget. That is factored in. I am just confirming what the efficiency dividend was and to make sure we get the financial year correct—2019–20 versus 2020–21. It is already in the DCM budget; DCM is working to that. In some respects the rate of the efficiency dividend is forgotten pretty quickly because you work to the budget you get. That is the important thing.

We will take that on notice.

**Mrs FINOCCHIARO:** That is embarrassing.

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**Question on Notice No 1.21**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** What is the efficiency dividend for DCM for 2020–21?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.21.

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**Answer to Question on Notice No 1.21**

**Mr GUNNER:** I can confirm it was 3%. That is what we thought it was.

**Mrs FINOCCHIARO:** Got an answer now. Just say it for Hansard so they can tick it off.

**Mr GUNNER:** It was 3%.

**Mr CHAIR:** I had said 1.21, we will leave for the record.

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**Mrs FINOCCHIARO:** Hopefully you can answer this one. How will that efficiency be achieved?

**Mr GUNNER:** The same as every year: with internal budget discipline. That speaks to the spending decision internally.

**Ms RYAN:** The 3% was factored into our 2019–20 budget in May last year. We took action immediately to make sure we could achieve that efficiency dividend last year and this financial year. We have done that through restructuring internally, reducing our executive staff, limiting our travel—all the usual things that a CEO will do to make sure they come in within budget.

**Mrs FINOCCHIARO:** What is the efficiency dividend for your agency for next year?

**Ms RYAN:** It is 1%.

**Mrs FINOCCHIARO:** It drops down to 1%. Why is that?

**Ms RYAN:** That is what is always factored in to the forward estimates.

**Mrs FINOCCHIARO:** It could be higher?

**Ms RYAN:** Each budget Cabinet has the choice to make that decision every year. For the moment the forward estimates are all 1% from next financial year onwards.

**Mrs FINOCCHIARO:** Going forward, if we are to achieve our miraculous halving of the \$30m debt to a \$16bn debt would we not need to be continuing with efficiency dividends? Why the reduction from 3% to 1%?

**Mr GUNNER:** In going to back to old Treasury answers we were giving, the \$16b forecast debt, which is half of the budget business-as-usual case is achieved based off what is known. What is known is a 1% efficiency dividend. That speaks to achieving that result; that is exactly how you achieve that result. That is one of the assumptions built in to the \$16bn forecast.

**Mrs FINOCCHIARO:** But why is it not 3% next year as well?

**Mr GUNNER:** You have to be careful and prudent with how you manage budgets. A 1% efficiency dividend is the traditional number put in so that Treasury has something to work to. Budget Cabinet can always reserve the right to change that as it goes into a cabinet process. We have been very tough on departments over recent years and have significantly constrained their growth. The 1% is a reasonable assumption to make about what we are going to do to an agency.

When we get to budget Cabinet decisions next year we may look at that. It will be a careful and considered decision about what the efficiency dividend should be, recognising it requires tough decisions at the



departmental level. That probably relates more to the Treasury patch about how you handle and manage efficiency dividends and what decisions you make. But CEOs do take it seriously and they manage to the budgets they get.

**Mrs FINOCCHIARO:** What are the red tape strategies for your agency?

**Mr GUNNER:** The bulk of how we handle red tape—the Minister for Small Business, Mr Paul Kirby is responsible for that.

**Mrs FINOCCHIARO:** But in your agency?

**Mr GUNNER:** Procurement, which is the main thing, also sits there. Within our agency we are taking on the recommendations of the Territory Economic Reconstruction Commission, which relates to the speed of decisions. We are now looking at the recommendations of the Territory Economic Reconstruction Commission's report. We have investment and traction in major projects in our department and there will be a significant amount of work there, which falls nominally in to red tape. 'Red tape' has become a catch-all saying for a lot of things, which relates to how you make it easier for a business.

**Ms RYAN:** A lot of the regulatory processes are not within the Department of the Chief Minister and Cabinet: like the environment protection agency and mineral regulation. We do have Investment Territory, which looks after major projects. A piece of the work we are doing following the TERC report will look at the big processes for major projects and work with the agencies responsible for the regulation to do some processes in parallel rather than one after the other. That is a large piece of work that we have been undertaking for some time, noting that a lot of the time taken in major projects is not around our regulatory processes and red tape as such, but more them being able to get finance and customers for whatever they will produce at the end.

A lot of what we are trying to do is help the other regulatory agencies work out, from a whole-of-government perspective, how they can do those processes in a much more streamlined fashion.

**Mrs FINOCCHIARO:** Are you separating those into the red, green and beige tape that Langoulant talks about?

**Mr GUNNER:** Traditional red tape relates to regulation that sits with other agencies. Beige tape is a catch-all description for public service speed and culture, for want of a better phrase. I think that is being led by Chief Minister and Cabinet, with due credit to all other agencies. They have taken on the mission statement very strongly, about how to make it as easy as possible for businesses to do business in the Territory.

There have been significant changes in the speed of how we do things—recognition that we are not going for perfect, but we are going for the best we can do in the time we have throughout response to the Coronavirus. It was led very well by Chief Minister and Cabinet.

Beige tape is a loose general description and it is being led culturally by the CEO, Jodie Ryan. She has done a fantastic job throughout the public service, but all due credit to others like Shaun Drabsch who have taken that on—Chair of the job subcommittee—to get it out the door as quickly and as best they can. That is an important message: you cannot always get it perfect or find zero risk. You have to make the best decision you can with the information you have. You have to recognise that time is important for everybody.

**Mrs FINOCCHIARO:** You said you 'think' it is being led by DCM—it should be led by DCM. Either it is or it is not. Is red, green and beige tape reduction being led by DCM?

**Mr GUNNER:** Yes. Chief Minister and Cabinet is playing a leading role in how we coordinate policy and responsiveness across the public service. They are doing a very good job of it.

**Mrs FINOCCHIARO:** The annual report showed a significant overspend for 2019–20. Where was that overspend?

**Ms RYAN:** In the department at the time—the annual report was for the Department of the Chief Minister—there was an overspend of \$700,000 in a budget of \$109.8m. As always with these budget situations, landing actuals in budgets is sometimes quite complicated.

We had over-expenditure on the employee expenses side of \$2.8m. That was across a range of functions. I can list those if you like. Some of it was for overtime to do with Coronavirus. The remote hotline was manned

almost 24/7 for those first few months. There were people in the emergency operations centre 24/7 for those months.

**Mrs FINOCCHIARO:** Do you have the breakdown of how much is COVID related out of the \$2.8m?

**Ms RYAN:** It was:

- \$200,000 specifically for COVID
- \$800,000 for the ministerial offices and the Office of the Leader of the Opposition
- \$600,000 for the Office of the Administrator
- there were voluntary redundancy payments as part of our voluntary redundancy program of \$500,000

It might have actually been \$500,000 for COVID.

The administrative expenses—operating costs—were lowered by \$3m; that offset our growth in employee expenditure. A lot of that was COVID-related reduction. We did not travel from March to June. We focused on delivering our COVID response for those three months. We were overspent by \$900,000 in grants, and that was all related to COVID-19 grants response.

**Mrs FINOCCHIARO:** For last financial year, DCM was only over by ...

**Ms RYAN:** By \$700,000.

**Mrs FINOCCHIARO:** It realised savings because of the other COVID factors?

**Ms RYAN:** Yes.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2020–21 as they relate to the Department of the Chief Minister and Cabinet.

There being no questions that concludes the consideration of agency-related whole-of-government questions on budget fiscal strategy.

#### **OUTPUT GROUP 20.0 – ADVICE AND COORDINATION Output 20.1 – Strategic Policy Coordination and Engagement**

**Mr CHAIR:** The committee will now proceed to Output Group 20.0, Advice and Coordination, Output 20.1, Strategy Policy Coordination and Engagement.

**Mrs FINOCCHIARO:** Can you advise of the actual expenditure for this output for 2019–20?

**Ms RYAN:** In our annual report for 2019–20 we have a total expenditure for the output group, Advice and Coordination, and actual expenditure for that was \$56.042m.

**Mrs FINOCCHIARO:** That is for the whole of Advice and Coordination?

**Ms RYAN:** The whole group.

**Mrs FINOCCHIARO:** Chief Minister, the federal Minister for Agriculture, David Littleproud was reported on ABC on 13 October as saying about you, 'He is the Northern Territory Chief Minister and he does not know his own constitution. The guy should maybe go back and have a yarn to his Chief of Staff and just get an understanding of what happened in National Cabinet. Either he was not listening or he is incompetent.' What reassurance do Territorians have that someone who is attending National Cabinet with you has their hand on the wheel?

**Mr GUNNER:** Minister Littleproud has made a number of comments this year that do not accurately reflect decisions of the National Cabinet. That particular statement was in reference to international borders. I have had the conversation with the Prime Minister a number of times. The Australian Government controls who

comes in or who does not come in across our borders and that is something I am not seeking to take that away from the Australian Government.

**Mrs FINOCCHIARO:** You are standing by your comments. You are saying that the mango growers could not have come in earlier and that the issue was with the federal government not with the Territory government?

**Mr GUNNER:** I have consistently said that decisions regarding international borders are made by the Australian Government.

**Mrs FINOCCHIARO:** That does not answer my question. Could mango pickers have been in the Territory sooner?

**Mr GUNNER:** We got the first lot of seasonal workers thanks to the Australian Government making that decision. The Australian Government makes the decisions regarding international borders. We are ready and willing to work with the Australian Government and the decisions they make regarding international borders; I have said that repeatedly. But the Australian Government makes decisions around international borders.

**Mrs FINOCCHIARO:** Even if you had wanted mango pickers to come into the Territory earlier, you could not have made that decision?

**Mr GUNNER:** The Australian Government makes the decision regarding the borders. We took that first lot of seasonal workers, and are happy to take more seasonal workers. We are always happy to work with the Australian Government about the handling of seasonal workers across the borders but the Australian Government makes the decisions about international borders.

**Mrs FINOCCHIARO:** You had to wait for the Australian Government to make the decision about when mango pickers could come into the Territory?

**Mr GUNNER:** They make the decision regarding international borders. That has been very clear for a very long time. It was definitely true prior to COVID and during COVID that the Australian Government makes decisions about international borders.

**Mrs FINOCCHIARO:** But who makes the decision regarding the mango pickers?

**Mr GUNNER:** We make the decision about how and where someone might quarantine safely in the Northern Territory. In terms of where they come from, for example if they come from overseas, that is a decision for the Australian Government. They handle customs and the Australian borders. We handle quarantine facilities within the Northern Territory. The question of who comes to this country and where they come from has long been a decision of the Australian Government.

**Mrs FINOCCHIARO:** I am not saying where they came from or who they are, I am saying who makes the decision to allow them to come to the Territory?

**Mr GUNNER:** I have answered this. The Australian Government makes decisions about who arrives in this country and where they come from.

**Mrs FINOCCHIARO:** Did you want mango pickers in the Territory sooner than when it happened?

**Mr GUNNER:** Well, we took the very first pilots so you can say that we were very happy to take them. We got the first pilot, we got the first student pilot too. We are very happy to work with the Australian Government around seasonal workers.

**Mrs FINOCCHIARO:** But there was a lot of concern, particularly amongst the mango growers, regarding the impact to the season. The delay of a few weeks had multiple millions of dollars of impact on the industry. Did your government want seasonal workers in the Territory sooner than when arrived?

**Mr GUNNER:** I have answered that. I am not here to get into a fight with the Australian Government. We have a very good working relationship with them. We got the first pilot of seasonal workers ...

**Mrs FINOCCHIARO:** You are being more slippery than a mango, Chief Minister.

**Mr GUNNER:** We are happy to take more seasonal workers. The Australian Government made the decision regarding Australian borders. We manage quarantine arrangements internally. That is the decision of National Cabinet or the Chief Health Officer's directions depending on how and where they come from, but the Australian Government makes the decision regarding the Australian borders. It is very straightforward. I do not think anyone fails to understand that except for the federal Minister for Agriculture, who seems to forget the Australian Government controls Australian borders.

**Mrs FINOCCHIARO:** Going back to the document you signed in Shenzhen, was it linked to China's Belt and Road Initiative?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** Was the event you were at part of Belt and Road?

**Mr GUNNER:** Not to my understanding, no. To be clear, because this seems to be a conspiracy theory you can find on the distant reaches of the Internet, I do any business overseas with the full collaboration of the Department of Foreign Affairs and Trade. I normally either go with an ambassador, a consul-general or Austrade—sometimes all three—in a jurisdiction. I am very careful. The Northern Territory always acts within Australian Government policy, whether that is how we conduct meetings in the Northern Territory or overseas. It is an important point to emphasise. The Australian Government has the information, resources and the best advice when it comes to foreign affairs. I always respect that and work within their advice.

**Mrs FINOCCHIARO:** I want to get to the Territory Economic Reconstruction Commission. The final report has just been handed down. We have had the interim report for some time. What happens to those commissioners? Has the commission itself been dissolved?

**Mr GUNNER:** The commission has finished its work. Every commissioner has indicated they are happy to be available to provide advice and to work again. I have been talking with Andrew Liveris, for example, since the report was handed down and he is very happy to keep working for the Territory. He has essentially offered to do that for free, quite an incredible, generous effort from someone who still considers themselves a Territorian.

The Territory Economic Reconstruction Commission itself has finished its work and handed down the report, but all those commissioners have indicated a willingness to keep championing the Northern Territory and working on the issues in the report.

**Mrs FINOCCHIARO:** The commission no longer exists? It has been completed?

**Mr GUNNER:** Yes.

**Mrs FINOCCHIARO:** How much did you pay the commission?

**Mr GUNNER:** I can take that on notice. My understanding is that every Territory Economic Reconstruction Commissioner could take a meeting payment, which would be \$45,000 for a full year. They did not work a full year. My understanding is they did not take those payments, but I am happy to take that question on notice to give you the accurate information. Most of them waived their sitting fees.

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#### Question on Notice No 1.22

**Mr CHAIR:** Opposition Leader, please to restate the question for the record.

**Mrs FINOCCHIARO:** How much did the Territory pay the Territory Economic Reconstruction Commission?

**Mr CHAIR:** Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated the number 1.22.

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**Mrs FINOCCHIARO:** I am astounded that you do not know the amount. What resources were provided to the reconstruction commission to undertake their work? How many public servants were seconded to the TERC?

**Mr GUNNER:** We established Team Rebound, which sat within Chief Minister and Cabinet. It was a 13-person secretariat team, a rearrangement of internal resources to help out the Territory Economic Reconstruction Commission. It was cut from within. I could probably get a cost for that, but it did not add to the bottom line.

**Mrs FINOCCHIARO:** Thirteen public servants from the Department of the Chief Minister were seconded to Team Rebound, which provided administrative support to the TERC?

**Mr GUNNER:** A number of public servants from across government were located within the Chief Minister and Cabinet for the duration of the Territory Economic Reconstruction Commission's work. We called them Team Rebound. They were covered from within; they were just located within Chief Minister and Cabinet, as a central point for the Team Rebound to do its work.

**Mrs FINOCCHIARO:** The agency covered the cost of not having that person working within their normal agency?

**Mr GUNNER:** Yes. It was a common arrangement for the purposes of the Territory Economic Reconstruction Commission.

**Mrs FINOCCHIARO:** What has happened to those 13 public servants now?

**Ms RYAN:** The majority of those people have returned to their home agencies. We will keep four or five of them. They will stay in the Department of the Chief Minister for the time being and help us do the implementation program for the report.

**Mrs FINOCCHIARO:** How many were from the Department of the Chief Minister to start with?

**Ms RYAN:** When it was first set up it was in the Department of Trade, Business and Innovation. I seconded one person into the team. A few of them had come from across government agencies. We took two from the Department of the Chief Minister. We took the best we could from across the public sector to create this team. Everyone volunteered their funding, knowing the importance of the project. Most of those people have returned to their agency. Once the machinery of government change happened, Team Rebound moved into the Department of the Chief Minister and Cabinet.

**Mrs FINOCCHIARO:** Of the 13, four or five will stay in DCM?

**Ms RYAN:** Yes, plus the ones who are returning to the department to do their jobs.

**Mrs FINOCCHIARO:** The four or five will still be called Team Rebound?

**Ms RYAN:** We do not have a name for them yet. They will be our TERC implementation team.

**Mrs FINOCCHIARO:** They will be responsible for implementing the recommendations of the report?

**Ms RYAN:** They will be an implementation team for TERC.

**Mrs FINOCCHIARO:** How does government intend to measure the KPIs? The recommendations in the report are pretty wishy-washy. They do not give any hard and fast time frames or KPIs which you have to meet. How will your implementation team be structured so that it is delivering something?

**Mr GUNNER:** CEOs have a performance agreement. You start right at the top. CEOs have the tasks they are allocated and departments are given directions.

We are coming back into Cabinet in February with how departments will achieve the recommendations from the Territory Economic Reconstruction Commission. TERC has indicated two, five and 10-year targets we should be working towards.

This is a basic question of government 'doing'. It is easy to monitor and work towards the things in the TERC report. The reporting and tracking mechanism will be much clearer post the February advice about how we

do that. I see it as very straightforward part of ordinary public service compliance. It is not the first time government has been given a report and is required to do it.

The CEO of Chief Minister and Cabinet coordinates and drives those changes in and through. I see it as basic tasking out from Cabinet, through the TERC to the public service. The CEO of Chief Minister and Cabinet will talk further about how that staffing is managed internally.

**Ms RYAN:** We received the report on Tuesday. On Wednesday or Thursday we met as a group of chief executives to go through the report. The report was broken up into 22 focus areas. We have notionally allocated each of those focus areas to a CEO—not just to a department but to a CEO—because most of the focus areas cover multiple agencies.

Rather than addressing each of the 62 recommendations individually, which would not give the outcome the TERC wanted, we wanted to address each of the focus areas globally so we can achieve the outcomes.

You would notice in the report that each of those focus areas have a two, five and 10-year outcome direction. The initial focus will be on how we achieve those for the first two years. That will be coming back in February, and CEOs have taken that responsibility on board.

This is part of what we do all the time. Some of those things are what we are in the process of doing, and the report has given us the capacity to prioritise those things to the top of the list and potentially allocate new resources to them. We did things in the last term of government like the Pepper report, which was a huge number of recommendations, which we are substantially through. We are used to doing that as a public sector.

**Mrs FINOCCHIARO:** I have no doubt the public service is capable of implementing reports, but it is quite different—you cannot compare it to the Pepper inquiry. There are very tangible recommendations in that.

I have been very critical of the need to create the TERC in the first place. In my view, it outsources your Cabinet's responsibility to a group of highly qualified people—I have no issue with the team you put together, but it highlights the incompetence of your own team and their inability to deal with our economy.

The interim report came out and did not tell anyone anything they did not know. If you talked to Chamber, Master Builders or people in the business community, they were all things that we, as a people, believe we should be progressing. Yet, it took your government a report—not only did we have the interim report, which was quite directive of the areas we needed to work on. The final report does not expand much on that.

What work was done between interim and now to start that implementation phase?

**Mr GUNNER:** We have adopted the same approach as the Australian Government. It created the NCCC, which had Nev Power chairing it. A criticism to me and my government about my handling of the TERC is also a criticism of the Australian Government and how it appointed the NCCC. It is the exact same thing.

**Mrs FINOCCHIARO:** No, it is not. You are trying so hard to pair yourself with the Australian Government. You desperately want to be the Prime Minister or whatever—you are trying very hard to bury your government under the guise of, 'We are just taking the lead from the Australian Government'. If anything, your commentary shows your inability to get on with the Territory's job and what we need to do.

**Mr CHAIR:** Opposition Leader, allow the Chief Minister to answer the question.

**Mrs FINOCCHIARO:** He was making improper imputations and reflections.

**Mr CHAIR:** He was answering the question.

**Mrs FINOCCHIARO:** He did say I was criticising the federal government, which is not the case.

**Mr GUNNER:** It is a criticism of the Australian Government because it adopted the NCCC ...

**Mrs FINOCCHIARO:** It is not a criticism—it is a criticism of your government.

**Mr CHAIR:** Chief Minister, please answer the Opposition Leader—without being interrupted.

**Mrs FINOCCHIARO:** As long as he is not lying, Mr Chair, because he cannot do that.

**Mr GUNNER:** A point of order! That requires substantive motion.

**Mrs FINOCCHIARO:** It requires you to stay within the realms of the truth. If you can stick to the facts we can all move on.

**Mr CHAIR:** Opposition Leader, I ask you not to impugn that the Chief Minister is lying at estimates.

**Mrs FINOCCHIARO:** Will you ask him not to impugn that I am reflecting badly on the federal government?

**Mr TURNER:** A point of order, Mr Chair! Standing Order 20; this has been happening all day. It is irrelevant and tedious repetition.

**Mrs FINOCCHIARO:** Thank goodness the Member for Blain is coming to save you, Chief Minister. Please, let us get on. Who cares what you say—it is meaningless garbage anyway. Please carry on about how you have implemented the TERC between the interim and final reports.

**Members** interjecting.

**Mr CHAIR:** Members for Blain and Fong Lim and Opposition Leader, can we all please allow the Chief Minister to answer the question. Chief Minister, you have the call and will speak uninterrupted until you finish answering the question.

**Mr GUNNER:** The Australian Government created the NCCC. The Territory government created the TERC. We both recognised: the importance of adjusting to a world post-COVID and what to do to the economic plans; and the importance of bringing in outside thinking to complement our work, thinking and economic direction.

Criticism of the TERC and what we have done is a criticism of the Australian Government and what they do with the NCCC. It is a straightforward comparison. It is just not correct.

We managed to secure an exceptional task force with the people we had on the TERC. By doing that we will get in front of every other jurisdiction around the country. The Australian Government will get ahead through the TERC handing its work down when it did, helping prepare and adjust our economic plan to the post-COVID settings.

The TERC did a significant amount of work from its interim report to the final. You only have to look at the two reports to see the obvious differences between the reports and the directions they set out. We will work towards implementing them. There is a significant body of work in the original report as well, which departments are implementing. We responded to that earlier this year.

The work we are doing goes further than what the TERC recommended in its interim report—the 12-month body of work implementing abilities and processes to speed up decision-making; to provide confidence and certainty to public servants about handling decisions; and to get away from a zero-risk environment into one where we understand that we have to make the best decisions with the information we have. That is the work we are doing.

I thank the Territory Economic Reconstruction Commission for its work in helping the Territory government achieve the economic plan we already outlined. I agree with the Leader of the Opposition that there are no surprises in the first or second TERC reports. That shows we were on the right track with the work we are doing. I take it as an endorsement of the economic plan in the Northern Territory.

The final TERC report, as the CEO of the Chief Minister and Cabinet has just touched on, will help identify a number of things we are already doing in government—and escalate and elevate those. One of the things I am asking for the public service to report back in February is how they will do that. A lot from the TERC report is already being actioned by government, but how do we better coordinate, elevate and escalate it to make it happen quicker and make life easier for business? It is a very sensible thing to do.

**Mrs FINOCCHIARO:** Chief Minister, I know you are still going with that answer.

**Mr GUNNER:** Yes. I will now ask the CEO of the Chief Minister and Cabinet to touch upon the limitations, mainly with recommendation 15 from the first TERC report, and the 12-month plan we outlined for how we will make life easier for business.

**Ms RYAN:** There were 15 recommendations from the first TERC report. Recommendation 15 dealt with how to do business easier in the Northern Territory Government. We commenced it straight away. A lot of work was done starting at the end of July, looking at re-establishing the Territory business centres as a front door for government. We are looking at our IT systems to make it easier for businesses to start up. A lot of that work is well in train with some of the early work we will deliver early in the new year. The interim report requested that we have that done by the end of this financial year.

**Mrs FINOCCHIARO:** Chief Minister, you said that this is an endorsement of what you were already doing and you need to give people until February to come back to you with some sort of plan on how you will do it. If this is already what you are doing, why do you need until February to start taking any action?

**Mr GUNNER:** The public service has not stopped working. This is allocation of significant Christmas holiday homework for report in February about how we will action the Territory's Economic Reconstruction Commission report—which has outlined a sensible set of two-year, five-year and 10-year goals. The advice from the public service is that I am being a very tough taskmaster by setting a February reporting date.

The CEO of Chief Minister and Cabinet will touch upon the workload the public services is taking on, why it is significant and why the February reporting date is important.

**Ms RYAN:** It is a substantial amount of work. While things are under way they have, in some cases, been part of someone's day job. The prioritisation we have been tasked with from the TERC report means that it will be more than just someone's day job, it will be a whole team of people prioritising that work first before other things. We need to work out that prioritisation and what we stop doing because we do not have additional resources. We will have to look at what we are doing in departments.

The other part of this is that all departments have been going extremely hard since March, dealing with COVID. A lot of us have had to drop our business-as-usual work to pick up the extra demands of COVID. We have stopped people from taking leave which has meant that most people this year have not had holidays, particularly at a senior level. A lot of people were worried that if we went in to this huge piece of work again having to stop people from taking leave, it would be a work health and safety risk. I have said to agencies, 'You need to allow people to have their leave. I am still going to take some leave.'

We will be coming back in early 2021, hitting the ground running and making sure we work out how best to get the two-year outputs delivered within the time frame. It is a big piece of work for us.

**Mrs FINOCCHIARO:** What is a tangible outcome Territorians can expect for our economy in two years?

**Mr GUNNER:** In the TERC report there are a significant number of things outlined that they would like us to work towards. Within the Chief Minister and Cabinet's purview it is probably the infrastructure and major project commissioner, which will be an important role to establish to make it easier for business.

**Mrs FINOCCHIARO:** Sounds familiar.

**Mr GUNNER:** It was recommended to the Territory Economic Reconstruction Commission in our green paper. That is an obvious one.

We are already looking to fast-track the Adelaide River Off-stream Water Storage Program. The Australian Government put in business case funding. We have put in extra money in to the studies we need to do to make an informed decision and recommendation to the Australian Government if there is grant funding available.

They are a couple of things off the cuff that are important for us to work on regarding how we deliver on the Territory Economic Reconstruction Commission paper. That is a significant and large body of work. The CEO of CMC can add more to that.

**Mr CHAIR:** Ms Ryan, before you do, we will take a quick couple of minute toilet break. I just scooted out of the room, but we have just under an hour to go, so I thought it might be an appropriate time ...

**Mr GUNNER:** I would appreciate that.

**Mrs FINOCCHIARO:** With respect, Mr Chairman, we have just under an hour to go. If people need to go out and go to the bathroom, I am sure they can.



**Mr CHAIR:** Someone answering the questions does. We will have a couple of minutes' toilet break and then we can conclude that question.

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The committee suspended.

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**Ms RYAN:** The question was regarding tangible outcomes from the TERC report, Leader of the Opposition?

There are a range of outcomes in here but I the one that relates to our agency, in the digital connection one, says 'agreements struck for international connections' regarding digital connectivity. My deputy, Andrew Cowan, will talk on some tangible outcomes in that respect.

**Mr COWAN:** In regard to this action, we have been working for over 18 months across a number of agencies to look at the opportunity for improving digital connectivity in the Northern Territory. This as an opportunity to underpin significant growth across a number of sectors, not just growing a new digital sector.

Back in January, through our Local Jobs Fund, we signed a joint agreement with the Vocus Group, which is looking to augment our terrestrial cables. That is getting us from Darwin, down the spine to Alice Springs and across to Brisbane. There are big issues regarding the slowness and cost to transfer data to Darwin through that connectivity. Through the Terabit Territory initiative there will be an upgrade from 400 megabytes to 20 terabytes. Part of that is also looking at improving connectivity into key business precincts up and down the spine and in our major centres. This will mean we are best in class in regard to connectivity and that will also disrupt some of the pricing of the cost of data transmission, which has been part of the issue.

We have not just been focusing on the terrestrial links to the east coast—that is very important, and also down to Adelaide—but international connectivity. If people cast their minds back many years, we used to be the jumping off point for the Overland Telegraph Line from Darwin and the main connection through to Asia. Clearly we do not want to be stranded from a digital point of view when we have such a large market to the north of us.

Part of that Terabit Territory initiative is also for a build-out from the north-west cable system, which goes from Darwin down to Port Hedland, which is a sub-sea cable; and then building out into the Australian Singapore cable. We expect the first connection internationally through to Singapore to be in the water by the end of 2022.

We have also been working with a number of proponents, including one who is working on a trans-pacific cable from California through to Singapore. That cable has a number of branching units into key markets in the Southeast Asian area. That build is on a similar time line. That will make us what is termed in the digital world the quickest or lowest latency route from the east coast of Australia through to Asia.

Low latency businesses like banking, betting, gaming and streaming mean great opportunity for us to position ourselves as one of the most digitally connected cities in Australia with subsea cables coming in. There are only landings in Perth or Sydney. With our position in the Indo-Pacific and access to those markets from a national security and commercial perspective, that is important to us.

There is a great commercially opportunity for us to provide data backup out of a number of Southeast Asian companies—disaster recovery—and the east coast as well. Recently with the bushfire royal commission there was reference to challenges regarding having all data on the east coast, when unfortunately a large part of the east coast was burning. There is an opportunity to provide disaster recovery or resilience for the east coast.

Why this is important and what we have done recently is in regard to what that can enable. From the Territory perspective, we have looked at our advantage of being based in the north of Australia. One of the key things we have identified as an opportunity is data centres in the north of Australia and what we can hang off, thee terrestrial cables and subsea cables. On the back of that, recently we have gone to market for an expression of interest. We are in negotiations in that process, but we had a very strong response. That has reaffirmed the advantage that we have in our strategic location and improved infrastructure coming into the Territory from the east coast, connecting us to the 450 million people to the north of us as opposed to the 23 million down on the east coast.

This is going to be a great opportunity to not only super-charge through the connectivity some of our existing sectors, whether that is Defence—we have significant funding coming over the next 10 and 20 years and nearly all of the platforms that Defence are acquiring require good digital connectivity—agribusiness, space, tourism and creating a whole new digital industry within the Territory.

The other key thing to mention on that is—I do not want to leave out the oil and gas sector. Some work ties in with cloud providers like Microsoft Azure, Google or AWS—the use of big data to assess resources offshore or onshore and the technology of using digital twinning, where they make an actual digital twin of an offshore platform to improve the productivity and safety. That needs good data storage and high-end computing power.

That has been one of the areas we have been focusing on over the last 18 months, across the Department of Industry, Tourism and Trade and the Department of Corporate and Digital Development, to ensure we have all the elements coming together so we are competitive with the east coast market and the market to the north of us.

That gives an example of one of the priority projects we have been working on that will have significant benefit to underpin growth in a number of the recommendations highlighted in the TERC report.

**Mrs FINOCCHIARO:** What it does highlight is that you have been working on that for 18 months and yet the TERC report came out and it makes zero difference to your ability to continue working on what you have already been working on.

**Mr GUNNER:** That does the TERC and the commissioner discredit. They have provided a significant series of recommendations about how government can escalate, elevate and coordinate priorities. We are happy to take that on. It also makes recommendations for the Australian Government and the private sector about how they can lean in to the Territory's economic rebound, which is important. Data centres are an excellent example of how we can do that.

The TERC report recognises that, while we started this work on data centres prior to the TERC and prior to COVID, one of the outcomes post-COVID is that we need to have a greater consideration of national security and national resilience. The cable landing points at the moment are Perth and Sydney; there is not a landing point in Darwin. We have been doing the work in isolation with the American efforts, Project Echo; others are about getting the branching unit and the cable down here. It has become apparent that, with Defence needs—all their platforms are going to require significant data movements, et cetera—there is an increased national priority regarding security and resilience.

This reinforces the work we are doing through the data centres, identified by the TERC. This is a message to market and to the Australian Government about the importance of the work we had commenced. But how do you build on to that? It is not just about one link in and one data centre; we have to be looking at many data centres at greater operability. That is what we need to be focusing on.

The TERC report speaks to how we do what the Territory government is already doing but add significantly more Australian Government and private sector investment. TERC recognised that the Territory government cannot do it alone; we need all those players involved. That is the message that TERC is sending. It cannot just be the Territory government doing the effort.

**Mrs FINOCCHIARO:** What hand has Team NT had in implementation?

**Mr GUNNER:** Team NT were significantly involved in a number of ways to provide advice to TERC on how they prepared the report. From this point on, what we asked Team NT to do is be an oversight; to ask the question, 'how is that tracking? Where is it at?'; and to be a champion. The Territory needs private sector and Australian Government involvement, not just Territory government involvement. We have to make sure the private sector and the Australian government are part of where we go from here. Those are important things.

Team NT also has the capacity six months, 12 months or 18 months down the track to provide advice about changing recommendations if they needed to; we flagged that up front. We want this to be a living document, not just something sitting on a shelf. As facts or things change, they could provide advice. It is an important thing that we built in—it is the first time it has been built into a report—recognising that this was written during a public health emergency to prepare for life after a public health emergency. We wanted to build in that advice. That is an important distinction for Team NT.

**Mrs FINOCCHIARO:** You have built in that the report you commissioned can be altered at any other time, by the cherry-picked Team NT, consisting of a former Labor Chief Minister, who can then rewrite the recommendations to suit the objectives of your government to then say something completely different?

**Mr GUNNER:** We publicly advised this when we announced the Territory Economic Reconstruction Commission and Team NT. We thought it was an important thing to allow for and I reject the assertions from the Leader of the Opposition about that.

**Mrs FINOCCHIARO:** Crazy stuff. I am sure you thought it was important to have your own people rewrite a report that you cannot meet the objectives of.

**Mrs FINOCCHIARO:** Who wrote the report?

**Mr GUNNER:** The Territory Economic Reconstruction Commission.

**Mrs FINOCCHIARO:** It is very government-speak. It smacks of a public service document—not any criticism of the public service, but it is not written in private-sector-speak, which those individuals are.

**Mr GUNNER:** I will pass that feedback on to Andrew Liveris, Martin Parkinson, Gail Kelly ...

**Mrs FINOCCHIARO:** You are saying that Andrew Liveris himself hand-wrote the TERC?

**Mr GUNNER:** Andrew Liveris co-chaired the Territory Economic Reconstruction Commission ...

**Mrs FINOCCHIARO:** I am aware of that.

**Mr GUNNER:** ... and has taken ownership of the document. When you hand down a report, you are the owner of the report. This is the report those members on the Territory Economic Reconstruction Commission gave to us.

**Mrs FINOCCHIARO:** My question was, who wrote the report? It was not who has ownership of the report now that their names are on the front

**Mr GUNNER:** The Territory Economic Reconstruction Commission.

**Mrs FINOCCHIARO:** Public servants did not write the report?

**Mr GUNNER:** That does a significant discredit to Andrew Liveris to propose that he would hand in a report and say, 'do you mind putting your name to it?'

**Mrs FINOCCHIARO:** That is not what I am saying.

**Mr GUNNER:** That is the suggestion.

**Mrs FINOCCHIARO:** That is not what I am suggesting. I am asking who wrote it. Who sat on the computer and wrote it?

**Mr GUNNER:** The Territory Economic Reconstruction Commission.

**Mrs FINOCCHIARO:** The commissioners themselves? Okay, very interesting.

Ms Ryan, if I could just circle back to a question you answered earlier about budgets. You said that your agency was only over budget by \$700,000, but when you look at the budget for last year it was \$82m and then when you look at the actuals, it was \$109.8m.

**Ms RYAN:** Our approved budget was \$109.106m.

**Mrs FINOCCHIARO:** That was the estimate.

**Ms Ryan:** That was the final estimate, which is our approved budget. The original published budget in 2019–20 would have been approved in May 2019. The final estimate for 2019–20 was \$109.106m.

**Mrs FINOCCHIARO:** When does that get approved?

**Ms RYAN:** That is approved prior to the end of the financial year.

**Mrs FINOCCHIARO:** What process approved the estimate as being the new budget?

**Ms RYAN:** It is Cabinet approvals.

**Mrs FINOCCHIARO:** All agencies prepare a final estimate which is then approved by Cabinet ...

**Ms RYAN:** No, that is not what happens. There is an original published budget prior to a financial year. Throughout the year changes are made as per Cabinet decisions and then you end up with a final estimate which is all the changes made throughout the year to get you to a final estimate. I can talk you through those changes if you would like?

**Mrs FINOCCHIARO:** No, I understand that there is a new estimate and it is Cabinet-approved additional spending. So be it. There might be policy changes or whatever it has to be. Are you saying from DCMC's perspective that you do not consider it being over budget?

**Ms RYAN:** No, I do not. I have had an approval from Cabinet, from government, to spend.

One of the key changes in that difference was another \$25m of Australian Government funding that we managed to secure for the Darwin City Deal for the education and community precinct project. In May 2019, we would not have finalised when those funds would flow. Between May 2019 and June 2020, we had come to an agreement with the Australian Government and they provided us with \$25m for the city deal project because they cannot provide funding directly to another organisation. They provided it through the Department of the Chief Minister, which passed it on to Charles Darwin University.

**Mrs FINOCCHIARO:** What is that \$25m being spent on? The construction?

**Mr GUNNER:** The Darwin City Deal.

**Ms RYAN:** That is the first payment from the Australian Government to Charles Darwin University.

**Mrs FINOCCHIARO:** That just cycled through and out your agency?

**Ms RYAN:** Yes.

**Mr GUNNER:** That impacts the estimate of the Department of the Chief Minister and Cabinet.

**Ms RYAN:** If you look at the revenue side you will see the revenue and expenditure has gone up. That is an approved increase to our budget; it is not an over-spend. The \$700,000 was over and above what had been approved by government.

**Mrs FINOCCHIARO:** How much was spent on Boundless Possible in 2019–20?

**Ms RYAN:** In 2019–20, \$2.286m was spent on the masterbrand and the population program.

**Mrs FINOCCHIARO:** How much has been spent to date since its creation?

**Ms RYAN:** I do not have a 2018–19 number. I can take that on notice.

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#### **Question on Notice No 1.23**

**Mrs FINOCCHIARO:** How much has been spent on the Boundless Possible campaign and associated advertising, branding and anything connected since it was created?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I accept that question.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.23.

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**Mrs FINOCCHIARO:** How many people have moved to the Territory because of grants under the Boundless Possible scheme?

**Mr GUNNER:** We will take that question on notice. The numbers all sit in a different agency, with the Department of Industry, Tourism and Trade. We will make sure they are aware it is coming.

**Mrs FINOCCHIARO:** You will not answer any more questions on Boundless Possible?

**Mr GUNNER:** For the question you just asked, the answer will sit with the Department of Industry, Tourism and Trade. We will take the question on notice and make sure they are aware it is coming.

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#### Question on Notice No 1.24

**Mrs FINOCCHIARO:** How many people have moved to the Territory because of grants under the Boundless Possible scheme?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I accept that question.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.24.

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**Mrs LAMBLEY:** Regarding the COVID-19 response in Alice Springs, from Monday 16 November. Those couple of days when people were taken in to quarantine did not go well. I do not think anyone could describe it as a success. There were lots of problems. Is the Northern Territory prepared now for a more adequate response in regional centres such as Alice Springs if this should happen again?

**Mr GUNNER:** We have had an average of 10 beds in Alice Springs used for quarantine. We are paying a contract for 139 beds. We have significant headroom in Alice Springs, about 10 times the requirement needed. We did not want to contract out and pay more money for more beds. I thought 10 times the head room was a lot. We had good conversations with local providers about being able to step in if necessary.

All respect to the local providers on the ground; we had good feedback from them, even on that Monday and Tuesday. There were decisions made by people outside the Northern Territory about whether hotel rooms would be made available or not. That came at quite short notice; we thought we had more beds available than ended up being available.

I do not want to name the hotels that have been helping, because part of the reason the decision was made outside the Northern Territory was that it was a brand decision. We thought we would have more beds if we needed them and it would be easier, if necessary at a push, to relocate people to the Centre for National Resilience.

A couple of things became apparent in that treatment. We need something stronger than the agreements we had in place; we are working on that. Minister Fyles, as our Health minister, is doing that. We have already had good conversations to date. We are much more comfortable that, if necessary, there will be beds available, but we do not have the formal agreement yet.

We do not want to contract for those spaces, because we have not needed them. I want to be as careful as I can with taxpayers' money. That is important to achieve, though, because we have seen a significant complexity in moving people in a PPE–COVID environment. There was the bird strike—stuff happens when you are trying to move from Point A to Point B over a significant distance.

That, as a response, has probably been lessened as a priority and we are working towards strengthening the agreements we have in place regarding additional beds if we need them. I already have, through SEMSC, the Territory Controller and the Health minister, greater comfort about what would happen if we needed it to happen. We have been working on that.

There has been some debate about this with local hotels in Alice Springs. I will be very careful to say that the locals on the ground were very respectful and understood exactly what was needed. I am not trying to be critical of them. In fact, there were quite advanced conversations about bed availability. It was a decision

made elsewhere about whether those beds should be made available or not at very late notice, which then had a significant flow-on impact on how we handled that. We are in a better position to handle it if it came up again. I hope it does not come up again.

### **Output 20.2 – Regional Coordination, Local Government and Aboriginal Affairs**

**Mr CHAIR:** We will now move to Output 20.2, Regional coordination, local government and Aboriginal affairs.

**Mr MONAGHAN:** We touched on the Darwin City Deal. Can you tell us how this has progressed between 2019 and 2020?

**Mr GUNNER:** One of the hardest workers in the Territory government has just joined us at the desk. Bridgette Bellenger has been in significant conversations with all the players of the Darwin City Deal and she will update us on where we are.

**Ms BELLENGER:** We have been working very hard on the Darwin City Deal with our partners. You would have seen that we commenced digging for the new precinct, starting work on the car park and going out with the early ECI tender—early contract involvement tender—to start building. We are excited about those milestones.

CDU has signed the NAIF agreement, as well as the Australian Government grant. That fully funds the project, which we are excited about as well.

In the other work that is happening you would have seen—and can probably hear—some of the construction work on State Square and the Chan Building; the underground car park; and working towards the end of Stage 1 for State Square. We are moving forward on that quickly.

There are a host of other activities such as the Laksa Festival, activation and the mango festival that have been bringing people into the CBD as well.

**Mr MONAGHAN:** Is the extension of the greenspace part of the stage 1 work?

**Ms BELLENGER:** Are you talking about the City of Darwin's recent announcement?

**Mr MONAGHAN:** Yes, the carpark.

**Ms BELLENGER:** It is an interesting question. It is not a formal part of the Darwin City Deal but the City of Darwin has taken the decision to add it. It was included in very early discussion and always thought to be that. The Chief has always had the vision that it would flow through and we are pleased with the City of Darwin's recent announcement that it will now be the case.

**Mr CHAIR:** Are there any further questions?

**Mrs FINOCCHIARO:** Just bearing in mind that there are only about 20 minutes left. You guys are government backbenchers and with respect ...

**Mr MONAGHAN:** I love you commenting on my questions. It is just beautiful.

**Mrs FINOCCHIARO:** I do not care what you find beautiful, I am just saying, with respect, that there is only about 25 minutes left.

**Mr MONAGHAN:** It is just beautiful to watch, and you can tell the time, which is great.

**Mrs LAMBLEY:** You are rude.

**Mrs FINOCCHIARO:** You are such a condescending piece of work. Honestly, you are disgusting.

**Mr CHAIR:** Members, can we please utilise the time that we have remaining.

**Mrs FINOCCHIARO:** Yes, please lets.

**Mrs LAMBLEY:** Not nice.

**Mr TURNER:** Sorry about that. This is particularly important to my colleague, the Member for Arafura as well. Can you let us know what is happening in regard to the future of Jabiru and Kakadu?

**Mr GUNNER:** I will ask the Deputy CE to answer that question.

**Mrs FINOCCHIARO:** With respect, Mr Cowan, if you could keep your answer rather short. This is a government backbencher asking you. He is allowed to get government briefings at any time about this and whilst it is very interesting, there are only 20 minutes to go.

**Mr COWAN:** I am sure people are aware there are a couple of key drivers around what is happening in Jabiru, with ERA assessing mining in January 2021 and the head lease over the town ceasing on 30 June 2021. In August we signed an MOU with those parties: ERA; the traditional owners, represented through Gundjeihmi Aboriginal Corporation; the Commonwealth Government; Parks Australia; and ourselves. That was a commitment to keep Jabiru as a tourism hub and transition it from a mining town into a tourism and broader service town for the region.

The government committed \$135.5m over a four-year period and most of our investment is focused on the future and repositioning the town. In the West Arnhem region, Jabiru does not only support Kakadu but also a number of small communities. We are focusing on a number of investments going into the town and things like an upgrade to the power, as it is provided by ERA. We are in the final stages of a procurement process for a new generation asset in the town of Jabiru. We are also working through design for a new clinic to support not only the residents in Jabiru but people in the broader West Arnhem region. We have funding identified for an education precinct and enhancing the offers for education in that area.

We also have funding for a new government business centre, which is being worked through, and an Aboriginal economic development entity or a bidding resource centre. The intent of that is to have a place for all Indigenous businesses in that West Arnhem region to be operating out of tying into the vision of the traditional owners around having culture at the centre of everything that we are doing in repositioning the tourism offering for Jabiru. We also made a recent announcement to underpin the future of the town with NBN, fibre to the premises, which will support not only residents in the town but also ...

**Mrs FINOCCHIARO:** Sorry, Mr Cowan. With respect, Mr Chair, there is a lot going on with Jabiru and Kakadu. This in itself could be a one-hour answer. We have 20 minutes to go. We would all like to get on to major projects. It is a government member who asked the question. If it was an Independent or crossbench member I would not interject, but given it is government to government—this is an echo chamber now and with less than 20 minutes to go perhaps Mr Cowan could give the member for Blain a briefing.

**Mr GUNNER:** Mr Chair, if I could speak to that. We should not interrupt public servants. We should show them some respect.

**Mrs FINOCCHIARO:** I did—I said, ‘Excuse me, Mr Cowan’.

**Mr GUNNER:** This is a public forum and we are putting an answer on the public record.

**Mrs FINOCCHIARO:** You do not want to get to major projects, but I have a valid point. Estimates is an opposition and crossbench member process, and usually respect is afforded by government backbenchers.

**Mr TURNER:** A point of order, Mr Chair!

**Mr CHAIR:** Member for Blain, we will deal with the first point of order that the Opposition Leader raised. Chief Minister, did you want to continue talking to the point of order?

**Mr GUNNER:** Very briefly. I say this as much for precedent for the estimates to come, but it is important to be respectful of fellow committee members and public servants with questions and answers. I say that purely for future estimates debates that the Leader of the Opposition is indicating we will have. I respect all committee members and the public service.

**Mr CHAIR:** Mr Cowan, I will ask you to continue and once you conclude your remarks—however, the Member for Blain raised a point of order.

**Mr TURNER:** Just about the incessant interjection again. It slows us down more than the answer, Opposition Leader.

**Mr CHAIR:** Thank you, Member for Blain. We will continue ...

**Mrs FINOCCHIARO:** I am appealing to you, the government backbenchers.

**Mr MONAGHAN:** We get to do estimates too.

**Mrs FINOCCHIARO:** There is nothing I can do to stop you asking these ridiculous questions, but it would be nice if we could ask the questions and you guys can get briefings in your own time. It is totally a matter for you. I can see the Member for Araluen waiting as well.

**Mrs LAMBLEY:** Estimates is usually about non-government members questioning the government, not necessarily for government members—even though you have given yourselves four. You dominate; you are the deputy and the Chair. It is all about you guys, but let us be fair: this is one of our few opportunities to scrutinise the government. I respect Mr Cowan's (inaudible – microphone off).

**Mr MONAGHAN:** As we do, and we get to ask questions.

**Mrs FINOCCHIARO:** Of course. He could table it as well. Mr Cowan, would you like to table your briefing?

**Mrs LAMBLEY:** I have had my say.

**Mr CHAIR:** Members, we have nearly 20 minutes left. Mr Cowan, if you can continue answering the question. I ask you to keep it a little shorter than you may have previously. Considering we just wasted three minutes, your time is yours to answer.

**Mr COWAN:** I will wrap up. I have a couple of key things to mention regarding implementation. We have also established a new vehicle to drive implementation, the Jabiru Kabolmakmen Limited office, a company which will drive implementation going forward in the town. There have been comparisons drawn regarding developing East Arnhem Limited, supporting the transition with the closure of the refinery in Nhulunbuy. This vehicle will support the transition and focus more broadly on economic development in the region.

The last thing to mention is we have been doing significant work with the company looking at opportunities for private sector investment in Kakadu as one of the significant assets in the Territory. That will be a very exciting piece of work we progress going forward in regard to opportunities for a luxury hotel in Jabiru, which is an offering that is not currently available. The staff have done a lot of work to drive this implementation for repositioning Kakadu.

#### **OUTPUT GROUP 21.0 – INVESTMENT TERRITORY** **Output 21.1 – Major, Significant and Government-Facilitated Projects**

**Mr CHAIR:** The committee will now consider Output Group 21.0, Investment Territory, Output 21.1, Major, significant and government-facilitated projects.

**Mrs FINOCCHIARO:** How many major projects have been delivered under your time as Chief Minister?

**Mr GUNNER:** Senior Executive Director Hayley Richards will talk to this question. There are projects that are recognised by the government as major projects, and projects in the Northern Territory that are considered major projects.

**Mrs FINOCCHIARO:** With respect, why would you not answer how many major projects have been delivered? Do you not know? I can tell you: it is zero. Maybe you need a briefing before you sit at estimates.

**Mr TURNER:** Then why ask the question?

**Mrs FINOCCHIARO:** Astonishing. I would love to hear from Ms Richards about how there are zero.

**Mr GUNNER:** There are major projects and there are projects that are considered major.

**Mrs FINOCCHIARO:** Oh my god.

**Mr GUNNER:** It is formal; you sign a 'major project' agreement. But there are projects that choose not to sign a major project agreement, but are still major for the Northern Territory. For example, in 2017 we signed a major project agreement with Verdant. Recently, the Australian Government has signed a major project



agreement with Verdant. Both governments have recognised its major project status and we are in the process of delivering it. That is the same with the ...

**Mrs FINOCCHIARO:** I am talking about Territory projects that have been auspiced under Major Projects and given major project status by your government. How many of those have been delivered during the time you have been Chief Minister?

**Mr GUNNER:** Investment Territory is actively facilitating 13 projects with major project status and four facilitated investment projects.

**Mrs FINOCCHIARO:** How many delivered in your time as Chief Minister?

**Mr GUNNER:** Of the 13 major projects, all but one have not yet reached a final investment decision. We are working all 13 projects towards a final investment decision. As recognised by the Territory Economic Reconstruction Commission, we do not make the final investment decision; the major project makes that decision. We work with them to help deliver that result.

For example, Arafura Resources needs \$1bn in investment to deliver its rare earths mine. We are working with them on delivering that, which is part of what the Australian investment delivery task force did. It was about how you get cash and customers for major projects ...

**Mrs FINOCCHIARO:** But do those 13 major projects require nothing of government anymore? They just require themselves to make their bid ...

**Mr CHAIR:** The Chief Minister was mid-sentence and I will ask him to finish answering the question before that question is posed.

**Mr GUNNER:** Most of them, as I understand it, through a lot of the government processes—the main barriers to a final investment decision are cash and customers. For example, Project Sea Dragon is close to FID; it has made public comments to that effect. The barriers to its final investment decision are cash and customers. Similarly for Arafura Resources, the barriers to its final investment decision are cash and customers.

**Ms RICHARDS:** There are 13 projects with major project status right now, of which only one has reached a final investment decision. Each one of those are ...

**Mrs FINOCCHIARO:** Sorry, Ms Richards, could you repeat that? Of the 13 projects on the list, only one has reached a final investment decision?

**Mr GUNNER:** I just said that.

**Mrs FINOCCHIARO:** You made it sound like all 13 were just awaiting final investment decisions. None have been delivered under your government, there are still 13 on the list and only one of the 13 is working out whether they will make a final investment decision.

**Ms RICHARDS:** They are major projects because they have high levels of complexity. Your question was, 'Do all those major projects have any further asks of government?' They are across a spectrum from very early all the way through to nearly at shovel-ready. The two the Chief Minister gave as an example are shovel-ready with all approvals in place. Other projects, for example Sun Cable, are very early in conception; there are still a number of things to work through with government. There is almost everything in between the variety.

They typically take a long time to land because they have incredible levels of complexity that Investment Territory support them in working through government processes to make sure they get to the point where they are able to make an investment decision.

**Mrs FINOCCHIARO:** Chief Minister, you are satisfied that your government has not slowed down the ability for these major projects on the list—which have all been there prior to you coming to government, with the exception of Sun Cable—to make their final investment decision?

**Mr GUNNER:** No. The purpose of the major project status is to do everything we can to speed up the project ...

**Mrs FINOCCHIARO:** That is the purpose, but has it met its objectives? Langoulant was very critical of major projects. You had to reorganise that whole area. You have moved it back into Chief Minister's, am I correct?

**Mr GUNNER:** We have not slowed down any major projects. We are working constantly on how we can improve delivery for major projects. I have taken it back into Chief Minister and Cabinet, which is taking the lead on investment attraction and major projects. It is all about constantly trying to do everything we can to improve and make things better, but we have not acted to slow anything down. We keep acting to speed things up.

**Mrs FINOCCHIARO:** If you spoke to the private sector they would have an entirely different position on that. Let us go through those 13 projects. Can you outline the name of the project and then when it is set to be completed?

**Mr GUNNER:** Final investment decisions rest with each of the companies. When you have final investment decision then you have doing the works as well. There will be a range of dates across all those major projects.

**Mrs FINOCCHIARO:** Do you have them? You can speak to Sun Cable, it is your favourite—you talk about it all the time. When will Sun Cable be complete?

**Mr GUNNER:** Sun Cable is aiming for late twenties for dispatch of power to Singapore.

**Mrs FINOCCHIARO:** Late twenties? In 10 years?

**Mr GUNNER:** That is not 10 years.

**Mrs FINOCCHIARO:** What about Ammaroo Phosphate?

**Mr GUNNER:** With respect, I will keep answering the question. That is not 10 years. That is just basic math.

That is dispatch of power. That means an earlier final investment decision and construction will commence earlier than that. They are aiming to be in the Singapore market prior to 2030, because that is when the Singapore government has made a range of decisions regarding food sustainability, driverless cars, climate change et cetera. They also have decisions they have made regarding security, resilience and having additional power coming in that is separate to their gas constraints.

**Mrs FINOCCHIARO:** What conversations has the Territory government had with the Singaporean government?

**Mr GUNNER:** I have personally been to Singapore and met with their different regulatory officers over there about what they are doing. The Prime Minister is in free trade agreements with the Singapore government, which would include export of renewable power. At officer level, the government has also been speaking with Singapore as part of our work with this company for major project status. We are helping work at both ends: dispatch from us but also receipt at their end. It is a significant project. I am happy for Ms Ryan to talk further about the conversation we have been having with Singapore and the work we are doing.

**Mrs FINOCCHIARO:** If I could clarify specifically whether or not the Singapore government has signed a contract with Sun Cable to take power?

**Mr GUNNER:** That is commercial in confidence with Sun Cable. I feel comfortable saying I have met with the Singapore government and we have had conversations with them about their demand for renewable energy. There are conversations at the most senior level—the Prime Minister and Singapore about the free trade agreement, which will include the export of renewable power. But that specific question is a commercial in confidence one for Sun Cable.

**Mrs FINOCCHIARO:** When is the Ammaroo Phosphate major project due to be completed?

**Mr GUNNER:** I thank the Australian Government for giving that project major project status as well, matching our major project status. The big difference between when we gave it major project status and the Australian government it major project status is that it is a now a much bigger project. They have done a significant amount of work on what they intend to do there, which I congratulate them for.

**Ms RICHARDS:** The project has recently significantly changed scope. That is off the back of being delisted from the Australian stock exchange, being worked through with the current equity owners. There is not more we can say about that. They have a number of things to do, including approvals of the new re-scoped project.

**Mrs FINOCCHIARO:** Are you able to table a list of all the major projects, their status and their time line for completion?

**Mr GUNNER:** The document we have here includes some commercial in confidence information. We will take that question on notice and provide that.

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**Question on Notice No 1.25**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** Please provide a list of all the major projects, both facilitated investments or otherwise, and detail their time line for completion, what they are awaiting government approvals on and a status update of the project.

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I will take the question on notice. Some of the information will be commercially sensitive so I might not be able to answer every category the Opposition Leader just said. We will talk to the companies involved about what we can and cannot say about their projects, but are happy to provide as much information as we can.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.25.

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**Mrs FINOCCHIARO:** How much does the Territory Government spend paying Team NT and who is on Team NT?

**Mr GUNNER:** The estimate I have for 2020–21 is \$171,000.

**Mrs FINOCCHIARO:** That is the total cost of salaries for the members of Team NT for 2020–21? Is that correct?

**Mr GUNNER:** That is my understanding.

**Mrs FINOCCHIARO:** Who is on Team NT?

**Mr GUNNER:** I do not have the full list. We have made that public. I just want to clarify ...

**Mrs FINOCCHIARO:** The Clare Martin one. What are they called? Who is on it?

**Mr GUNNER:** Clare is on both. I might take it on notice.

**Mrs FINOCCHIARO:** No. Team NT, come on. The one with Dick Guit, Clare Martin and the other gentleman.

**Mr CHAIR:** The Chief Minister wants to take it on notice.

**Mrs FINOCCHIARO:** I am just rephrasing the question.

**Mr GUNNER:** I understand that. I want to make sure I am giving the right answer to the right question. I want to double check that the number I am giving is relevant to the right team.

**Mrs FINOCCHIARO:** Who is on that team?

**Mr GUNNER:** It is Clare Martin, Dick Guit and Paul Tyrrell, who has recently stepped down. I am not sure if that number reflects him or not.

**Mrs FINOCCHIARO:** Has he been replaced?

**Mr GUNNER:** No, because we are transitioning into Team Territory—I will not take it on notice. That is my understanding.

**Mrs FINOCCHIARO:** What outcomes has Team NT delivered to the Territory since its creation?

**Mr GUNNER:** They have done significant work principally in the Defence and gas space. It is almost priceless what they have been doing in terms of conversations and coordination regarding onshore and offshore gas customers, manufacturing and the precinct. I thank Paul Tyrrell, who took the lead on that aspect.

From a Defence industries point of view, I thank them for their significant work delivering small packages, working with Master Builders and others. We do not do this work alone. We do it in partnership. It is part of what Team NT has been about. It is about how we work together as a Territory. The Australian Government has responded to how we delivered those smaller packages for Defence industries and I thank them for that.

It was important work principally in Defence and gas and how we talk to those companies and make sure we get the right returns for the Territory. Early decisions get better outcomes and early thinking gets better delivery. That is important work and I thank them for that.

**Mrs FINOCCHIARO:** How many public servants support Team NT?

**Mr GUNNER:** One.

**Mrs FINOCCHIARO:** There is one full time public servant who has what role?

**Mr GUNNER:** A support role. They work with other agencies as necessary, whether it is with gas taskforce or doing other things to help deliver those outcomes.

**Mrs FINOCCHIARO:** What level is that person?

**Mr GUNNER:** I will take that on notice. I do not have that in front of me.

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**Question on Notice No 1.26**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** What level is the one FTE assigned to Team NT?

**Mr CHAIR:** Chief Minister, do you accept that question?

**Mr GUNNER:** I accept the question on notice.

**Mr CHAIR:** The question asked by the Opposition Leader has been allocated number 1.26.

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**Mrs FINOCCHIARO:** Are Team NT members paid any consultancy fees above and beyond the \$171,000 they are paid as a salary?

**Mr GUNNER:** No.

**Mr CHAIR:** It being 4.30 pm that concludes our time for questions to the Chief Minister and the Department of the Chief Minister and Cabinet. Chief Minister, I thank you and all your agency's staff for attending the Estimates Committee hearing today.

**Mr GUNNER:** I thank all the public servants who appeared for all the work they did, as well as all the public servants who did not appear. I also thank the staff of the Land Development Corporation, who did not appear, for all the work they did in preparation for appearing.

**Mr CHAIR:** We will take a five-minute break to reset and have a cup of tea.

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The committee suspended.

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## MINISTER MOSS' PORTFOLIOS

### DEPARTMENT OF EDUCATION

**Mr CHAIR:** Welcome everybody. I welcome you, minister, to today's hearing and invite you to introduce the officials accompanying you.

**Ms MOSS:** The officials from the Department of Education who are here with me today are the Chief Executive Officer, Karen Weston; Deputy Chief Executive Officer, Leanne Nixon; Chief Financial Officer, Brett Roach; Susan Bowden, the Executive Director of the Early Years and Education Services; and Tony Considine, General Manager of Engagement and Partnerships, will also sub in and out as appropriate.

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

I will invite the shadow minister to ask their questions first, followed by the committee members. Finally, other participating members may ask questions. The committee has agreed that other members may join in on a line of questioning pursued by a shadow minister rather than waiting for the end of their questions on the output.

**Ms MOSS:** Throughout the last term and in this term, the Territory Labor government has made it a priority to invest in children regardless of where they live or their circumstances. We are focused on ensuring that every Territory child has access to high-quality education so they can go on to lead fulfilling, healthy and happy lives.

I do say 'reinvest' because that is what we had to do when we came into government in 2016. The former CLP government ripped money out of our schools and sacked 500 teachers and support staff. Since then we have been working to repair the damage of this deficit approach and make sure that our education system is the most improved in the country.

We are a government that understands that education, including early childhood education, is key to ensuring that every child can realise their potential, and to achieving generational change.

Budget 2020–21 includes \$1.16bn towards a quality education system for our children and young people, which is another record education budget. Of that, \$541.3m will go to meet the costs of operating NT Government schools in 2020–21, which is up from \$533.6m in 2019–20. The investment supports 153 government schools, including 46 homeland learning centres, and 38 non-government schools, providing education services to over 44,000 students across the Northern Territory. We continue to support the non-government schooling sector to ensure that parents have a choice in their children's education.

It is not just the amount of funding provided to schools but also the ease of access to funding which enables schools to deliver education that is responsive to the needs of each community. That is why we continue to implement our school resourcing action plan for government schools, which enables schools to tailor spending and provides flexibility to target investment where it is needed the most.

Increasing budget certainty is a priority outcome for the school resource model so schools can plan for continuity of learning that responds to every child. In 2020 the COVID-19 pandemic challenged our school and early childhood leaders, teachers and support staff to deliver quality education and learning under conditions that were unprecedented and rapidly evolving.

For our government, the health, safety and wellbeing of staff, students and the community was paramount and we sought to continue to deliver education programs to young Territorians. Overall, \$5.3m was directed towards the COVID-19 education response in 2019–20. Budget 2020 contains funding for initiatives to help the Territory continue to recover from the pandemic and includes the \$13.5m infrastructure stimulus, providing a number of schools with additional transportable classrooms and improvements to acoustics in learning spaces. For remote schools, an additional \$3m will be made available for repairs and maintenance. We know that suitable learning environments which enable equity in learning are critical. All up, Budget 2020 includes a \$93.5m investment in improving infrastructure across government and non-government schools.

In support of year 12 students who are finishing their school education in a disrupted final year, we are investing \$5.2m in the Get SET in the NT program, which is about increasing their options and providing

more opportunities to study, earn or train in the Territory next year. There has already been significant interest in that program.

Budget 2020 includes investment for the early years through the ongoing rollout of our Starting Early for a Better Future early childhood development plan. It includes \$12.2m into the Families as First Teachers Program, including \$6.5m from the Commonwealth Government. The number of FaFT sites operating across the Northern Territory has expanded to 55 and in 2021 we will establish more FaFT sites in Territory communities.

We continue to track the progress of early years' development indicators across the Northern Territory and the Australian Early Development Census conducted again in 2021; there is \$300,000 in the budget for the census.

The 2018 results showed an increase in the number and proportion of Territory children who are developmentally on track in all five census domains, and a decrease in the number and proportion of all Territory children who are developmentally vulnerable particularly children living in remote and very remote areas. Through our significant investment in the early years we will continue to increase the number of Territory children who are developmentally on track in all five domains.

Engagement in learning will continue to be measured through sustained student attendance, which is a key priority for this government. In 2021 we will work in consultation with the community to develop a coherent engagement and attendance strategy for early childhood and education services, ensuring it has a strong Aboriginal voice and aims to establish positive patterns of school attendance from an early age because the learning will be engaging, valued and relevant.

Budget 2020 includes \$8.1m in engagement and mentoring programs and \$10.7m in attendance programs for students. We continue our commitment to the Indigenous Education Strategy 2015–2024 with \$47.9m in funding, including almost \$30m from the Commonwealth Government. Across our government we believe that locally made decisions are more likely to be the right decisions and that is why we are investing \$2.4m towards the community-led schools initiative to enable Aboriginal people in remote communities to be more involved in making decisions about their children's learning.

There are 10 community-led schools being developed in the Northern Territory, including on Groote Eylandt, in Gunbalanya, Yirrkala, Laynhapuy Homelands and the Warlpiri schools. We have established 27 local engagement and decision-making committees to allow Aboriginal people to express their views on education in a way that is much more appropriate. We want to make sure we are promoting an education system that encourages, inspires and supports all our students and families so they are the best they can be regardless of where they live or what kind of learning challenges or barriers they face.

In the coming year we are investing \$2.2m to implement our Framework for Inclusion 2019–29. Inclusive school environments across the Territory cater for students from diverse backgrounds who exhibit challenging behaviours, have mental health illness or disability or who are vulnerable and have additional learning needs. A further \$5.2m in Commonwealth funding, through the building for inclusion program, will improve facilities for students with additional needs at 43 schools. In this budget we have allocated \$8.4m to continue early intervention and support services to tackle challenging behaviours exhibited in schools and to support students with additional needs.

We will be investing a further \$12m in youth engagement strategies and initiatives, including alternate education programs that deliver differentiated curriculum pedagogy with nurturing learning environments to give students education pathways to further training, employment or learning. That includes \$1.7m for the establishment of the Palmerston youth skills centre, which is due to open early in 2021 as part of the Breaking the Cycle of Crime program. The centre will deliver education and training to guide young people to future jobs and allow them to develop confidence in themselves and their abilities.

This government's investment in education is beginning to see traction. In 2019, 1,454 students completed their NTCET, which is an increase of 79 students from 2018. More Aboriginal students completed their NTCET in 2019 than ever before, with a total of 227. There were 2,289 students enrolled in nationally accredited vocational and education training and 171 students participated in school-based apprenticeships or traineeships. We will have to wait a bit later this year to celebrate the full 2020 results.

Incredible things are happening across senior secondary in remote communities. This year, eight students from Yirrkala school graduated Year 12 as a result of their bilingual 'both ways' education. There are fantastic things happening in Wadeye with students graduating for the first time in 10 years.

We are seeing what different methods of education can provide for Territory students. We will continue to make a significant investment in VET of \$9.2m, including \$2.3m to deliver VET in remote and very remote schools through an embedded trainer model. We will also be allocating \$4.5m to enable students to complete NT CET, to provide skills and knowledge for future career paths.

Across the Northern Territory, highly skilled teachers, educators and leaders are valued in delivering differentiated educational experiences for students that are vibrant, engaging and culturally responsive. Educators have the ability to transform the lives of young people and inspire and nurture their personal and academic achievement. We are committed to attracting, developing, supporting and retaining high-quality teachers, educators and leaders in our schools. In this budget, \$800,000 has been allocated to implement actions from the Education NT Teacher Wellbeing Strategy and other wellbeing initiatives.

With a renewed focus on providing opportunities for Aboriginal Territorians to undertake teaching careers in our communities, we will launch a new remote Aboriginal teacher education program as a pilot in 2021. We are investing in the remote schools ongoing teacher trials to simplify the process for teachers to be appointed to permanent positions in remote schools.

I return to this government's budget of \$93.5m for new and improved school infrastructure. This money will support Territory businesses, many of which are family businesses with children who attend Territory schools. It is money that is spent in the Territory and most stays in the Territory.

This government fast-tracked construction of the new Zuccoli Primary School to cater for enrolment demand in Palmerston, which is our fastest growing region. Stage 1 opened to preschool to Year 4 students in 2020, with stage 2 to open from 2021 for Year 5 and 6 students. Once completed, the school will cater for 432 students and up to 88 preschoolers.

Our significant investment includes \$58.3m for capital and minor new works in government schools, \$29.8m for repairs and maintenance for government schools and \$5.4m in capital grants to non-government schools. This will provide improved educational facilities for our students.

In answering any questions on this statement—it is up to the committee, but I would ask if infrastructure questions could be in the infrastructure output or grouped together for ease of bringing in different people to the panel so we can have the relevant witness in hearing rooms. As you can appreciate, it is a very big portfolio and we have limited staff in the room. We may need to call other people as we go.

Education has the power to transform lives. We are investing in education and early childhood services to ensure that all children have opportunity. We will continue to work with families, community and industry to make sure all Territory children have the best start to life.

**Mrs HERSEY:** I thank the minister for her opening address and the public servants for the work they do to help out the minister.

What was the actual expenditure for government education in 2019–20?

**Ms MOSS:** The money that went in to public schools this year was more than in previous years. That money goes directly to schools.

In the \$1.117bn budget, \$786.4m of that was for government education, which was about 70% of the budget; \$234.2m was for non-government education; and \$96m went to the corporate and governance function for the department. The majority of that money for government schools went directly to schools through their school budgets.

**Mrs HERSEY:** What were the total 2019–20 savings through budget repair measures, including whole-of-government efficiencies, corporate efficiencies, savings and revenue measures?

**Ms MOSS:** The department does its part for efficiencies across government. Before I hand over the Brett Roach, I make the point again that we have had a record amount of money going directly to schools. We have a record Education budget this year but, like every other agency, we look for efficiencies.

**Mr ROACH:** I can go through a small list of savings measures that have been applied by government and that we are actively working through. Like every government agency we have efficiency dividends across the board. By way of the efficiency dividends that impact schools, we were originally planning for a 2.5% increase

to student rates for 2020 and 2021, but they have been discounted to 1.5%. By way of quantifying that on the financial year basis, it was just over \$4m for 2019–20.

For some of our other savings measures, we previously had a device replacement scheme for non-government schools. We undertook that scheme and did the last device replacement in 2018–19. We were previously doing it every four years, and we have advised non-government schools that we will not be continuing that into the future. That is about \$250,000.

Regarding head leasing for Katherine housing, we are working to a savings target of \$500,000 per annum. There is also the machinery of government changes which directly created a budget saving measure for us. We moved staff and budgets associated with human resources, digital and data procurement, fleet web services et cetera. They are now with DCDD and DIPL. They may well deliver better economies of scale services or savings down the track.

There are efficiency dividends on grants to NGOs et cetera. In the past we also provided in-kind ICT services to the non-government sector. From 2020–21 we will be charging them, or they can choose to purchase those services from other providers. That is about \$600,000.

We have a staffing cap. There is no savings target associated with that but it is a budget repair measure. Looking through our list—in many instances the lease life of vehicles is going to be longer, which saves money. A wage freeze was applied for contract officers.

**Mrs HERSEY:** Where you said you will not be providing ICT, who is going to be purchasing that?

**Mr ROACH:** We will be offering it to non-government schools. They can choose to purchase the service from us or purchase it from another party.

**Ms MOSS:** It is also important to note there that this was already supposed to be in place, but it was pushed back to 2021 in recognition of what happened this year in terms of COVID-19 and things being more challenging for schools. Whether they are a public school or a non-government school, the commencement has been pushed back.

**Mrs HERSEY:** How much was spent in 2020 in relation to the COVID-19 restrictions and changes in schools? What were those restrictions and changes?

**Ms MOSS:** Schools have done a tremendous job this year. Unlike many other jurisdictions, we maintained face-to-face contact in schools for all but a few days, which were turned into professional development where teachers were looking at how they could put their content online.

I will defer to Karen to provide some of the detail but some of the things that we have been doing are: providing grants to schools to help offset their cleaning costs, which have gone up with the new requirements for COVID-19; and providing grants to early childhood educators to help them meet the costs associated with what they have to do, but also in recognition that some of them had a very challenging time with the federal government changes to access to childcare. There were a range of other things that we put in place including incentives for remote teachers to help support them staying in community, earlier in the year when they were within biosecurity zones.

It has been a very challenging year for them and we will continue to support them, particularly through grants for cleaning, going forward.

I would not call them restrictions as such. Schools, like everybody else, at times have had to restrict gatherings and things like that. Some of those schools are coming back with assemblies and things now, which is fantastic news for everybody.

**Ms WESTON:** The total expenditure for 2019–20 in relation to COVID-19 was \$5.351m and that consisted of:

- about \$3.03m of additional costs for specialist cleaning and grants to schools, including regular disinfecting of frequently touched surfaces to ensure safety of students and staff
- \$0.79m for learning materials—you might recall at the end of Term 1 that we thought we might have had to be online, which is a challenge in the Territory, so we printed materials; those materials have still been used by our schools



- at one stage we had to stand up a logistics team in April to rapidly procure and deliver additional hygiene items to NT schools and get food to some remote schools and community staff affected by the biosecurity arrangements, at a total cost of \$0.19m.

To incentivise teachers and school staff not to leave their communities during the mid-semester break, the department provided a remote community schools package that included a \$500 retention payment, retention of unused flights out of isolated localities, an additional day of leave to conduct personal business and additional support from the Employee Assistance Program. The total of that package in 2019–20 was \$0.53m.

We also provided intensive support and communications to our early childhood education and care sector; that sector was in regular communication with us. You might recall that there was a lot of change going on with free childcare and so on. There was regular communication, additional food and cleaning materials, and minor maintenance to the value of \$0.36m.

We also provided ongoing support to boarding students whose education interstate or in the NT was disrupted by travel and border restrictions. About \$0.45m was provided to schools to provide devices, teaching resources and physical spaces for these students to continue learning in their local communities. Some of the boarding students from interstate were still learning in their local community schools, with support from the government education budget.

In 2019–20 the department received reimbursement from the Commonwealth Government of about \$852,000. The total all up was about \$5.351m.

**Mr BURGOYNE:** What was the spread across the regions for the COVID-19 funding? Were the grants issued across the board, or were there certain areas that received different allocations?

**Ms MOSS:** The funding was available across the board. Every school had challenges.

**Mr ROACH:** With the cleaning costs, for example, that was largely on a per student basis—that was across the board. The remote incentive allowance, as you would expect, was only available for remote schools; the \$500 plus superannuation was only available to remote schools. Some of the other freight, learning materials, leave and food—there was a bit of a lean towards remote schools because of obvious need there.

**Mr BURGOYNE:** I also note the \$500 payment cost, which was \$0.53m—how much of that \$500 payment was made up of flights and other costs? How many \$500 payments not to leave community were given to teachers?

**Mr ROACH:** The \$530,000 was entirely the \$500 per person who stayed in community, plus superannuation. I take it on notice if you want the exact, but it was just under 1,000 people who received that money.

**Mr CHAIR:** Member for Braitling, would you like to put the question on notice?

**Mr BURGOYNE:** I am happy with that figure.

**Mrs HERSEY:** How many of the 924 boarding students who returned to local communities during the biosecurity closures returned to school following the lifting of those zones?

**Ms MOSS:** I will ask Tony Considine to join as he is very familiar with the support the TSU has provided to boarding students. This has been a priority for us, to make sure boarding school students who came back and continued their education in their local community are also assisted to go back to school. When I travel around—there are still many boarding school students here. Whether they are boarding in Melbourne or elsewhere—they are still from the Northern Territory—they are in schools and communities, engaged in learning.

**Mr CONSIDINE:** Of the boarding students who we supported—the number moves slightly because different kids will leave boarding and re-engage with a government school or with another boarding school; the number is not completely finite. When I tracked the numbers as of 24 November, which was our last tracking when Year 12 students were still around, 573 students who had returned to boarding. This comes off the back of the situation in Victoria because initially we had significant numbers of kids in Victoria. A couple of big boarding schools in Victoria take our students; Worawa college is one of them.

At Worawa college, when they were not able to sustain children with the Victorian crisis as it was, many of those students elected to go into our government schools and complete there; some went into boarding schools in the Territory. While I cannot give you a finite answer, I can tell you that of the students who returned to their boarding schools, I can track 573 and I can track a significant number of other students who have returned to our schools; that number will move daily.

**Mrs HERSEY:** Of the remaining students, you cannot track all of them. Do you know that they were engaged in learning or were they just out in communities where they could not get to access education through ...

**Mr CONSIDINE:** I am happy to expand that answer. Of those 573, there were 78 who remained enrolled in their boarding school but could not return. Those students engaged in distance learning. There were 112 who had approved absence from boarding school. That means that they left their boarding school and came back to one of our schools, but with an intention to re-enrol. A problem, particularly for remote Aboriginal students, is making sure they have a quality boarding school to go to, wherever it is. As you can appreciate, we were tracking this across 78 boarding schools nationally as this was happening. Many of those kids try to hang on to their place, they negotiate with their boarding school and then they attend school here.

The numbers of students who did not travel—because the issue is often students who do not travel back, which I am sure is the intent of the question—there were very few who had expired travel dates; only seven who we worked with. Overall on referral of students, where we had to chase families and may still be chasing families, was also only about 30.

**Mrs HERSEY:** Of the 112 that did not re-enrol, were they engaged in remote education in a community or did they just not re-enrol?

**Mr CONSIDINE:** Of the 112 who had approved absence from boarding school, which meant they held their place at the boarding school and often were engaged with our schools here—I would have to do an individual pull on those kids to answer that, but I do know where every child went.

**Mrs HERSEY:** What was the total cost of expanding the counselling services to support employees' mental wellbeing during COVID?

**Ms MOSS:** We are very happy to take that on notice, to get the specific component of the \$5.3m. It has been a challenging year, particularly for people who have not been able to visit family or friends interstate; a lot of teachers would be in that position. It remains important that we support the wellbeing of teachers during what has been an incredibly difficult year, when they also had to do a range of additional work to get ready in case school had to go online. We are recognising that.

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#### Question on Notice No 2.1

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** What was the total cost of expanding counselling services to support employees' mental wellbeing during COVID?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do, yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.1.

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**Mrs HERSEY:** How many principals were recruited this financial year and how many were lost through redundancy, termination, retirement or resignation?

**Ms MOSS:** Firstly, it is important that we recognise the incredible work of principals this year across the Northern Territory. They have done a phenomenal job and shown leadership in unprecedented circumstances. They have supported families and also supported their staff, who may have had their own anxieties regarding what happened throughout the year.

**Ms WESTON:** I do not have the numbers of principals recruited this financial year, we will have to take that on notice.

**Mrs HERSEY:** Do you have the number of terminations, retirements or resignations?

**Ms WESTON:** We need to take it all on notice.

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**Question on Notice No 2.2**

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** How many principals were recruited this financial year and how many were lost through redundancy, termination, retirement or resignation?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do, yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated the number 2.2.

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**Mrs HERSEY:** How many principal positions are vacant?

**Ms WESTON:** It is difficult to answer that question because there is a lot of recruitment being finalised. In the last week or two I signed off a number of panel reports; I do not even know where they are all up to in terms of getting to contracts. If you could just appreciate that is where we are at; it is a typical cycle in the year. We can get the information for you but it is always going to be a point-in-time question because there is recruitment going on all the time, particularly in Term 3 and 4 for appointment for next year.

**Mrs HERSEY:** Given that we are at the end of the school year and you would have had notice that principals were either leaving or resigning, do you have the figures of how many are going to be leaving or resigning as opposed to being vacant?

**Ms MOSS:** If we are talking about a point in time, are you looking for the figures to 30 June this year or are we—Karen is saying is that this is fluid. I cannot provide you the figure as at today; I do not have that on hand. But if we are looking at to 30 June we could take that on notice and get that figure, it just depends on the point in time.

**Mrs HERSEY:** What schools do not have a principal going through to next year?

**Ms WESTON:** I have an update for 2021. Your original question was about where we are now, but I have an update for 2021 if you would like to hear that? We are at varying stages of recruitment. Recruitment that has been finalised and announced is: six for the north of the Territory and nine for the south; a total of 15. Recruitment under way at the report writing and signing stage is six for the north. Recruitment under way and still in assessment: there is 11 for the north and five for the south. Advertising, which closed on 25 November, was one.

If you can appreciate, we start this process virtually in Term 3. It takes quite a while to get through the panels, appointment and processes. Front of mind is making sure that every school has a principal. This is a pretty usual process that we go through.

**Mrs HERSEY:** Given that six are in the north and nine are in the south, in the north is that in regional and remote areas or in the Darwin area?

**Ms WESTON:** It is regional and remote.

**Mrs HERSEY:** Can you specify which places the six in the north are?

**Ms WESTON:** I am sorry, I would have to take that on notice. I do not have the detail of exactly where they are. In terms of the process, they are all mid-way. It is a bit challenging to make things public that are in process. We will have principals in place for every school for 2021.

**Mr CHAIR:** Member for Katherine, questions on notice need to be responded to by 22 January 2021. Depending on whether you wanted a point in time answer or whether you wanted the most updated figures

from early January, you could restate the question and take it on notice to provide the information on 22 January 2021, which would give a pretty updated—I imagine by then a number of the recruitment processes would have been finalised, with school going back on 1 February.

**Mrs HERSEY:** No, that is fine. With the nine in the south, are they in the Alice Springs region?

**Ms MOSS:** They will be across the Alice Springs and the Barkly region.

**Mrs HERSEY:** Can I take on notice the locations of those 15 schools?

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#### Question on Notice No 2.3

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** Of the six schools in the north and the nine in the south where recruitment of principals is occurring, can you please indicate which schools they are and whether a principal has been placed there?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do and I preface it by saying that by the time it is received it may be different again because recruitments are mid-process or there may still be processes afoot. I imagine by 22 January we will have a much firmer view.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.3.

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**Mrs HERSEY:** How many of the vacancies we touched on before are being recruited to and how long has the recruitment been ongoing for these vacancies?

**Ms MOSS:** Can I clarify, are we talking about principal positions specifically?

**Mrs HERSEY:** Yes, the principal positions. How many of these vacancies are being recruited to, are they all being recruited to and how long has that recruitment been ongoing to those vacancies?

**Ms MOSS:** We are happy to take that on notice as well, regarding the recruitment process and length of time.

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#### Question on Notice No 2.4

**Mrs HERSEY:** How many of the vacancies for principals are being recruited to and how long has the recruitment been ongoing?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I am happy to, noting that all of the positions are being recruited to, so that part of the question—the recruitment started in Term 3. Any elements of the question that have not been answered we are happy to take on notice, but they have probably been answered.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.4.

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#### Answer to Question on Notice No 2.4

**Mrs HERSEY:** We got the answer there. The minister said all of them are being recruited to, and the recruitment process was from the start of Term 3.

**Mr CHAIR:** I will leave it there, because otherwise it might mess up our numbering.

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**Mrs HERSEY:** How many school principals are on executive contracts, how many have permanent contracts and how many have temporary non-executive contracts?

**Ms MOSS:** As at 24 June 2020 there were 90 executive contract principals.

**Ms WESTON:** There are 86 principals who are not on executive contracts.

**Mrs HERSEY:** How many are permanent?

**Ms WESTON:** All are permanent.

**Mrs HERSEY:** How many of those principals took the pay freeze and how many declined?

**Ms WESTON:** We do not have that detail because it is about the individual contract with staff. It is only the executive contract principals who would have taken the pay freeze. It is in each of their contracts. It about the timing of their contracts as well.

**Mrs HERSEY:** How many school counsellors were recruited this financial year and how many were lost through redundancy, termination, retirement or resignation?

**Ms MOSS:** There are 25 counsellor positions across the Northern Territory. There are two positions that sit over the top of those counsellors, a leadership position to provide support to them and schools.

**Ms WESTON:** I defer to Susan Bowden to talk in detail about the school counsellor program but we do endeavour to have the staffing remain at the 27.

**Ms BOWDEN:** There has been some movement in the counsellor positions. I do not have the exact breakdown of what you are asking for but at the moment there are four vacancies as at 13 November. There is recruitment occurring for all four of those vacancies.

**Mr BURGOYNE:** Of those four vacancies, have any of those positions remained vacant for the entirety of this calendar year to date?

**Ms BOWDEN:** I cannot see how long those vacancies have been.

**Mr BURGOYNE:** Is there any data in relation to the average time those four vacancies have been vacant? I am trying to find out: if a position has been vacant for the entire year, what is the process to get someone into that role? There is a bit of a breakdown if that position has remained vacant for the entirety of the year; I have had reports of this.

**Ms BOWDEN:** I imagine you are thinking of Alice Springs-based positions. There is a school counsellor position vacant at the Alice Springs regional office. That has been vacant since 12 September 2020.

**Ms MOSS:** Some schools also choose to have a dedicated counsellor through their school resourcing model, for example Henbury School, Taminmin, Bakewell and Sadadeen all have a dedicated resource they have prioritised through their school resourcing model. Other schools will also engage with different mental health services at different times on top of this.

We now have the detail and can answer the question.

**Ms BOWDEN:** There is a position vacant at the Palmerston regional office; that has been vacant since 11 September 2020. There is another position vacant at the Palmerston regional office; this one has had multiple rounds of recruitment. We did have a successful applicant but sadly they withdrew. That position has been vacant since 24 January 2020. The Katherine regional office has had a vacancy since 2 October 2020. The Alice Springs regional office vacancy has been since 12 September 2020.

However, that does not mean those areas are without a service. The service is managed centrally. If schools do require any sort of critical incident support or individual support for students with mental health and wellbeing needs, we ensure those services are provided by request. We automatically provide services if there is a critical incident.

**Mr BURGOYNE:** It does outline that in some areas there have been vacancies for rather long periods of time. When I talk to schools across the Northern Territory there is worry regarding serious incidents, that those services can be called upon. I appreciate being given those dates in relation to the vacancies.

**Mrs HERSEY:** In relation to the Palmerston counsellor position being vacant since 24 January and with multiple recruitment processes going on there, what has been the significant outcome? Why have we had multiple recruitment processes?

**Ms BOWDEN:** With positions such as school counsellors we require specialised expertise. They require either a psychology or social work degree. They are often in very high demand. In the case of the Palmerston office position, we are fortunately able to confirm that the nominal occupant is due to return from leave in January 2021. It was a vacancy because the occupant took leave. As you can appreciate, when people take leave, sometimes shorter-term periods are more difficult to recruit to than longer-term periods.

**Ms MOSS:** Significant work has gone into this area over the past few years. We know how incredibly important it is. There was a parliamentary inquiry some years ago into youth suicide and the counsellor question was a very big recommendation out of that. Upon coming in to government, we did undertake to do some work regarding it. The School Counselling Service Action Plan goes from 2019 to 2023 and additional leadership roles that sit over the top of school counsellors across the regions provide additional support. We will continue to make that a priority. The wellbeing of students is first and foremost for us.

I also acknowledge the vast amount of work that happens across our schools in terms of trauma-informed practice and making sure that our teachers have the resources they need. Additional investment is made into making sure that teachers are upskilled to deal with challenging behaviours and additional needs. We will continue to do that work because it is not just about mental health, there are a whole range of other things happening for children and young people across the Territory. We are very cognisant of it.

**Mrs HERSEY:** In relation to the Katherine counsellor position that has been vacant since 2 October and given that the Katherine High School has had three youth suicides in three years, is there some fairly major work going in to recruiting a counsellor for that area? Are you in the process of doing that recruitment?

**Ms BOWDEN:** Yes, the recruitment is under way. The position was advertised; it has closed. I am yet to find out the outcome of that recruitment process. I agree that there is a critical need in Katherine as well as in a number of our schools in terms of supporting children and young people's social and emotional learning needs.

**Mrs HERSEY:** How many teachers in Katherine were recruited in the 2019–20 financial year? How many were lost through redundancy, termination, retirement or resignation?

**Ms MOSS:** We can get into the detail of that. I want to make the point that we have spent an enormous amount of energy to repair decisions made by the former CLP government which resulted in the cutting of nine staff members from Katherine High School, including four teachers.

Schools have had additional funding put into their school budgets to replace teachers lost during that time. We pride ourselves on getting teachers back into the classroom over the last four years we have been in government. We will continue to focus on getting teachers back into the classroom.

**Ms WESTON:** In regard to the 2020 school year for Katherine town schools, I can give you data—not just about the high school. In 2020 there were 10 resignations and 11 temporary contract completions. Across the Katherine town schools, 21 teachers resigned or completed temporary contracts.

**Mrs HERSEY:** Can you clarify how many of those teachers were from Katherine High School?

**Ms MOSS:** We can take that on notice.

We are also committed to more resources for Katherine High School. Some of that includes positions—a new behaviour coordinator position, two new senior teachers to support behaviour—pathway programs and two new teachers to support STEM coordination and transition to work options. Those are additional resources that will go into Katherine High School in 2021.

**Mrs HERSEY:** The question was more specifically about teachers who are leaving Katherine High School. Given that there has been a fair bit of work in Katherine High School recently—and with your recent visit, minister—there must be some indication of how many of those teachers—I have heard numbers—are leaving the high school at the end of this year.

**Ms MOSS:** There has been work between the department and Katherine High School for at least 12 months about some of the issues there. There are a range of things that will happen at Katherine High School to support teachers and the principal.

I understand, as you probably do, that Trevor Reed from the Department of Education stood at that meeting to make sure everybody was well aware he felt that the school was in a very good position for 2021.

There are some numbers floating around, but the school is feeling confident about next year. I have details that five vacancies were identified for 2021. At 16 November, two of those five had been filled. There was confidence that it will be well dealt with before the 2021 school year. The school can start in a good position, particularly with the additional support.

The Department of Education has been working hard on the Teach in the Territory campaign; that has a specific focus on the Katherine region and making sure we are doing what we can to recruit teachers.

**Mrs HERSEY:** You are only aware of five who are leaving the high school? I have indications that 27 are leaving. Given that you have been doing a fair bit of work there, I am pretty sure you would be aware that there are more than five leaving or resigning.

**Ms MOSS:** Across the 2020 school year there were 13 reported teacher vacancies at Katherine High School. All of those positions are now filled. There are a range of reasons why those positions were vacant. Five vacancies were identified for 2021; as at mid-November, two of those positions have been filled.

If you want more up-to-date detail, we can either provide it now or sit down and have a conversation. At mid-November, there were five vacancies identified and two of those were filled.

**Mrs HERSEY:** Regarding the 13 teachers who left—and were then recruited continuing on in the year—do you offer exit interviews to staff when they leave?

**Ms MOSS:** Yes, the department offers exit interviews. Schools make HR decisions as well. There are a whole range of reasons. Some of those vacancies came up throughout the year.

**Mrs HERSEY:** Given that you offer exit interviews, did you offer them? Have those teachers who left had an exit interview to explain why they have left, considering the state of the high school?

**Ms WESTON:** It is a policy at the school level, for the principal to make a decision whether they do exit interviews with staff. Part of our planning, given some of the issues at Katherine High School—we are very open to exit interviews for any staff.

I am very excited by the recruitment that has happened at the school. There are some new staff members going there who are from Teach For Australia and are very well-credentialed.

One of the challenges when you have a change of principal is that you will have some churn. People will make a decision to leave because they do not feel that the leadership style of a particular principal suits them. We have been experiencing a little bit of that churn with Katherine.

As a department we have tried to wrap the school with a lot more support. I thank the Member for Katherine and a number of other stakeholders for raising issues with us. We have been in Katherine every second week trying to work out what the school needs in support. Whilst you are flagging staffing issues at the moment, we intend to wrap around that school. It is an important high school in the Territory and we want to make sure that all the students have access to a quality education and that we have continuity in the staffing.

**Ms MOSS:** I visited the school and there has been a significant amount of wrapping around the school for quite some time—about 12 months of specific support for Katherine High School.

I thank the principal and the school council because it is very easy to talk about the issues in any school. The school council and the principal have done incredible work, particularly in recent times in getting together a solid action plan that I hope the school community and the broader community get behind because it is vital in addressing the ongoing issues around the high school.

Regional high schools are important. They play a huge role because they have to be all things to all people, they have a very diverse cohort of young people and they are trying to provide pathways for every single one of them. They do a tremendous job.

We have been listening to what people have been telling us. There will be a new distance education annexe staffed by a senior teacher and a support staff member. That is brilliant. Anne White, the Principal of the School of Distance Education, was also down there this week talking about what it will look like. It means that students in the classes that might only have one or two enrolments will have the opportunity to do those subjects. The School of Distance Education is doing an incredible job across the Northern Territory to make sure that is provided.

We made the commitment to 224 new devices in the school. If you are going to engage in distance education, the kids need the equipment to do it and that has been a problem in the high school. We have fixed that. There are six new classroom support staff going in for students with high needs. There is a grant to replace classroom furniture. There is a coordinator of timetables for students working towards their ATAR and taking in-class and distance education subjects. I feel positive about the future of Katherine High School and I hope that other people do too.

**Mrs HERSEY:** Given that Katherine High School has had six principals in six or seven years, where is the consistency and stability for the school to move on and implement the things you are talking about? Do we have assurance that the principal who is there now—does she have a permanent contract?

**Ms MOSS:** First of all, in order for these things to work and be implemented and followed through, we all have to get behind them. I have spoken to the school council and parents and they think that this is a positive plan going forward. People's experience of change over the years may mean they are just hoping to wait and see in 2021.

There has been so much support provided in the last 12 months for Katherine High School. That is not going to finish; we will continue that. I have given the undertaking that I will be back at Katherine High School next year to talk to the students and see how things are going. First, we have to get in behind the principal and the school council; they need to know they are valued and are doing a great job.

**Mrs HERSEY:** With all due respect, at the meeting you were at the other day—I do not know that you would say those parents were supportive of some of the work that is moving forward, nor were the school captains.

**Ms MOSS:** There was also an information session the night before and about 24 parents turned up to hear what is on offer. Things like the 224 new devices for Katherine High School were well received; and the distance education annexe at the school, as offering different opportunities for students who might be going down a more academic pathway is important. There are still things to work through, but we have shown we are committed to Katherine High School—as we are to Katherine—as we have been for many years, and to doing the work required to provide them with the support they need.

Regional high schools are challenging across the Northern Territory. We are looking at how we fund them, how we fund small schools and how we fund homeland schools. We are making sure we have the model right to provide them with the support they need when they are all things to all people. But we will not be cutting teachers and we will not be cutting the education budget. We put more money into schools. We have a record Education budget and a record amount of money going into schools.

**Mrs FINOCCHIARO:** Well, we certainly hope that it yields results.

I want to follow up on a question the shadow minister asked. Minister, in your answer you said there was a meeting the night before where 24 parents attended. Who was invited to that meeting? Were all parents from the school invited to attend?

**Ms MOSS:** We can get that answer for you. I understood it to be an open meeting, but there have been a number of ongoing meetings with the school council as well. Yes, there were 24 parents at that meeting.

**Mrs FINOCCHIARO:** I would like to take that on notice.

**Mr CHAIR:** Opposition Leader, can I ask you to please restate the question for the record?

**Mrs FINOCCHIARO:** Who was invited to the meeting at Katherine High School? Was it an open invitation? Were parents selectively picked? How did you arrive at the 24 people who attended?

**Mr CHAIR:** Minister, do you accept the question?



**Ms MOSS:** I am not going to, because Trevor Read is available and it would be useful to have him at the table as part of this discussion.

**Mrs FINOCCHIARO:** Is he going to answer the question? Otherwise you have to take it on notice.

**Ms MOSS:** Trevor Read can offer insight as he was at that meeting.

**Mr READ:** I was at the meeting and it was an open meeting. Twenty-four parents from Katherine High School attended.

**Mrs FINOCCHIARO:** How were parents notified of the meeting?

**Mr READ:** There was a Facebook post from Katherine High School and letters sent out via email.

**Mrs FINOCCHIARO:** How much notice were parents given of the meeting?

**Mr READ:** The meeting was meant to be the previous week but there was a blackout in Katherine so it was postponed for a week.

**Mrs FINOCCHIARO:** Everyone was notified. How long were people notified of the meeting the week before? If it was meant to be the week before and then it was postponed, people had a week's notice. How much notice did people get for the original meeting?

**Mr READ:** We tried to give as much notice as possible but we wanted to have the meetings as quickly as possible so it was about a week.

**Mrs FINOCCHIARO:** Was that communicated by the department or by the school?

**Mr READ:** By the school and the school council.

**Ms MOSS:** The school has also committed to sending further information out to parents about the action plan and what has been agreed to, and also about the distance education model and how they can access it. There will continue to be more communication undertaken regarding the support the Department of Education is providing.

I make the point again that the former government chose to cut teachers out of schools and that happened in Katherine.

**Mrs HERSEY:** With all due respect, you have the last four years of government.

**Ms MOSS:** We have invested in teachers all the way.

**Mrs HERSEY:** The meeting that was cancelled due to the blackout did happen. There was a meeting the following week that parents went to; however, I do not think you were at that meeting. It was the following week that there was another meeting. There was about a 24 hours' notice given for the meeting that the minister came down for; the text message to parents went out from the school at 8.15 am.

Given the fact that Katherine School has so many issues, could we possibly not have a Facebook post but a more informative notice when the minister is coming down so that all of those parents can attend the meeting? If they are going to hold it at a school council meeting there needs to be a fair bit of notice given.

**Ms MOSS:** With all due respect, notice went out earlier regarding me being in Katherine. I wanted to meet with interested parents, the school council and the principal. I made it a priority to go to Katherine to hear directly from them. My door remains open. We talk to families all the time, not only in Katherine but around the Territory, regarding the needs in their schools.

We have just put an enormous amount of resources into assisting Katherine High School. We will continue to wrap around them. We can continue to talk about what meeting was last week or two weeks from now but it is important that we identified that the school needed more support some time ago. That support has been put in place and over the last month or so a solid action plan has come forward for Katherine. Not only has it come forward for Katherine but we are putting the money in to support it.

It is important that we get behind the principal and the school council because when I was there I saw many confident, engaged, happy kids engaging in STARS and various other programs at the school, learning science and doing the rest of the things we want them to be doing in schools. The library upgrades are well on the way. We are not going to stop supporting Katherine High School. We have demonstrated that quite clearly.

**Mrs HERSEY:** How long on average does a teacher in the Northern Territory remain in their position and can you please break this down by region?

**Ms MOSS:** We probably need a little more time to do that but we are happy to. There were 1,972 full-time equivalent permanent teachers as at 30 June 2020. We are happy to break that down by region and have a look how long people are remaining teachers.

Teacher retention is important to us. We provide allowances, whether teachers are working in remote communities or doing their first aid qualifications, and all those sorts of things to retain teachers for as long as we can. I am interested as well in those teachers who choose not to continue in the teaching profession and what we can do to retain their love of education and young Territorians in some of the other roles we need in schools.

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#### Question on Notice No 2.4

**Mrs HERSEY:** How long on average does a teacher in the Northern Territory remain in their position and can you break this down by region?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I am happy to take it on notice.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.4.

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**Mrs HERSEY:** How many teachers receive housing subsidies across the Territory and what was the actual expenditure on these subsidies in 2019–20?

**Ms MOSS:** Department employees occupy about 800 government employee houses, which is about 650 properties and 150 head-leased properties. There is specific funding in this budget for security upgrades for government employee houses as well. What further information were you seeking?

**Mrs HERSEY:** How many teachers receive the housing subsidy—800 you said—and what was the actual expenditure on these subsidies in 2019–20?

**Ms MOSS:** In terms of department employees, it is not 800 department employees, it is 800 government employee houses. The ongoing figure that would be a question for housing through Territory Housing.

**Mrs HERSEY:** What output would I ask that question in?

**Ms MOSS:** Remote housing, I would suggest, probably under Minister Paech. We can seek clarification for you but it would be under Territory Housing.

**Mrs HERSEY:** Housing across would not just be remote though would it?

**Ms MOSS:** It would not. It is mainly remote.

**Mr BURGOYNE:** There was reference to the saving of \$500,000 in relation to Katherine housing. How will be achieved? Will there be a reduction in teachers offered housing in Katherine?

**Ms MOSS:** It is just done differently, rather than like the previous housing scheme. Teachers are offered support to access housing on the private market in Katherine, rather than provision of government housing.

**Mrs HERSEY:** I am talking about Education housing. It would not be under Education?

**Mr ROACH:** In Katherine, the larger portion of our teachers are receiving housing from other government departments.

**Mr BURGOYNE:** In relation to the Katherine question, what about the portion you referred to earlier?

**Mr ROACH:** Head leasing is where government leases the property from a private provider. The 2020–21 budget for all head leasing is \$3.3m. The 2019–20 figure for Katherine housing was \$1.88m. That is funded predominantly by our budget and, in part, by employee contributions.

**Mrs HERSEY:** In the annual report it says:

*... head-leasing housing to employees in Katherine, which is expected to save \$0.5 million once fully implemented.*

You are saying it is \$1.8m. To my knowledge that housing expense to the government, to the department, is \$500,000.

**Mr ROACH:** No, the head-leasing costs in 2019–20 were \$1.88m. Those costs will not disappear entirely. We have a grandfathering arrangement in place for staff in those houses. Over time, as staff leave those properties it will generate savings, but it may well be that some of those staff remain in those houses for a very long period of time. We do not expect to save all of that money, by any means.

**Mr BURGOYNE:** The \$500,000 figure has been saved to date, or you are expecting to save that?

**Mr ROACH:** No, we are building up to that figure.

**Mrs HERSEY:** The housing subsidy, when fully implemented, has come at a saving of \$500,000. In hindsight is that a figure that needs saving when we have a considerable problem recruiting teachers to the Katherine region?

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**Ms MOSS:** Yes. There is a bigger picture regarding equitable provision of housing across the Northern Territory, recognising that there are issues in recruitment and retention across the Territory. There are equitable ways that we can deal with that. The Teach in the Territory campaign is one way that the department has been working on recruitment and retention of teachers. There are a number of allowances that teachers, depending on which part of the Territory they are going to, have access to. I am always happy to look at what we can do to retain and recruit teachers, but the equity piece is also important.

**Mrs HERSEY:** What other allowances are you going to offer teachers in remote regions?

**Ms MOSS:** There are a range of allowances already on offer for teachers in remote areas. There are flights out of isolated locations; that is one incentive that teachers in remote communities have. There is a remote allowance, relocation costs—a whole range of different incentives that are already provided to teachers in remote areas.

**Mrs HERSEY:** Given that you are providing relocation costs, if teachers go to remote regions and choose not to stay there and fulfil their contracts, do they repay the department the relocation costs incurred?

**Ms WESTON:** Relocation costs are covered for staff travelling to remote areas. We see that as a lost cost in terms of getting the teacher there. If they are employed on a permanent basis our expectation is they will stay there or move to other places within the Territory. If they are employed as principals on a contract basis it is a cost we have to get them to our remote locations.

**Mrs HERSEY:** Of the teachers who relocate to regional and remote with the allowance you are paying them, how many people do not fulfil their contract at the expense of the department?

**Ms MOSS:** We do not know off hand, but we can take that on notice. It is vitally important that we are offering incentives for people to come to the Northern Territory. It is a great opportunity to teach and experience something different and wonderful. We will continue to do that work and provide incentives because, as you identified earlier, it is incredibly important in regional and remote areas of the Northern Territory.

### Question on Notice No 2.5

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** The question was about the amount of teachers who relocate to regional and remote and do not fulfil their contracts. How much did it cost the department?

**Mr CHAIR:** Minister, do you take it on notice?

**Ms MOSS:** I take it on notice.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated the number 2.5.

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**Mrs HERSEY:** The full-time equivalent of the Department of Education dropped from 4,405 in 2018–19 to 4,358 in 2019–20, the first time it has decreased over five years. Can you tell me what it is currently and what proportion of that staff are school based and what proportion are teaching staff?

**Ms MOSS:** Ninety percent of our positions are within schools, which is tremendous and should be celebrated. Yes, there have been some changes to FTE in the department, largely associated with machinery of government changes. Like many other departments, members of the Department of Education have moved to DIPL or DCDD because they were doing ICT roles or infrastructure roles. That happened in the machinery of government changes. We are pleased to say we have more teachers in schools and the majority of our staff are in schools across the Northern Territory.

**Mrs HERSEY:** What proportion of those are teachers, as opposed to the ones who have moved to other departments with the machinery of government changes?

**Ms MOSS:** The number of school-based employees was 3,982 or 91.4% of the workforce, which is an increase of 17 FTEs compared to the same period last year; and 61.3% of the total school-based workforce are teaching employees. That is at 24 June 2020.

**Mrs HERSEY:** How much of the Department of Education budget will be allocated to implementation of the Back on Track program? There was \$1.5m allocated in 2019–20. What part of the program does this fund?

**Ms MOSS:** I will just check the break-down of that funding. The Department of Education is responsible for the Palmerston youth skills centre, which will also deliver Back on Track. That program is happening, and has been for about 12 months in another location.

**Mrs HERSEY:** What is the other location?

**Ms MOSS:** They are at East Arm but they will be moving into the skills centre in early 2021. I have been out there with them and they are very excited about the new facilities.

We are investing \$1.71m in 2020–21 and that will provide the services of an RTO, a registered training organisation, to young people aged 14 to 17 years who are referred through court or youth diversion. They are not the only students who will be attending the youth skills centre. There is a range of ways that young people can be referred to that program. It is another way of delivering education to young people who might need an alternate stream.

**Mrs HERSEY:** How would children be referred to the program?

**Ms MOSS:** Schools can make that referral. They might identify young people who would be fit for the program and might benefit, or it could be through the court or youth diversion. Schools can certainly help identify young people they think the Palmerston youth skills centre would be good for.

It is a fantastic investment. There is a range of courses in their automotive area. They will have a fabulous kitchen. They will be able to do a range of different hands-on engagement activities with young people. There is a fantastic team running that program. We did not wait for the facility to be in place; the program is already in place and they have good engagement with those kids and should be proud.

**Mrs HERSEY:** Given that the program is moving to the youth skills centre, what has been the total expenditure to date on establishing the Palmerston youth skills centre?

**Ms MOSS:** I will get that figure for you. The entire Back on Track program is not running through that centre. It is managed by Territory Families and we have one component of it, the education component.

The annual lease cost is \$440,000 per year and there is a total budget of \$1.32m in 2019–20. There was capital funding of \$2.38m, for building of the facility. There will be up to 75 students a day and 375 students a week.

**Mrs HERSEY:** When is the Palmerston youth skills centre expected to be delivered?

**Ms MOSS:** It will open in early 2021. I expect Term 1, 2021 is when we will see the facility functional. The program it is delivering is already operating. There is an additional \$12m going into youth engagement across the Northern Territory in a range of different alternate or flexible education programs; that is one.

**Mrs HERSEY:** How many students will the centre service?

**Ms MOSS:** It will potentially have 75 students a day, 375 a week. There are already a number of young people participating in the program via the Back on Track stream, but we expect, through the other referral pathways, to see the opportunity taken up.

**Mrs HERSEY:** There 75 are in that program now, at Back on Track at East Arm?

**Mrs MOSS:** No, there are not 75 young people involved in that. I would have to double check the figure. For some reason 20 is sticking in my head, in terms of the Back on Track young people.

At the beginning of Term 4, there were 27 students in the interim training facility going through the program. I imagine that will remain relatively stable. That is what is going into the planning next year. It will be around that figure for Back on Track and the rest of the positions would be other young people who have been referred to the program in various ways.

**Mrs HERSEY:** What do you expect the ongoing operational costs of the centre to be?

**Ms MOSS:** I would have to get a breakdown on the \$1.3m for you.

**Mrs HERSEY:** I would appreciate that.

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#### Question on Notice No 2.6

**Mr CHAIR:** Please restate the question for the record.

**Mrs HERSEY:** What will the expected ongoing operational costs of the Palmerston youth skills centre be?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** Yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated the number 2.6.

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**Mrs HERSEY:** How many staff are expected to be employed at the Palmerston Youth Skills Centre and what will be their roles?

**Ms MOSS:** We do not have that detail on hand; I can get that detail for you. There is a relatively small team running the program but there will be opportunities for others to come on board.

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#### Question on Notice No 2.7

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** How many staff are expected to be employed at the centre and what will be their roles? Given that the centre is due to open early next year, what do you mean by early—February, January, March?

**Mr CHAIR:** Can you clarify what the 'centre' is?

**Mrs HERSEY:** The Palmerston youth skills centre, the expected staff, how many are employed at the centre and what their roles will be given that it is going to open early in 2021. Do you not have recruitment happening?

**Ms MOSS:** There are already positions associated with the program so we are not starting from zero. Part of it is already in operation. It will open before the middle of the year next year, in the first half of 2021. Recruitment and everything will be under control. I have every confidence that the Department of Education is on to that. I am well aware of the need to staff the Palmerston youth skills centre. There are already some staff, which means that it can hit the ground running as soon as the facility opens.

**Mr CHAIR:** Member for Katherine, I asked you to restate the question. Would you like the minister to take it on notice and get back to you?

**Ms MOSS:** I answered the question while you were in the middle of it. The Member for Katherine still needs me to accept the question.

**Mrs HERSEY:** I would like that question taken on notice.

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** Yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.7.

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**Mrs HERSEY:** Are some of those staff coming from Back on Track at East Arm?

**Ms MOSS:** Yes, those staff members are already running a program and their team is looking forward to moving into the new facility.

**Mrs HERSEY:** How many staff are at East Arm?

**Ms MOSS:** We will get the current figure for you. I can give you the answer to the question we just took on notice.

**Mr CHAIR:** The question about staff at East Arm, would you like to take that one on notice?

**Ms MOSS:** I am happy to take that one on notice, about current staffing for the Back on Track component.

**Mrs HERSEY:** How many staff are at the Back on Track program at East Arm that will be employed at the Palmerston youth skills centre?

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#### **Answer to Question on Notice No 2.7**

**Ms MOSS:** I can answer the question. Palmerston youth skills centre staffing will be four trainers, four mentors, one manager and one student coordinator, which remains the same at the current level. I would assume we would continue to review that as we would any other educational institution across the Northern Territory, if there is a need for change depending on the needs and numbers of students.

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**Mrs HERSEY:** Still on the Palmerston youth skills centre, will attendance at the skills centre as part of a court sentence be an option or is it strictly voluntary attendance?

**Ms MOSS:** That would be a question for Territory Families.

**Mrs HERSEY:** (inaudible – microphone off).

**Mr BURGONE:** Would that be a part of youth justice?

**Ms MOSS:** I suspect it would be Output 4.4 but I would clarify with the minister and her team.

**Mrs HERSEY:** This government has a policy platform of generational change and early intervention; however, preschool, primary and middle school collectively represent \$10.53m less in budget allocation than last year. Why is that the case and how does this align with the policy platform?

**Ms MOSS:** You are right, we do have a policy platform of investing in the early years, particularly the first thousand days, and generational change. That is why we are investing in expanding the Families as First Teachers program and the child and family centres, and also why the department has a specific focus on lifting preschool enrolments across all areas of the Northern Territory. There is great work happening at the moment in Tennant Creek regarding that focus. For us, if you do not get those early years right it makes it a lot harder in primary, middle and senior school to engage kids. This is about building literacy and numeracy skills and building habits for school and engagement of families.

In terms of this budget line there has been machinery of government changes.

**Mr ROACH:** If you are comparing this year's budget papers with last year's and looking for increases and decreases, they are not readily comparable in our instance. For example, school maintenance was about \$30m in the past. We would have apportioned that between primary, secondary et cetera. A whole-of-government decision was made by Treasury, starting with this budget paper's amount, which is provided by DIPL—it would be showing in another spot in our budget. It is called shared services. It is not exactly apples and apples.

Last year, school maintenance for primary schools would have been included in the primary schools' output. It is not this year; it is in another place. Overall though the budget in government education, once you take into account the machinery of government changes, has increased.

**Mrs HERSEY:** That amount is all maintenance? That is where the change and the difference is, of \$10m? It was less than the budget ...

**Mr ROACH:** Predominantly maintenance. The \$30m worth of maintenance would have been spread across primary, middle, secondary et cetera in past years, but now it shows in a different spot in our budget.

**Mrs HERSEY:** If that amount has gone across to maintenance—the infrastructure budget has dropped \$17.5m. If you are building more schools one would think you would need more maintenance as opposed to \$17.5m less maintenance.

**Ms MOSS:** We have to be clear that we have maintained funding to schools. There is just a bit of difference in where it is appearing in the budget and which agencies take on responsibility for some of this work.

**Mr ROACH:** Do you have your budget papers open? I can show you how it all works. If you are looking at this year's budget papers it is 2020–21 Budget Paper 3, page 123.

**Mr CHAIR:** Mr Roach we might return to this after the dinner break. It is 6.30 pm. We will take a 30 minute break and resume back here at 7 pm.

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The committee suspended.

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**Mr ROACH:** The point was comparing each of our outputs in 2019–20 with the 2020–21 budget and the apparent decrease in government school spending. My point is that the accounting treatment has changed from one year to the next.

I bring your attention to page 123 of Budget Paper No 3, perhaps the fourth number up from the bottom in the table. It talks about share services received of \$68.5m. That includes the services performed by other departments on our behalf, such as about \$30m for repairs and maintenance. In past years, that spending for the most part would have been spread into primary schools, preschool education et cetera. There is an apparent reduction, for example with primary schools, one year to the next, but it is just a change in budget treatment. The shared services received in 2019–20, for example, were \$13m, but this year it is \$68m. It has increased, and primary, secondary et cetera has decreased. Unfortunately, it is difficult to compare our budgets year-on-year for output groups and outputs.

**Mrs HERSEY:** Is \$30m of that \$95m shared services for education?

**Mr ROACH:** The figure for shared services received is \$68.5m; \$29m of that is for school repairs and maintenance. Other components of that are for DCDD and DIPL work. It is notional revenue and expenditure in our budget. It is spending other agencies do on our behalf for Education.

**Mrs HERSEY:** What were those other agencies that you shared the services with?

**Mr ROACH:** It is DIPL—I have the numbers here, \$33.6m all up. The largest component of that is school repairs and maintenance. The department had repairs and maintenance in its own budget, but it has been transferred to DIPL. They do the same work with the same budget on our behalf. The same goes for DCDD with payroll staff; human resources staff; procurement and fleet; digital, data and ICT and those staff; and the operating costs that follow them.

**Mrs HERSEY:** We touched on this in the opening statement but just to recap, how many schools were established as community-led schools in 2019–20 and how many have the process under way? What are those schools?

**Ms MOSS:** Community-led schools has important alignment to our local decision-making agenda across government. It is about making sure local communities have more of a say over the way education is delivered in their communities.

There are 10 schools on the community-led schools pathway: Gunbalanya School; Groote Eylandt schools, of which there are three under the Groote Archipelago Local Decision Making Agreement; Yirrkala; Laynhapuy homelands; and Warlpiri schools, of which there are four. They are all on the pathway to development.

Related to that are the local engagement and decision-making committees. There were 27 of those committees established since 2019. That acknowledges that not every school and community works well within what we would recognise as a school council model; it is a different model of committee, set up around our schools to make sure Aboriginal Territorians have have a say about what is happening in schools.

**Mrs HERSEY:** Which of those community-led schools receive assistance with governance, policy development et cetera?

**Ms MOSS:** There are 10 schools on that pathway; all of them will receive support from the Department of Education regarding governance, set up and sustainability. That is part of that journey. There is budget allocated of \$2.356m in the 2020–21 budget. It is a program funded by the Commonwealth and the Northern Territory Government. We will put in the support necessary to see these schools succeed. Another organisation that we fund is COGSO, which supports school councils and parent voices; that is part of that support as well. They deliver training to schools across the Northern Territory regarding governance arrangements and what duties you take on board when you join one of these school councils or related bodies.

**Mrs HERSEY:** When are the school-based police programs expected to return to schools?

**Ms MOSS:** I am very pleased to say it has already recommenced going back into schools. This is an important program in schools; they love it. Schools were disappointed when the former CLP government scrapped this program. It is thanks to a Labor government that the school-based police program was returned. There are a number of officers who have returned to schools, but we all know there have been operational pressures this year regarding COVID–19 and borders that have pulled those police officers away. There is a rolling program and work is being done between the Department of Education and police on its re-establishment and sustainability into the future. I would ask the Police minister further questions regarding that as the police are leading it, but the Department of Education is contributing a further \$3m towards the future of this program. It is definitely one that we want to see continued and we are committed to.

**Mrs HERSEY:** How much of the Education budget goes towards the operation of the school-based police program?

**Mr ROACH:** We have \$3m set aside in our budget, which we will transfer to the Police department on a cost-recovery basis once the program starts up.

**Mrs HERSEY:** How many school-based police do you think that \$3m is going to employ?



**Ms MOSS:** Those would be questions for the Police minister. We do expect that the program will start up again in earnest. Police officers have been pulled away to many operational priorities this year regarding COVID-19. We would have liked them to remain in schools as well, but we know that it has been a very challenging year for everyone and they have had to make operational decisions. The Police minister and the Police Commissioner will be able to provide you with additional detail about how they see the numbers rolling out. We are on a good pathway to a sustainable program that can be grown across the Territory.

**Mr GUYULA:** While we are on this school-based policing in communities, especially in Indigenous communities—are we allowed to, or are you able to, provide any support so Indigenous elders and leaders can work with police in communities?

**Ms MOSS:** Our Aboriginal community police officers are incredibly important community-based police officers in communities. We are happy to look at how those relationships can work to better support schools in remote areas.

**Mr GUYULA:** As well as senior elders and leaders working with Aboriginal police officers and the liaison officers and police on communities.

**Ms MOSS:** We will take that on board. We will look at exactly how it is working in communities. It is vital that community elders are involved. It is important for showing leadership to young people in schools. I am very happy to look at how that is rolling out and how we might better support remote schools in that regard.

We have Local Decision Making agreements across the Northern Territory. Where communities highlight that they want these sorts of arrangements in place, we will work with them to make it happen. I do not know off the top of my head how it is interacting with the school-based program. I take that on board and we will go away and look at that.

**Mrs HERSEY:** How many schools had access to the school-based police support this year?

**Ms MOSS:** All of the schools that had a school-based constable at the beginning of the year, would have had a school-based constable in them at the beginning of this year. There will be a number where they have been deployed to the borders and to other COVID-19 responses.

**Mrs HERSEY:** Do you know an actual number?

**Ms MOSS:** They were redeployed from 6 April. Your question was ‘how many had school-based constables’ and the answer was all of them, until 6 April. There were 10 at the beginning of the year and there will be a gradual return. There are three already back.

**Mrs HERSEY:** Only 10 schools had a school-based constable? Ten out of all the schools?

**Ms MOSS:** It depends how you cut it up. School-based constables often service a number of schools. They might be based in one school or previously based in a school, but they might service a number of schools. There are a number of questions to direct to the Minister for Police, Fire and Emergency Services.

Previously under the school-based police program, school-based constables were responsible for a number of schools within their area. They provide a range of activities in schools whether that is the ThinkUKnow program, which is the cyber safety program for young people and parents; drug awareness and education; and a range of activities that school-based constables are supporting.

They are much loved and we completely understand that. We are working very hard with police to ensure there is a sustainable, ongoing program, because we believe in it. That is why we re-established it after it was cut.

**Mrs HERSEY:** Given that the \$3m from the Education budget is for the school-based police program and will go to police—do you know how many of those schools were supported by those 10 police at the start of the year?

**Ms MOSS:** I can give you the list of schools that it operates in. They do a whole range of other activities within their area. Some of them might be youth engagement police officers. The Police minister can answer a number of those other questions. It operates in Casuarina Senior College, Centralian Middle School, Darwin

Middle School, Dripstone Middle School, Katherine High School, Nightcliff Middle School, Palmerston College, Sanderson Middle School, Taminmin College and Tennant Creek High School.

**Mrs HERSEY:** How many did you say have been re-employed?

**Ms MOSS:** There are three officers, who are allocated with a gradual return.

**Mrs HERSEY:** What schools are they at?

**Ms MOSS:** Further questions regarding the school-based police program, how it is going to roll out and be expanded and how those police officers are going to be put back into different schools in different regions is a question for the minister for Police. It will depend on the operational pressures of police in certain regions and that is not a question for me to answer.

**Mrs HERSEY:** Will the school-based police program be expanded this year?

**Ms MOSS:** There is not much of this year left; I would not have thought so. Yes, we would like to see it expand. We have put money towards that expansion. We thought it was important enough to bring back; we definitely want to see that expanded. We are working with Police on how that expands. They have the lead on this project; it is their officers. We are working with COGSO and a range of others regarding what that looks like going forward.

**Mrs HERSEY:** At COGSO, the commissioner was talking about recruiting specifically for school-based positions and employing or recruiting auxiliary personnel. Is this something that you think schools are happy with, across the regions?

**Ms MOSS:** The roll out of that program and what that looks like going forward is under discussion between the Department of Education, Police and a range of stakeholders. The commissioner has shared some of his views and ideas. Further questions can be directed to him. But we would like to see that program expanded. There are many ways that model can be expanded and made more sustainable. We are exploring those options with Police.

**Mrs HERSEY:** Given that you are exploring those options with Police, are you happy with the thought process that the commissioner was going to be recruiting for auxiliaries or would you prefer to stay with the school-based constable?

**Ms MOSS:** I have probably answered the intent of the question here. We want to see this program continue. We want it to be sustainable. This is ongoing work happening between the Department of Education and Police. We will continue to do that. We will continue to work with the stakeholders to find a good model. That work is ongoing.

**Mr BURGOYNE:** The education program, the Back on Track program—that sounds like something that is happening up here in Palmerston. Is there provision in the future for that sort of program to be rolled out in the southern region?

**Ms MOSS:** Yes, but there is a range of different place-based programs happening depending on the region. I would not want to say that what works in Palmerston would necessarily work in Alice Springs. Tony Considine's team is doing great work in Alice Springs.

If you would like to hear about the work is happening in Alice Springs from an Education perspective, with some of the youth centres for example—we are part of Operation Lunar. The department sees its role as critical in all the conversations about getting kids back on the right path, whether they are in Darwin, Palmerston, Alice or anywhere in between—the Barkly, East Arnhem. It important that we have place-based responses and that we are working with Police, Territory Families and other agencies to find the right solution.

Tony, if you would not mind talking a little bit about some of the other work that you are doing in Alice Springs regarding students who are disengaging or might be caught up in the youth justice system.

**Mr CONSIDINE:** In Alice Springs we work with four engagement officers, people who go out and work directly with families. These are not to be confused with truancy officers or anything of that nature. Their role is to engage with families to source the issues regarding why kids are not able to attend school, and to help families resolve them. We have four of those officers based in Alice. In Alice Springs we also employ one compliance officer who operates on the other end of the act and who works to enforce Part 4 of the act. It is

both the stick and carrot approach, but largely the carrot approach because we know it makes the most difference.

We also work closely with Operation Lunar. To do that we seconded one of our full-time engagement officers to Operation Lunar. It means that responses happening within Lunar are known to us and we work closely with the families we know to try and get a better outcome. We also have elements of Back on Track operating in Alice Springs. We collaborate very closely with the Territory Families youth outreach and re-engagement officers, commonly known as YOREOs. Where different sectors of government are working in Alice Springs it is important to bring information together in a manner that we can use, but also so we can best leverage it with particular families to work with them to get the outcomes we need.

We work also with a family support team. It involves our youth engagement officers and other officers in different agencies to get the best wrap around support for young people. We collaborate with Territory Health, because often the reasons children are disengaged may be medical or psychological and we have to deal with those. We work across government with the Department of the Chief Minister at a high and strategic level to make sure that the work we put in place is well-aligned, that we are not duplicating effort or leaving spaces that are not dealt with. We collaborate with a range of other non-government providers. We talk to Congress, Tangentyere, Aboriginal Hostels and a range of people who we work with to operate in that space.

In terms of our own space there is our KITES program, which allows for children who come into Alice Springs, often from very remote communities—who would find it very challenging to step straight through the door of the mainstream school. It engages them in a manner that allows them to fit in. Over time, if the child is there for a short time, it supports their educational journey before they go back to community or alternatively prepares them for entry into one of our schools in Alice Springs.

We also operate mobile engagement circuits in Alice Springs. Our offices are out talking to families. In Alice Springs we operate in the major shopping centres, the mall, around the library and all the places where we know families or children turn up. Largely, in that work, we have found that the majority of kids we are seeing are of primary age and often with their parents. We believe that is when families are coming into town to do normal business.

**Ms MOSS:** I note any further questions about Back on Track specifically are for Minister Worden, unless they are directly related to the work delivered through the Department of Education.

**Mr BURGOYNE:** Seeing as the KITES program was brought up, it is my understanding that the KITES population in some schools is counted and then makes up school attendance. I have been speaking with stakeholders in this space and it is my understanding that is what happens.

The program is separate, when kids come in from out on community, but there has been some frustration in the past where that population is then counted as part of the whole school and goes towards school attendance. Am I right in assuming that?

**Mr CONSIDINE:** When a child attends school, we are bound under the *Education Act* to record their enrolment and attendance. We do that through the program at KITES. Your question may be leading to does that disadvantage the school? The KITES program receives separate funding to offset the issue you are talking about.

**Ms MOSS:** School funding is made up of a number of different factors. The needs of the students are one component, the fixed cost of the school is the other component and then there is the component of targeted programs, of which KITES would be one. Mostly in Central Australia is where I have seen it. It seems like it is a brilliant program and that mobility factor is something we have to take into account. We want to make sure that when students are travelling across regions that they are turning up to a school and getting an education. There is targeted funding for that. There is \$800,000 for KITES at Sadadeen.

**Mr BURGOYNE:** There is \$800,000 for KITES at Sadadeen? I have seen how great the program is. I have had the comment made to me that, at times, people feel that the school funding program as it sits may be negatively affected by that. Their wish was to have the KITES program funded separately from the school. That is a comment in itself but it has been mentioned to me.

**Ms MOSS:** I will take that comment on board. As we look at funding regarding homelands, small schools and regional high schools, it is a reality in Central Australia, the Barkly and lots of places. We need to continue to look at it.

**Mr BURGoyNE:** Tony spoke about the one compliance officer and the four engagement officers in Alice Springs. Is that compliance officer the only officer in Alice Springs dealing with truancy from an Education point of view?

**Mr CONSIDINE:** Our engagement and compliance officers all deal with non-attendance of students. It is in a regulated way. When we are dealing with a family and children who are not turning up at school, it is important to find out the reasons first before we act on it. Compliance is the last resort rather than a first action.

**Ms MOSS:** The compliance officers is one side of it, but as Tony says there are a range of other ways to engage families back into education that are not just about the 'stick'. There are 16 engagement officers across the Northern Territory. I need to find out how many are in Central Australia. There are eight we are piloting, based in schools. They are doing a lot more of positive engagement work.

There is also a multi-agency group on child safety that will help coordinate some of that support for families in a much more positive way. People will also recognise that Stars and Clontarf are huge drivers of attendance for some Territory kids. It is not just about compliance and issuing notices. We would like to avoid ever getting to that point by bolstering up what is happening at the front end.

**Mrs HERSEY:** There is \$12m dollars budgeted for new transportable classrooms to provide better learning environments for students and teachers and support enrolment peaks. It is more than five times what was budgeted last year. How many transportable classrooms does that include, what is the capacity of the classrooms and which schools will be receiving them?

**Ms MOSS:** I will just find that information, but it was all public. There is big need out there in our remote schools, which have ageing infrastructure. Rosebery Primary School, Bakewell Primary School, Darwin Middle School, Nightcliff Primary School, Rockhampton Downs School, Stuart Park Primary School, Larapinta Primary School, Katherine South Primary School, Gunbalanya primary school, Ross Park Primary School, Driver Primary School, Girraween Primary School, Wanguri Primary School, Bloomfield Street, Don Dale Youth Detention Centre, Yirrkala, Barunga, Nyirripi School and Mount Liebig school are on the program for the transportable classrooms.

**Mrs HERSEY:** Out of those transportables, how many of them are revoted works?

**Mr WALDING:** I do not have specific details on the revote with me. However, the majority of those works have proceeded in the locations the minister said. Where the works have been slightly delayed will be involved with land tenure, which is always a challenge for remote, and site services that are available in locations. We are focused on the delivery of those demountables, and we are working through the stages. I will have to get back to you on the specifics of the revote.

**Ms MOSS:** There was a COVID-19 stimulus transportable classrooms program, which we were talking about recently. That is a total of 15 transportable classrooms going to Alekarenge School, Woodroffe Primary School, Newcastle Waters School, Gapuwiyak School, Neutral Junction School, Ngukurr, Nightcliff Primary School and Namarluk Annex. We are looking at considerations for sites and where they might go.

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#### Question on Notice No 2.8

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** Can I please have the number of revoted works for the transportable classrooms?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do, yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.8.

**Mrs HERSEY:** How many of the transportables are going to Ali Curung?

**Ms MOSS:** Three. I can give you the numbers from the COVID-19 stimulus if that is helpful. It is three for Ali Curung, three for Woodroffe, one for Newcastle Waters, two for Gapuwiyak School, one for Neutral

Junction School, two for Ngukurr School, two for the Nightcliff Primary School and Namarluk Annexe. There is one more transportable classroom as part of that program but we are working through site constraints and considerations.

**Mrs HERSEY:** Is that going remote or here?

**Ms MOSS:** Remote.

**Mrs HERSEY:** Do you anticipate more of these more permanent infrastructure upgrades at schools experiencing peaks, to accommodate more sustained growth?

**Ms MOSS:** The start of that answer is yes. We must have a rolling program of infrastructure projects across schools. There are schools across the Northern Territory that are over 50 years old. That is everywhere and they all have different infrastructure needs. Yes, there is a rolling program. Schools are working on their projections and doing their master plans so that they can go on to the program.

**Mr WALDING:** We are going through the strategic asset and planning process, is the best way to put it. We are looking at future projections. It is up and down, across the communities and in the main urban areas; then we will assess that against condition and the strategic plan of agencies. It is broader than just the Department of Education. From that, we will identify the priority of needs for works in the future.

**Mrs HERSEY:** Out of those transportable classrooms that went out, what was part of COVID-19? Would you normally build infrastructure as non-transferred? Would you build it in the communities, as opposed to being a transportable?

**Mr WALDING:** Yes. The demountables are not like the old demountables we used to have. The demountable we have now are of high quality with sound attenuation inside. They have internal noise-amplifying systems. They come with all of the mod cons you get in a modern classroom. From a delivery perspective, in replacement and efficiency to maintain our assets across the entire infrastructure base, yes, they are fit-for-purpose functional classrooms that you would expect to see anywhere else.

**Mrs HERSEY:** Is it a more profitable way of rolling out infrastructure, by transportable as opposed to building in the regions?

**Mr WALDING:** Yes, it is cost-effective.

**Mrs HERSEY:** Can you please provide a break down of what improvements will be included in the \$4.6m for 'students with additional needs' infrastructure? What schools will benefit from it and does it include mobility ramps?

**Ms MOSS:** There is a range of infrastructure projects for student inclusion. The audio upgrades are one of those. Hearing problems are a huge problem across the Northern Territory. In remote areas, when kids cannot hear in a classroom it can lead to a range of other issues. It is very hard to engage young people who cannot hear. A lot of work has gone onto audio upgrades.

We are referring to is the \$4.7m for building for inclusion program and the \$1.65m on top of that for acoustic upgrades. It will include upgrading and replacing ablution facilities, for example, because some of those are not accessible; upgrading access paths and ramps; soundproofing sensory rooms; and there will be a new special education building.

There are a range of works happening under that program. Like all of you, I would like to see all the schools accessible. Some of the schools are over 50 years old and the reality is that some of them do not have all the modifications we would expect to see in something that is built today. Any new builds would take all of those things into account. We want to make sure that all our schools are as accessible as possible.

**Mrs HERSEY:** Which of those schools will benefit from the infrastructure?

**Ms MOSS:** I have quite a long list of schools that will benefit from the building for inclusion projects. As at 31 October 2020 there are 42 schools.

**Mrs HERSEY:** Can you be specific as to which schools and what are they receiving please?

**Ms MOSS:** I can, there are 42:

- Alekarenge is getting a soundfield system
- Angurugu is getting a soundfield system
- Areyonga—accessible ablutions
- Borroloola—soundfield system
- Bradshaw Primary School—acoustic ceiling and wall treatments
- Braitling Primary—acoustic ceiling and wall treatments
- Canteen Creek—soundfield system
- Centralian Senior College—accessible ablutions and kitchenette
- Centralian Middle—lighting upgrades
- Gapuwiyak—soundfield system
- Gillen Primary—soundfield system, acoustic ceiling and wall treatments
- Harts Range—accessible ablutions
- Karama Primary School Namarluk Satellite—classroom refurbishment including ablutions
- Laramba—soundfield system and accessible ablutions
- MacFarlane Primary—soundfield system, acoustic ceiling and wall treatments
- Malak Primary—acoustic ceiling and wall treatments
- Mamaruni—soundfield system
- Maningrida—access upgrades
- Millner Primary—acoustic ceiling and wall treatments
- Milyakburra—soundfield system
- Minyerri—soundfield system
- Moulden Primary—acoustic ceiling and wall treatments
- Murray Downs—soundfield system
- Nganmariyanga—soundfield system
- Nhulunbuy High School Annexe—fence extension and acoustic upgrades in two GLAs
- Nhulunbuy Primary School Annexe—external learning area upgrades
- Nightcliff Primary School Namarluk Satellite—acoustic ceiling and wall treatments in one GLA
- Ntaria School—soundfield system
- Numbulwar School—soundfield system
- Palmerston College—acoustic ceiling and wall treatments for sensory room
- Papunya—soundfield system

- Peppimenarti—soundfield system
- Pularumpi—soundfield system
- Sanderson Middle—access upgrades
- Shepherdson College—special education classroom and access upgrades
- Stuart Park Primary School Namarluk Satellite—lighting and GLA wet area upgrade
- Tennant Creek High School—acoustic ceiling and wall treatments for one GLA
- Tennant Creek Primary School—ablution and lighting upgrade
- Umbakumba School—soundfield system and accessible ablutions
- Warruwi—soundfield system
- Wugularr—soundfield system
- Wulagi Primary School Namarluk Satellite—acoustic ceiling and wall treatments for one GLA.

There is another in the scoping stage.

All of those are in progress or complete. There is a range of important projects happening across schools in the Northern Territory. I thank the Department of Education and the Department of Infrastructure, Planning and Logistics because this work will make a huge difference in the lives of kids across the Northern Territory.

**Mrs HERSEY:** Can we have that tabled please?

**Ms MOSS:** I will get a copy of that list and we will table it.

**Mrs HERSEY:** How does the government plan to bring the infrastructure of regional and remote schools up to acceptable standards, like those enjoyed in the Darwin and Palmerston area?

**Ms MOSS:** We do not look at it as 'Darwin and Palmerston schools', 'Katherine schools' and 'Barkly schools'. We look at it based on need. DIPL has been in Katherine High School recently, looking at the needs there. That is how we will continue to do our infrastructure planning. We will work with the Department of Infrastructure, Planning and Logistics to assess the buildings and need. We are encouraging more schools—many schools have their master plan, which can guide future investment.

There is a 10-year infrastructure master plan as well, which has an Education section in it. There are a number of remote schools, Katherine and others, on that plan. As infrastructure budget becomes available and we can make it work, that is what we do. There is over \$93m of infrastructure upgrades in this budget. There continues to be high need across the Territory—ageing infrastructure. We know things cost more out remote, when you are fixing a remote school compared to fixing a school in Darwin or Palmerston. We make sure we and DIPL are out there looking at the need.

**Mrs HERSEY:** How do you assess that need? On first-in, best-dressed?

**Ms MOSS:** No, it is on need.

**Mrs HERSEY:** But how is that specifically assessed? Do you have a list?

**Mr WALDING:** As we do with DIPL, particularly with the MOG changes, we partner with agencies. We do asset condition audits on facilities to understand the condition; we are working through that process at the moment. We then identify the strategic objectives of the agencies. We are starting to sit down, particularly this year, in consultation with the agencies to identify the strategic need against the infrastructure need. Infrastructure is an outcome of a strategic priority for an agency and we assist the agencies with prioritising their infrastructure need on that basis. Does that make sense?

**Ms MOSS:** It is probably worth mentioning there are also schools that have projects they are putting money towards as well. There is a range of different aspects to this. A number of schools are funding a lot of their infrastructure projects as well, or partnering with the department in terms of funding.

**Mr WALDING:** We also use the master plans we have done, whether it was DIPL or Education, with the schools. The master planning helps inform that picture as well. It is a combination of multi-facets, but it all comes down to an assessment at the end against strategic need to meet the educational outcome.

**Ms MOSS:** Every school will receive the \$300,000 infrastructure grant as well. That is all public schools, and Catholic and independent schools as well. There is a rolling program. Rooftop solar has also been another infrastructure program that has been rolling out. It helps schools with some of their power costs and things as well.

**Mrs HERSEY:** I will get to those programs in a moment. With the needs being assessed do you look at every facility every year? What does the schedule of assessment look like?

**Mr WALDING:** This is probably getting into a technical question for a strategic organisation to answer. This would be broader than just Education. I am not trying to push back, but it is a DIPL whole-of-government process that we are starting to talk about. It is probably not something I am ...

**Ms MOSS:** Yes, it needs to be considered within the bigger picture of infrastructure planning.

**Mr CHAIR:** We might defer that for the minister for Infrastructure.

**Mrs HERSEY:** According to your own annual report, 43% of students are enrolled at remote and very remote schools. How many students attend Darwin and Top End schools compared to those in other regional centres, rural and remote schools collectively?

**Mr CHAIR:** Member for Katherine, have you exhausted the questions on infrastructure that we may be able to excuse Mr Walding for the time being?

**Ms MOSS:** We can bring him back. He will still be here.

**Mrs HERSEY:** No, I still have some more. Josh can ask one and then we will go back to infrastructure.

**Mr BURGOYNE:** I was very interested in the schools, Ross Park and Bloomfield Street, that are going to be receiving demountable buildings. I just want to confirm that the Bloomfield Street School spoken about is St Joseph's Flexible Learning Centre?

**Mr WALDING:** Yes, we put a classroom demountable in Bloomfield Street.

**Mr BURGOYNE:** And the Ross Park School? What is that going to receive in the way of demountables?

**Ms MOSS:** It will receive one transportable classroom.

**Mrs HERSEY:** Acoustic upgrades, transportable classrooms and additional-needs infrastructure funding totals \$19.3m and is aimed across the regions. Can you please provide a breakdown of where this funding will be targeted, by region? How much of it will be used outside of Darwin and the Top End?

**Ms MOSS:** I suggest that we take that on notice. I have read the entirety of the building for inclusion projects list into the record. We would have to slice that up into what proportion was where. I do not have it laid out like that in my folder but we are happy to look at it. There are plenty of projects going on across the Northern Territory when it comes to building for inclusion and the \$300,000 infrastructure grants. I am happy to take that on notice; it probably would not be that difficult to figure it out for the building for inclusion program.

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#### Question on Notice No 2.9

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** Acoustic upgrades, transportable classrooms and additional-needs infrastructure funding totals \$19.3m and is aimed across the regions. Can you please provide a breakdown of where this funding will be targeted by region and how much of it will be used outside of Darwin and the Top End?



**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do, yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.9.

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**Mrs HERSEY:** How many government schools have not yet received \$300,000 under the Building Better Schools funding? Which schools? When can they expect to receive it? Will it all be in this financial year?

**Ms MOSS:** We will have a look at how many schools are yet to receive it. From memory there will be some schools over the next few financial years. There are a lot schools. There are 153 public schools and then all the Catholic and independent schools who are receiving that funding. More than 149 Territory schools have projects either under way or completed as part of the Building Better Schools initiative, which is pretty huge and a massive amount of work. Thirty-four more have been identified for completion over the next few financial years.

Some schools have chosen to fund a number of different projects under that \$300,000 and may have received part of their funding now and will receive part later depending on when the other projects finish. COVID-19 has delayed a lot of things this year, particularly for schools in bio-security zones or where they have not been able to get tradies in. It has all had an impact.

The departments are working together on the program and making sure they get through the priority projects. Every school can be sure there will be benefits from what is a fantastic program of investment in schools everywhere.

**Mrs HERSEY:** Out of those schools—that was a 2016 election commitment. Will it all be completed this financial year? You said it will be ongoing, how many of those schools ...

**Ms MOSS:** I said it will be completed over the next few financial years. I have answered that question.

**Mrs HERSEY:** How many schools are still yet to receive it?

**Ms MOSS:** There are 28. The department will be working with them on identification of projects and a range of other things. Some schools may not have identified how they want to use the \$300,000 yet.

**Mrs HERSEY:** There is 28 still to receive it. I was under the impression it was meant to all be done during the last term of government. Have you extended it?

**Ms MOSS:** There are complexities regarding the program in terms of not all schools having their projects identified and a whole range of other things.

**Mr WALDING:** As of 1 July, 72 NT Government schools completed their works; 48 are in the planning and construction stages; and 28 schools are due to have their works delivered in future years, which is 2020–21, 2021–22 and 2022–23. The main reasons for the works being pushed back include the land tenure; site servicing; changes to school council; and changes to priorities and directions in that space. We are flexible as long as they still meet the objectives of improving educational outcomes, which is what we are here for.

Site services have been a big issue. Some of the communities are on water restrictions. If they are after lawns then we have to work with that and make sure we do not drain the tanks et cetera. There is a lot of background information and support going into this as we go through. The big one we find is, because it is a \$300,000 budget, some of the schools think they can get a lot more for that money than what we get for \$300,000.

**Mrs HERSEY:** That was a 2016 commitment over a four-year period. There is quite a delay; there are still schools having this rolled out up to 2023.

**Ms MOSS:** Adam has already explained the reasons for that and provided the answer. Thank goodness for a record Education budget. There is clearly a lot of need out there. It is good that we are a government that makes commitments towards Education infrastructure and programs rolling out and benefiting our schools.

**Mrs HERSEY:** We are going to have more infrastructure, but the repairs and maintenance budget was reduced by \$658,000 in the 2019–20 budget, for school and education facilities. It has a further cut of \$300,000 in the 2020–21 budget. How is the department going to continue essential repairs and maintenance to education and school facilities with less budget, given that the government is building more infrastructure at schools to maintain?

**Mr WALDING:** Part of the machinery of government changes was to centralise the repairs and maintenance budget. An intent of that is to gain efficiencies with how we do works and to prioritise works with like-for-like in those areas. Education have also put some different money in the R&M bucket from funding. Their repairs and maintenance budget this year is on par with what it was last year, if not slightly higher.

**Ms MOSS:** The machinery of government change means that if the government is looking at another infrastructure job in a community, it might be more cost-effective for us to do one of the Education projects that is on the federal or Housing or ...

**Mr WALDING:** If we have two projects in a remote community, we should do them together. We will get efficiencies and mobilisation straight out. The intent with the machinery of government changes is that we highlight those changes in our new systems as we implement them. That is the efficiency we will gain.

**Mrs HERSEY:** Given that is the intention, who is accountable to make sure it happens?

**Mr WALDING:** That is a DIPL output question from the strategic perspective.

**Ms MOSS:** It is the Department of Infrastructure, Planning and Logistics and me. We certainly keep our eye—annual reports, estimates. The infrastructure needs of schools is a priority for me and I am keeping my eye on it. Karen and I talk about it a lot. We are accountable through processes like this.

**Mrs HERSEY:** Bullocky Point Education Precinct is receiving approximately \$1.7m in funding for landscaping, master plan and associated works in this budget. What are the associated works?

**Mr WALDING:** It is for general landscaping. The oval is being upgraded with irrigation; there is some integration between the two schools with pathways; and also shade cover structures going up for the children—or young adults—to sit under. They lost a lot of their trees through the last cyclone. There are some works associated with that.

**Mrs HERSEY:** That is some works happening for \$1.7m. Can you give a breakdown of the costs associated with the master plan? Are there costs associated with the master plan, landscaping and associated works? Are they three separate things or are they all together?

**Mr WALDING:** The money we have is in BP4, with the repairs and maintenance to maintain the school. Then we have the minor new works program which, predominantly, is Building Better Schools. Does that answer your question?

**Mrs HERSEY:** I just think that \$1.7m is a lot of money when there are regional schools crying out for other infrastructure and possibly landscaping as well. That seems like a lot of money for one school in Darwin, or two being that they are together.

**Ms MOSS:** The inference is always that there is not money being spent regionally. I have outlined a number of programs tonight and put a lot of projects on the public record that are across the Northern Territory. There are about 2,000 students on the Bullocky Point Precinct and to suggest that they do not deserve good facilities either is completely incorrect. Students across the Territory deserve good facilities. There is a huge need across the Territory and there are a number of programs that we have outlined tonight to try and address that.

**Mrs HERSEY:** Do you think these funds, given what we have been discussing, could have been put to better use given that Darwin Middle and Darwin High schools have received funding totalling about \$36.6m over the past two budgets?

**Ms MOSS:** There are schools across the Northern Territory that have attracted major projects over the last few years. There is a new STEAM centre at Taminmin which was over \$12m of investment. There is investment in the engagement centre which will house Stars and Clontarf in Tennant Creek. The department is consulting on the new boarding facility in Tennant Creek, which is being discussed as part of the Barkly Regional Deal.

We have \$300,000 going to every school; building for inclusion; and a range of other major projects that we will need to do. If you look at the 10 Year Infrastructure Plan there are a number of schools, Yuendumu for example, that are on the master plan. There is a lot of need and schools are doing their master plans. We are working through that at a strategic level.

To suggest that a student, depending on where they live, does not deserve the dollar because another kid does, is a hard argument. Every child deserves a great facility. The Department of Education and Department of Infrastructure, Planning and Logistics are doing a phenomenal job in making sure kids have great places to learn and quality educators in them.

**Mrs HERSEY:** I am not doubting that everyone has a right to an equitable and great education. I am stating that \$36.6m over the past two years for just two of those schools—other areas are receiving financial and infrastructure support to their programs, but none as high as that.

**Ms MOSS:** There are 2,000 students at the Bullocky Point Precinct. There are a range of projects on the 10-year master plan that will attract—some of those are major projects. It is a record Education budget which means more money will be going into schools, including regional areas, and more teachers in classrooms. That is what we are focused on.

**Mrs HERSEY:** How many of the schools received the rooftop solar in 2019–20 and how many are planned for this year? What is budgeted for this?

**Ms MOSS:** So far 18 schools have had their solar panels installed, are underway or are in the planning stages. It is fantastic because it means that schools will save on their power bills and can put that money into something else in their school, or we can put that money into something else across the education system. A lot of schools are taking the opportunity to teach kids using the solar panels.

**Mr WALDING:** There are five completed; 13 are due for completion this year; and seven are scheduled for next financial year, two of which we have started planning for to ensure we are ready.

**Mrs HERSEY:** What is the budget for this?

**Mr WALDING:** The total for the program is \$5m.

**Mrs HERSEY:** How many new child and family centres will be established in 2020–21 and where will they be located? What will be the total cost of establishing the centres and the expected ongoing operational costs?

**Ms MOSS:** There are six under the Department of Education. The rest are under Territory Families and the next portfolio and outputs. The department of Territory Families is working with Aboriginal organisations regarding Aboriginal control of those centres. In terms of those six, there are a number of child and family centres that are associated with our schools. Further detail should be asked of Territory Families.

**Mrs HERSEY:** Do you know the total cost of establishing the six that the department have and the ongoing operational costs?

**Ms MOSS:** Yes, we will just locate that. It was an important commitment and delivery program. It is tied to the early years and ensuring we are wrapping support around families early. I have been to the one Gunbalanya, for example, where they have visiting health nurses who work with young mums and their babies. They have a childcare centre or preschool attached, which is of FaFT.

In 2020, the budget for the child and family centres is \$2.26m and it will increase to \$2.3m in 2021. That supports the operation of the six child and family centres and the facilitation of service integration that happens within those sites. They are vitally important to supporting families in the early years. We have to start doing this differently and this is part of that.

**Mrs HERSEY:** Umbakumba School is listed to get \$750,000 of infrastructure for an ablution block. Is \$750,000 excessive for an ablution block? Is this proposed building only an ablution block, or does it have other combined functions like a toilet and shower? Is it proposed to be a house?

**Mr WALDING:** My understanding—I do not have the plans with me—is it is an ablution block; \$750,000 is the budget allocation for it. It will go to tender very soon. Being a solid structure, \$750,000 for the block is not unreasonable for remote installations such as that.

**Mrs HERSEY:** I am speechless.

**Ms MOSS:** Unfortunately, that is the cost of delivering remote infrastructure.

**Mr CHAIR:** I remind members that to ask or request for an expression of opinion is not within Standing Order 109. The cost of \$750 000, as outlined by Mr Walding, is allocated in the budget for the ablution block of Umbakumba School.

**Mrs HERSEY:** Are there any other priority infrastructure projects required at the school?

**Mr WALDING:** Off the top of my head, I could not tell you. However, do not forget that this budget allocation had quantity estimates done as well, to undertake the project. That is the budget for it; it will not necessarily be the final cost.

**Mrs HERSEY:** Do you know if there are any other priority infrastructure projects at the school?

**Mr WALDING:** Not off the top of my head. I would have to take that on notice. That would be part of our strategic planning process as we work with the Department of Education, when we come to planning for next financial year.

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#### Question on Notice No 2.10

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** Are there any other priority infrastructure projects required at Umbakumba School?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do. It is great to see infrastructure projects happening in remote parts of the Territory.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.10.

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**Mrs HERSEY:** Before the 2020 election, there was discussions and planning regarding extra demountables for Bakewell Primary School. I cannot remember if we touched on that before. Bakewell is growing and student numbers are increasing, meaning it is running out of space for additional classrooms. What commitments have been made for Bakewell Primary School to cater for the increase in growth to the school?

**Ms MOSS:** There are five transportable classrooms at Bakewell Primary School.

**Mrs HERSEY:** They will receive five?

**Ms MOSS:** Five have already been received; that is a completed project. This government has been very committed to the progression of Zuccoli school as well, which should have been done a long time ago. We will deliver. We recognise that Palmerston is growing in its population and will continue to do so. It needs that new school and we are proud to be delivering it.

**Mrs HERSEY:** Five demountables have already been positioned at Bakewell. It was a 2020 election commitment. Does that mean it was done before the ...

**Ms MOSS:** I do not know that it was a 2020 election commitment.

**Mrs HERSEY:** Before the 2020 election?

**Ms MOSS:** I would say so, yes. I do not have the exact date of completion, but the project is complete. I do not know when they went in, but they are there.

**Mrs HERSEY:** Is there any funding set aside to improve the infrastructure and services at the Alpururulam School?

**Ms MOSS:** That is on their 10-year infrastructure plan.

**Mrs HERSEY:** (inaudible – microphone off)

**Ms MOSS:** We would have to take that one on notice, I do not have the 10-year infrastructure plan in front of me. We should be able to get that relatively quickly.

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**Question on Notice No 2.11**

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** Is there any funding set aside to improve infrastructure and services at the Alpururulam School?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do accept the question, yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.11.

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**Ms MOSS:** Can I just add that as I understand it there is the Building Better Schools project is in progress at the moment for Wanguri in 2021, which is (inaudible – microphone off).

**Mrs HERSEY:** The school at Alpururulam is the only school I am aware of in the Barkly that does not have an undercover basketball court. Is anything being done to deliver this?

**Ms MOSS:** From the description on my Building Better Schools spreadsheet that potentially could be what it is for; they are progressing a solid shade structure at the moment. That may change; that is what it is at this point in time. That is what they have asked for. I assume that is what the \$300,000 is going towards.

**Mr WALDING:** The identified priority is 'summer shade structure over playground equipment'.

**Mrs HERSEY:** When will that be delivered? Has that been started?

**Ms MOSS:** That one is in progress for delivery mid-2021. The departments are working with the school.

**Mrs HERSEY:** Given how expensive it is to deliver infrastructure in remote regions, do you think the \$300,000 will cover that shade for the basketball court?

**Ms WALDING:** It depends what they are after from a Building Better Schools grant. The scope they have identified is a solid shade structure over playground equipment. To cover a full-blown basketball court, it will not be enough. It depends what they are after from a school council perspective, as a priority for their \$300,000.

**Mrs HERSEY:** The Alpururulam School also needs home economics buildings and a four-wheel drive bus. They do not have a way to go on excursions; the children cannot visit anywhere or leave the school. Is there any funding or plans to address this?

**Ms MOSS:** These are priorities that the school will presumably be working through with the department and the Department of Infrastructure, Planning and Logistics. There are a number of schools who use their global school budgets to supply buses for their students as well. Alpururulam also got a new preschool in 2018, which was a fantastic investment and important for making sure we are setting solid foundations through a student's school life. We will continue to work with the school regarding its needs. I am sure the Member for Barkly will continue to talk about those projects as well.

**Mrs HERSEY:** Katherine High School has a massive need for capital investment to bring it even close to acceptable standards. Is there any future funding allocated to improving infrastructure at the school apart from ...

**Ms MOSS:** I talked at length earlier about the support we are providing for Katherine High School. Yes, Katherine High School is on the 10 Year Infrastructure Plan. It is receiving its library refurbishments at the moment. We will continue to work with the school on its other infrastructure needs in line with the strategic priorities that Adam has spoken about.

**Mrs HERSEY:** The library infrastructure improvements that are happening was a 2016 commitment that has just been delivered. Is any extra in the ten-year plan being brought forward for capital works or infrastructure at the school?

**Ms MOSS:** That was their Building Better Schools project. As you know and as I have stated many times tonight, there is a range of support going in around Katherine High School. It is in the 10 Year Infrastructure Plan already. I do not have a copy of the infrastructure plan in front of me. It is in the mid years—three to five years. There is a range of different projects for education within that. A lot of remote schools need to be completed over the next ten years.

**Mr BURGOYNE:** Regarding the Building Better Schools upgrades, is there a certain portion of money set aside in the next budget for that?

**Ms MOSS:** Every school will receive their \$300,000 project.

**Mr BURGOYNE:** If there are 28 schools to be developed, I would roughly work that out at \$8.4m. That is in the budget? If all 28 came to you next year and said, 'We've got our project, we are ready to go', that could be funded?

**Ms MOSS:** Yes, I would suggest it would be scheduled dependent on what people can manage to roll out. There is \$300,000 for every school budgeted for and they will get that money.

**Mr WALDING:** It will be scheduled out. It will depend on other priorities that may pop up within the same body of works, hence why we said two financial years for the delivery time. If we can deliver things quicker and sooner we will; however, at this stage it is scheduled over two years.

**Mr GUYULA:** Regarding the school buildings and stuff, some schools have just opened up. Would they be eligible for this \$300,000 funding as well?

**Ms MOSS:** There has been a separate program for homeland schools. The Department of Infrastructure, Planning and Logistics has a \$5m program for homeland schools. About half of that has been expended so far and there are a number of other priorities that have been identified through the internal review of homeland schools. We need to look at the whole model, at how we are supporting homeland schools. Infrastructure will be a big part of that and there is a program. There were a range of works completed over the last two years and there are three planned in the Top End region in 2021.

I am happy to talk to you about the needs within your region, Member for Mulka. Homeland schools, how they are funded and how we support them is something we want to make sure we are doing better; that we continue to improve. There is definitely a strong program as well.

**Mr GUYULA:** Yes, there have been major homeland schools that have been ongoing. I am talking about the ones that had funding cut in the previous years and only in the last term, at the end of last term, have been starting to open up. They are just winding up again. Are they entitled to this kind of funding?

**Ms MOSS:** Yes, we have a program set aside for homeland schools and not all of them are operational. I gave the figure of 43 homeland schools; only about 33 of them are operational. Some of them may open again in early 2021. We will work with them and their hub schools on what their needs are so we can make sure we are catering for those young people as well.

**Mr BURGOYNE:** Just quickly on the rooftop solar—five schools have been completed. I have a specific interest in schools in Alice Springs. What schools in Alice Springs are set to receive the rooftop school solar?

**Ms MOSS:** It was 18 that have been completed.

**Mr WALDING:** In progress, or at the stage of due for completion in 2021: Tennant Creek High School; Ngukurr School; Braitling Primary School; Centralian Middle School; Centralian Senior; Ntaria and Anula

primary schools; Dripstone Middle School; Stuart Park; Nhulunbuy High School; Shepherdson College; Berry Springs Primary School; and Maningrida School.

For next financial year there is: Bradshaw Primary School; Yuendumu School; Karama Primary School; Nightcliff Middle School; Angurugu School; Nhulunbuy Primary School; and Gunbalanya School.

For some we still need to work with Power and Water Corporation to make sure we do not unbalance the loads in remote areas; otherwise that is the final list.

**Mrs HERSEY:** What existing and planned programs are aimed specifically at addressing poor attendance? What are the costs of these, by program?

**Ms MOSS:** There is a range of programs specifically about attendance. This is good to talk about because there has been good improvements this year, even though it has been an exceptionally challenging year because of COVID-19. It had its challenges for schools.

The Term 2 attendance rates were quite good this year with increases, including in remote areas. In Term 2 the department started a program called Own Our Own. That is across the education system, working with schools to come up with individual strategies focused on students who were disengaging because of COVID-19 and what was happening. I am pleased to hear that out of the 3,375 students they were working with, they had good results and reengaged most of those students back into the education system.

There are 16 engagement officers across the Northern Territory and eight being trialled based in schools, which is important. The department, over the next 12 months or so, is working with the lead committees, stakeholders, schools and families on the iteration of their attendance and engagement strategy. We are focused on engagement; it is not just about getting kids to the school gate. We have to make sure that what is happening in that school is engaging for students and that they want to stay there.

There is \$10m for attendance programs, \$12m going into youth engagement strategies and initiatives, which might be alternate programs that you see at St Joseph's, for example, or (inaudible), Juno or others. They are very important in engaging young people. There is Stars, Clontarf and Moriarty Foundation go into schools and run various activities with young people as well.

There is a placed-based approach happening in Tennant Creek which is having good success as well. That is about having an inter-agency approach to how we are supporting families across the education spectrum. We will see results there that we can adapt to other regions of the Northern Territory.

**Mr CONSIDINE:** The minister alluded to our Own Our Own program. This is a ground-breaking program that tackled 3,375 students. When you are dealing with attendance, it is important to target your resources in exactly the right place. We identified that there had been a significant cohort of students at the beginning of the COVID crisis who were quite good attenders, in the 60–80% mark, and had a rapid fall off in attendance.

We targeted those students in a different way. We worked with each school so they knew their data. Twice a week they worked through their data and actively went to engage families and students. Paying attention to the data yielded incredible results. The difference in other jurisdictions, where lots of students could not do face-to-face learning, was that their attendance suffered. We were able to pick out the kids early and work with them to get them back to school quickly so that any loss in education was minimalised.

This puts us in a position where kids who are normally good attenders are good role models for other children. This was an important initiative and driven off the back of schools and their staff. It made attendance everybody's issue. I wanted to highlight this program. It was effective and still yields results.

Work in Tennant Creek has flowed out of this program. We used the methodology to have a discussion across agencies to say, 'Here is the problem, here is the data and this is what the schools are doing'. When we used Own Our Own, we used a theory called Team Around the Learner. This means that the people in the school around the learner engage them. When you move that out to a place like Tennant Creek, it allowed it us to use the school and community around the learner and utilise assets that were in community and school to make a difference. That program was born out of COVID because we had to respond to an issue. We responded to it from an evidence base.

The minister and I have talked about our engagement officers. The program we have not referenced is the Remote School Attendance Strategy, commonly known as RSAS. You asked a question regarding the budget and for RSAS—there was \$4.094m allocated. We have an agreement with the Australian Government which

runs until December 2021. We are focusing RSAS delivery across a number of RSAS sites. There are 10 sites where we are a provider and a further 26 sites where we have schools. The important learning that we had from RSAS is that it enabled us to have a more significant workforce on the ground of local people with knowledge of families. This has allowed us to tackle the problem of mobility.

In previous years the mobility question has been raised at estimates. Usually, a significant number of children are out of community. We have tracked that this year with a method called O-coding which has allowed us to have an idea on any one day how many kids are not in community. If you are not in community then you cannot be at school. The work of our RSAS teams has allowed us to get a good handle on mobility and track the kids who become at-risk students—kids who have been away from school for more than 10 days—and rapidly reengage them.

**Mr MONAGHAN:** You talked about youth engagement for those at-risk children. Can you tell us about the work you do around ‘pathway to a job’ for some of those students?

**Mr CONSIDINE:** The pathway for a job strategy allows us to strengthen the types of learning within schools that are connected to industry. Where we can connect a school to an industry or an employment opportunity, it is in our interest to make sure there are links and partnerships with the school and the ability to deliver a program that allows students to engage.

That type of work means that we have to be a bit more flexible in our schooling. We have to consider how we use the Australian and SACE curriculums to deliver for children. It does not mean that we step away from it. It means that we look at the best way to utilise it to get the outcomes and, at the same time, engage those young people with local industry and, through that local industry engagement, lead them to jobs. If I could say this just in a couple of words: when you give kids a sight-able future, you change engagement in schools.

**Mrs HERSEY:** Getting back to the Own Our Own program, how many schools are accessing the program?

**Mr CONSIDINE:** The Own Our Own program runs across all of our schools and it is coordinated centrally from our offices. Instead of it being just a centralised program, it is our people in our schools doing this work by putting a team around learners in schools. It is also about regional staff, our senior leaders in the region, working closely with their schools and the centre to make sure that program rolls out across all of our schools and touches the students that it needs to touch, based on the evidence that we have.

**Mrs HERSEY:** Regarding the attendance that dropped so significantly in the past year and over the last four years, what changes will you be making to address it?

**Ms MOSS:** You are referring to a specific statistic but it is one that we take very seriously. We want to increase attendance across the board. We had some good results in Term 2, 2020 where attendance was better than it was in Term 2, 2019, which is positive.

When we look at remote Indigenous attendance, which is what you are asking about, the number is one that we statistically need to improve. It has been consistently at that level for many years across the Territory and the result of that was the Indigenous Education Strategy, which we continue to put money into and roll out.

We have community-led schools and we are supporting bilingual education in a number of schools. If you look at how that has worked in Yirrkala, for example, where they have the first students graduating with an ATAR this year, it is just exceptional. It is an amazing story that we should be telling.

We have work to do. Understanding the mobility factor and how we continue to engage children in schools wherever they are is important. It is important that we look at it in terms of context as well. We are also party to a range of agreements with the Commonwealth Government regarding closing the gap and there are targets. We want to make sure that we are raising the attendance rate wherever children live. That is why we are engaging in all of these programs that Tony and I have just spent time talking about. There are some good stories to tell. We need to tell them, for sure.

**Mr CHAIR:** Could we pause for a moment? After an hour and forty-odd minutes we might just take a break. We will return in five or six minutes at 8.45 pm.

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The committee suspended.

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**Ms MOSS:** Mr Chair, could I take the opportunity to give an answer on 2.6, which was the Palmerston youth skills centre expected ongoing operational costs?

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**Answer to Question on Notice 2.6**

**Ms MOSS:** The question was about the expected ongoing operational costs of the youth skills centre. The ongoing operational cost in the Department of Education's budget is \$1.33m. There is an additional \$300,000 provided annually by the Department of Corporate and Digital Development towards the lease costs.

**Mr CONSIDINE:** The question you asked about attendance is wide-ranging. I will address it from a Territory-wide and then a regional perspective. When you consider attendance rates you should always consider enrolment because that can hide things. We did a Term 2, 2019, to a Term 2, 2020, comparison. Across the Northern Territory, average student enrolment in Term 2, 2019 was 33,842 students in government schools. In Term 2, 2020 that number was 33,864 students—an increase in enrolment in, we would all agree, quite a difficult time. At the same time the all-attendance rate for Term 2, 2019 was 77.6% and in Term 2, 2020 was 79.3%.

If we look at that by the six regions—Barkly, Big Rivers, Central, Darwin, East Arnhem and Top End—in four of those regions attendance increased. In the Big Rivers regions overall attendance in Term 2, 2019 was 62.7% and by Term 2, 2020 it was 66%. In Central region, which covers Alice Springs and south, it was 70.4% in Term 2, 2019 and in Term 2, 2020 it was 72.3%. In Darwin in Term 2, 2019 it was 86.7% and in Term 2, 2020 it was 89.5%. In the Top End in Term 2, 2019 it was 80.3% and in Term 2, 2020 it was 80.9%.

In the two remaining regions, East Arnhem attendance in Term 2, 2019 was 58.6% and in Term 2, 2020 was 57.2%, a slight fall but there were serious bio-security effects in that region; in the Barkly in Term 2, 2019 it was at 57.1% and in Term 2, 2020 at 51.7%. Across the board we had increases in four of the six regions and we had an increase of nearly 2% across the Northern Territory.

**Ms WESTON:** I want to speak of the effort of our school principals this year. From the end of Term 1 and all throughout the year, we asked them to focus on engagement and attendance. This is a complex issue for the Territory. We are trying to take an evidence-based approach. For the first time, we are collecting mobility data, trying to understand where children are going and taking a different posture. Instead of mobility being a problem, we are trying to think how we can support families when they are mobile—seasons and other arrangements that families make. We need to support that mobility and make sure there is continuity in learning. We need to get to a place where people feel confident enough to share with us where they might be going so we can make sure there is continuity in student learning.

We are also taking a space-based approach. The Tennant Creek work will tell us things about focusing in a place. What the data tells us is what will drive us. In the past, people thought the problem in Tennant Creek was about younger children—seven to 14, 15 and 16-year-olds. When we looked at the data, some issues with attendance were more about preschool and the first years of schooling. As we all know, the evidence is strong regarding getting good habits in early childhood and in the first years of schooling. In Tennant Creek it makes sense now for us to focus—based on the evidence and data—on the younger ages of children.

Own Our Own is every school principal thinking about what the data is telling them at their school and then doing things in their school like a walking bus and talking to families and their local communities. As a system, we think about what we should do and whether we can wrap around that. We have streamlined our enrolment processes to make it easier to go to another school.

This year has been a bit of a 'try something, go off the evidence, do an inquiry, see if something works'. We will continue with that approach through next year as we develop our engagement and attendance strategies, driven by the data and evidence. There is still a lot of work to do to work with communities. All parents value education, but we need to make sure everyone understands why attendance is important.

It is not only about having a few days off a year; children need to go every year, every day and be in front of the classroom teacher because there are foundational components of learning. If you miss out on the foundational pieces, particularly literacy and numeracy, it is hard to catch up and it is harder for our teachers to differentiate the teaching to respond to where student are at in their learning.

It is a solid piece of work we have embarked on. It was the opportunity of COVID-19, which gave us some ideas about the data. I look forward to coming back to next year's estimates and see how we are going. We

see some green shoots and one of the things we are thinking about is: off the Tennant Creek work, what are the other place-based areas of priority for us? The plan is for us to head into East Arnhem next to have a look at what is happening there. We have to do the evidence at the local level and find out what exactly is happening to address the complexity of attendance in the Territory.

I wanted to speak to it to thank our principals and early childhood preschool people for all the effort they have put in this year to lift attendance. We need to stay in an impactful place there. It is a journey we are on.

**Mr GUYULA:** I can add something on to this about the schools in Aboriginal communities. I was at the graduation at Yirrkala that day and I found that the oval was nearly packed full. That is because of the backup of parents, and seeing elders working together, helping and sorting out children, encouraging them so that they all walk with them together, and walk home with them together. That time, I found it packed and it is an improvement.

In this area in Aboriginal communities, I would like to see local leaders at least working with the curriculum in Indigenous schools through employment. They could work with the school and children in the curriculum. This is happening now; people are creating their own system in communities and homelands in my electorate. Elders and everyone are putting it together so that it is improving.

**Ms MOSS:** That must have been moving. We did not get to be there but they live streamed it so other people could join in. It was a special moment for that community; it was fantastic. We can learn lots of lessons from that. This is what we want our lead committees and community-led schools to be about. We will continue to support community involvement in schools. It makes a difference when everybody values the education that is being delivered.

**Mr GUYULA:** Towards this, I support when parents and elders are supporting children to go to school. They can be part of working in class or on country through the bilingual education by elders, leaders and families taking them out. It has made an improvement. Children are interested to go out and attend.

**Mr MONAGHAN:** Minister, could you expand on the investment that differentiation has on learning at the class, school, regional and systemic levels?

**Ms MOSS:** There are many ways in which we aim to differentiate the education experience. One of those ways is through youth engagement strategies—the flexible learning centres. It is an important thing we should touch on today. We have the Top End School of Flexible Learning and we put \$4.81m into that. There is the Juno Centre in the Barkly, the Flexible Learning Centre in Katherine, the Palmerston youth skill centre that will come on board, the Tennant Creek Primary School Flexible Learning Centre, the Owen Springs Education Centre, the Centralian Senior College Alice Outcomes program and (inaudible) at Centralian Middle School.

These are vital. They do not provide the same program and depending on where they are they provide different education opportunities for the young people that engage in them. The story you will hear from all of us is that we have to make education engaging throughout the whole system. It is not necessarily about a textbook and sitting at a desk. We have to ensure we are creating engaging spaces and providing options through flexible learning centres for young people who find that the traditional delivery of education is not for them.

The student learning commission has been powerful across the education system. Young people across the Territory are having input into what is happening in their schools and how we can make education more engaging. We will see more that there are flexible learning opportunities for students across the Territory. The NT School of Distance Education offers a range of opportunities for us. We congratulate them as they went from 14 graduates to over 40 this year; they are doing phenomenal work. It is vital that we continue to provide these programs for kids to keep them engaged.

**Mrs HERSEY:** We would all agree that attendance is a crucial step in addressing problems in schools. As stated in the annual report, 84% of non-Aboriginal kids and 32% of Aboriginal students attend schools four or more days a week. Do you think that it is acceptable for only 32% of Aboriginal students to be attending school four or more days a week when there are 84% of others?

**Ms MOSS:** We have gone into the data at a deep level in relation to that question. We have an Indigenous Education Strategy; about \$47m that goes into that Indigenous Education Strategy; and Tony has outlined exciting data across almost every region that we should all be celebrating tonight. It is important that it is considered in the broader context that Tony and Karen have already outlined.

**Mr CHAIR:** I remind members of Standing Order 109, which is:

*Questions should not ask ministers for an expression of opinion.*

I think that was requesting an expression of opinion on a data set.

**Mrs HERSEY:** Does the government have any plans to allow students who are boarding interstate to quarantine in their own homes if their study location is declared a hotspot in the future? If not, why not?

**Ms MOSS:** That is a question for the Chief Health Officer. We follow the directions of the Chief Health Officer, who makes decisions based on clinical advice. We discuss issues that are raised with us regarding boarding students and assist as much as we can. Tony will talk a bit more about the assistance we are providing parents and children who might be returning to isolated areas or coming back into communities. At the end of the day we follow the direction of the Chief Health Officer, who has done a phenomenal job this year.

**Mr CONSIDINE:** Students returning from boarding schools interstate, where it was necessary for them to quarantine, was a real issue for us and came upon us very quickly. We were in the fortunate position of knowing where all our students were and where they had to come back to. We liaised with every boarding school involved and made sure they were well appraised of the directions of our Chief Health Officer. We worked with our local boarding schools to make sure their COVID plans were suitable and students were safe. When we knew that students would have to return—as we ran into holiday breaks—we worked with the families of students and staff from the boarding schools. When quarantining was necessary we made sure that families knew the cost of this, particularly Aboriginal families, and worked with the Australian Government through ABSTUDY provisions to make sure that students and families were not financially disadvantaged.

This was particularly pertinent in some remote communities. There were parents who loved their children but were scared to leave their communities if there was a quarantine situation. In some cases we had staff from host boarding schools quarantined with the kids, or staff from my transition support unit, to make sure they were safe and transit them back to community. We met all flights of students coming back in and met families to make sure we connected this as well as we could. At the end of the day the directions of the Chief Health Officer had to be obeyed and followed and we did that.

**Ms MOSS:** Mr Chair, I table the list of the Building for Inclusion projects that the Member for Katherine requested earlier.

**Mrs HERSEY:** What is the cost to the Department of Education to operate the Stars network, to provide access to education for isolated students? How many Northern Territory students use the Stars network?

**Ms MOSS:** This is something we are very familiar with. I have a good relationship with the Isolated Children's Parents' Association, and have had for some time having had the portfolio of DEACIS previously. Their internet access and use of the Stars network versus NBN has been a conversation for some time. Tony has been working for a big part on this particular conference motion.

**Mr CONSIDINE:** First of all, Stars is a satellite network. It operates across the Territory and not only provides services to Education but to other government agencies in remote communities. Verifying the absolute cost to Education is difficult because it services a range of people. It would be fair to say that the Stars network, in terms of our distance education provision, has probably failed to keep pace with the rapid expansion—particularly under COVID—of video conferencing programs and as we are starting to see virtual learning programs; they are a lot hungrier on bandwidth. We have worked with the ICPA on trials with NBN, were we provided a subsidy to some families. We are close to the next layer of that where we provide an increased subsidy to get a much higher standard of service where young people have to rely on satellite services for a large portion of their instruction.

**Ms MOSS:** This is a good one to raise with DCDD, which is also across this issue. We hope the Commonwealth kicks in more money for good infrastructure across the Territory to improve connectivity for all our schools and everyone who might be doing it by distance. There is a disparity out there that needs to be fixed.

**Mrs HERSEY:** However, DCDD do not have the same knowledge of Education.

**Ms MOSS:** We work with DCDD; they are responsible for advocacy regarding infrastructure and a lot of the ICT components we are discussing. They are very familiar with this issue and they work very strongly with

the Department of Education. With the machinery of government changes there are Education staff from this area who have gone over. Part of the reason is making sure we have people with the knowledge in DCDD, and that we are achieving the efficiencies we want to see across government.

**Mrs HERSEY:** What were the other agencies on the Stars network? What was the subsidy that you are providing to the students?

**Mr CONSIDINE:** The Stars network is used in quite a number of remote communities by Health and Police where their only internet service comes in by satellite. The subsidy was largely for Katherine school of distance education to subsidise the full cost of a basic program of Sky Muster NBN. We have found that we now need to consider what is required, as we have seen this quantum shift in—you could term it online delivery, but it is much more than online delivery now, it is real-time video conferencing work. We anticipate in the future that it is likely to move more into the virtual space. That seems to be the direction it is moving. It would be good to stay ahead of the curve.

**Mrs HERSEY:** How much of the budget goes towards the subsidy?

**Mr CONSIDINE:** At present we have put \$150,000 towards the subsidy. It has not all been drawn down as yet. Some families are still utilising the Stars network. I imagine, over time, that families will start to move towards it. That was for the trial phase of it.

**Mrs HERSEY:** What is the cost to the Department of Education to subsidise NBN access for isolated students? How many NT students access distance education through NBN, as opposed to other networks?

**Ms MOSS:** We do not have that level of detail, but there are a number of families who are transitioning to NBN.

**Mr CONSIDINE:** The number would move. We would have to set a date and go back—look at the Katherine School of the Air and on that particular date know exactly what it was. We could get that information for you.

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#### Question on Notice No 2.12

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** What is the cost to the Department of Education to subsidise NBN access for isolated students? How many NT students access distance education through NBN?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** Yes. We will do it if we can include 'as at today's date' to give them a definitive point to look at.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.12.

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**Mrs HERSEY:** Does the government have plans to adjust the subsidy for the isolated students accessing the NBN service?

**Ms MOSS:** Tony has been working with ICPA regarding this request. The answer is yes.

**Mr CONSIDINE:** It will be based on negotiation, in understanding the information. There are a number of families out there who are using different NBN and NBN-plus services. Understanding what is working for those families and basing that against evidence of large comparisons that have happened regarding the quality of NBN services will lead us to a negotiation with ICPA and our schools of distance education. That will give us a final landing point.

**Mrs HERSEY:** What will it look like for those families to get more support for their NBN after those negotiations with ICPA and the School of the Air?

**Mr CONSIDINE:** It will be what it looks like now. There will be a subsidy in place and a family attending one of our schools of distance education—a family living in an isolated situation—would make an application to their school of distance education. Once we have agreed on the level of subsidy, then it is a matter of them

making an application and being provided the the level of subsidy. We are yet to determine if we would do that on a monthly or two-monthly basis. It would just be an administrative position for us to decide that.

**Mrs HERSEY:** How is the level of subsidy determined?

**Mr CONSIDINE:** The level of subsidy is based on what we think the quantum need is to get delivery. You would have a look at the average size of families. My understanding of this from the work we have done with ICPA is that many of these families are operating out of schoolrooms where they might have two, three or four kids at differing age levels requiring one or more computers off the same NBN connection. We need to know what is going to give us the right sort of speed and amount of data that will allow them to access the online programs and other programs they need. It is a piece of work to determine that. We have a range that we will be able to negotiate within, based on research we have conducted. There is a project plan behind this.

**Ms MOSS:** Just to clarify, that work is already underway with ICPA.

**Mrs HERSEY:** Does the government have any plans to consider financial support for home tutors for isolated families?

**Ms MOSS:** ICPA has put forward a number of things. The Department of Education and DCDD are always working with ICPA on how we can better support education in remote areas of the Northern Territory. Many of them are very far away from their closest school. Tony has already outlined some of the work that we are doing there. At this point it is not a body of work that is under way.

**Ms WESTON:** ICPA is one of our key stakeholders and the families engaged in isolated and remote areas want to make sure that their children have access to the best education possible. We provide a range of resources to those families—not only the Internet. When we run our programs out of, say, Katherine School of the Air, books and written materials are sent home for the students and the home tutors. We do a lot to support isolated parents. I understand that they have challenges but we have challenges all over the Territory in terms of remote education for all of our students.

We welcome any of the issues that are raised with us by the Isolated Parents Association but on this one we have suggested that it might be more appropriate for them to approach the Commonwealth. It is a matter that affects all students in isolated location, particularly as they get older and travel on to boarding school. There are a range of subsidies and things that the Commonwealth puts in place. It might be better for them to pursue that at that level.

We always welcome suggestions from our key stakeholders about what we can do to improve education for their children.

**Mrs HERSEY:** Does the government have plans to increase the number of bilingual education programs in schools? If so, which schools?

**Ms MOSS:** First and foremost, we have talked about Yirrkala and that was key to their success. We have 10 community-led schools and there is money in this budget for bilingual education. It needs to be dictated to us by local communities by the school councils. If it is the desire of a school council to see bilingual supported through their school that is a conversation they can have within their school. There is about \$5m in the budget to support bilingual education.

Things like the Groote schools that we talked about earlier in the Groote Archipelago agreement—through those three community-led schools. It will be part of that Local Decision Making Agreement. That is where we will start to see more requests for bilingual education. It will be done on a place-by-place basis in agreement with communities. The Department of Education is at the table and working with communities as they identify that.

**Mrs HERSEY:** How many schools was that going to be rolled out in?

**Ms MOSS:** It is in nine schools around the Northern Territory. In terms of how many it is going to roll out in, it will depend on who identifies it as something they want to deliver.

**Ms BOWDEN:** There is a bilingual program in nine schools in the Northern Territory; however, all schools have the option to have an Indigenous languages and culture program. There are 48 schools across the Northern Territory, including the nine bilingual schools, who offer some form of bilingual or Indigenous

languages and culture program. We believe these programs are important. They vary in terms of whether it is a language maintenance program or purely a cultural or bilingual program. There is a range of different options schools can take.

This is an important conversation that schools need to have with their local community, about the kind of program they want, who will be supporting it—because it does rely on local people who speak the language to deliver the program. It is an important program for the Northern Territory, but there is an opportunity for schools to tap into this depending on where they are and what the community needs and interests are.

**Mr GUYULA:** Yes, bilingual education is vital and important in my electorate and in the communities themselves. I have four Indigenous communities: Yirrkala, Galiwinku, Milingimbi and Ramingining. All the homelands, including the later ones that are in progress at the moment—parents, leaders and people have gone ahead and are creating things for bilingual education, using the skills of traditional education. It is a good step toward improving homeland bilingual education. Maybe through that it will prove that bilingual education created by elders in the communities, in their leadership from communities to leaders and clans and families, is starting to improve. People have woken up and started to work on the education type.

When I am here I can ask questions about funding, resourcing and support for those homelands and other communities. I have been down to the Centre and Barkly to listen to people. They would like to start working on that as well. I support all those people who are already going ahead with it.

**Mr MONAGHAN:** I am glad we share the same passion for remote communities, Member for Mulka. Minister, my question is to do with bilingual being part of the local decision-making you spoke of and trying to get more schools as part of it. Could you outline what the process is for support of communities who want to go into local decision-making agreements?

**Ms MOSS:** There are a number of schools which are part of local decision-making. I am excited to see that, through the local decision-making process, education is clearly coming out as important and valued—which we all know it is. It is nice to see it at the front and centre of local decision-making.

We will continue to support bilingual education. As Susan said, it does depend on having strong language speakers involved. We are looking forward to more communities being part of local decision-making agreements.

**Ms BOWDEN:** The local decision-making process is a critical piece of work being undertaken by the department. The recent example is the Groote archipelago, which includes four schools on Groote Eylandt. The department has developed an education implementation plan; it is the fourth plan to be negotiated. The details of how the parties work together to achieve the educational outcomes are in the broader Groote Archipelago Local Decision Making Agreement. The Department of Education has worked closely with the Department of the Chief Minister and Cabinet; the Aboriginal Land Council, or the ALC, on the island; as well as the newly-formed Groote Eylandt and Bickerton Island Primary College Aboriginal Corporation.

Extensive negotiation has occurred over a period of time and a high degree of trust is put into the local decision-making conversations. The one on Groote Eylandt has led to conversations about bilingual education at the school and a teacher/trainer/coach to support the Aboriginal educators on the island, develop training and assist teachers in bilingual education at the school. They are working alongside the mainstream teachers in the school.

**Mrs HERSEY:** How many playgroups applied for funding in 2019–20? How many successfully received funding and how many were unsuccessful? Are you aware of any playgroups that ceased operations in 2019–20?

**Ms MOSS:** Can I clarify if we are talking about childcare centres through the grant program? If they are playgroups, what were they applying for? Can I get some more detail to the question?

**Mrs HERSEY:** How many of the playgroups applied for funding in 2019–20? How many successfully received funding and how many were unsuccessful?

**Ms MOSS:** I am not sure what funding is being referred to in that question. What funding bucket are we talking about in terms of playgroups applying and missing out? I am not sure what funding we are talking about.

**Mrs HERSEY:** That is why I am asking the question. Did any of playgroups apply for funding in 2019–20, of any funding available, and how many were successful or unsuccessful?

**Ms MOSS:** This might be regarding Commonwealth funding.

**Ms WESTON:** We are not aware of any fund we have that playgroups can apply for. We think the question is not one about NTG funding for playgroups.

**Mrs HERSEY:** No funding was available for playgroups?

**Ms WESTON:** You could argue that the FaFT program is a supported playgroup program—the Families as First Teachers program—but we do not have a bucket of money for people to apply for funding for playgroups. There is a Commonwealth program administered through Playgroups Australia, nationally, which I am aware of from roles in other states. Perhaps that is what the member is referring to. I am not aware of any funding the Department of Education has for playgroups.

**Mrs HERSEY:** I am aware of the FaFT funding. Regarding FaFT locations, how many were opened in 2019–20 and what was the total cost of establishing these locations?

**Ms MOSS:** In terms of Families as First Teachers, we have brought that to a total of 55 with 15 opening in 2020. There are more opening to reach a target of 58 Families as First Teachers programs. Laramba, Yuelamu and Areyonga are the locations for the next three Families as First Teachers programs.

There is budget allocation within the 2020 budget of \$12.157m. It is funded by the NT and the Commonwealth governments. Everywhere I go, every school is telling me how brilliant FaFT is. It has a large proportion of Aboriginal people in its workforce in centres in remote areas of the Northern Territory. I am proud to be part of a department that is focused on ensuring we reach 58 FaFT centres, to give as many Territory kids the opportunity as possible.

**Mrs HERSEY:** What is the expected total cost of establishing these locations and the ongoing operational costs?

**Ms MOSS:** The total budget allocation for FaFT in the 2020–21 budget is \$12.157m. As we add sites that will increase slightly, but that is to support all of the FaFT centres we have.

**Mrs HERSEY:** Do you track attendance numbers at the FaFT centres?

**Ms MOSS:** Yes, we do. We make sure that we are following the FaFT centres so we have the data and research that backs up what we already know, which is that they are fantastic and having a great impact. I am not sure if we have the attendance figures on us, but I am sure we could get them.

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#### Question on Notice No 2.13

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** Do you track the attendance numbers at the FaFT centres? If so, what are they? What are the attendance rates at FaFT centres?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** I do, but I note that it is a pre-compulsory program; it is not compulsory for families to attend. It is good to understand the numbers because we want as many kids as possible going, but it is not compulsory attendance.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.13.

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**Mrs HERSEY:** Given that it is not compulsory, what is the minimum number of students or children needed before the FaFT program will be funded in a community?

**Ms MOSS:** We make decisions on need and the data we get from communities. There are a number of mechanisms within government that mean agencies are coming together with the data we have about children and families and their needs. We make decisions based on that.

**Ms BOWDEN:** There are three key factors we consider when identifying the location for a FaFT program. One is the ABS data—the Australian Bureau of Statistics—about the number of children birth-to-four or birth-to-five who are in the community. The other important dataset is the Australian Early Development Census, as a measure of vulnerability. We identify sites where there may be a proportion of children who may not be developmentally on track according to the Australian Early Development Census, which we call the AEDC. Finally, it is important that the local community is interested, part of the local decision-making process and is keen to have a Families as First Teachers program in their community.

**Mrs HERSEY:** In Ti Tree, has there been any funding, including in the budget, for delivery of early childhood learning for children aged zero to five?

**Ms MOSS:** I would have to look at what exactly is delivered in Ti Tree and the region. We believe they would have a preschool program at the school. We are very happy to go away and check what other early childhood programs they have.

**Mrs HERSEY:** A FaFT program or preschool?

**Ms MOSS:** Preschool.

**Mr CHAIR:** Minister, would you like to take the question on notice?

**Ms MOSS:** I am happy to if the Member for Katherine would like us to.

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#### Question on Notice No 2.14

**Mr CHAIR:** Member for Katherine, please restate the question for the record.

**Mrs HERSEY:** In Ti Tree, has there been any funding included in the budget for the delivery of early childhood learning for children aged zero to five?

**Mr CHAIR:** Minister, do you accept the question?

**Ms MOSS:** Yes.

**Mr CHAIR:** The question asked by the Member for Katherine has been allocated number 2.14.

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**Mrs HERSEY:** The people of Tara community have been calling for the introduction of a structured playgroup program for a number of years. What plans are in place to establish and deliver a playgroup program in Tara community?

**Ms MOSS:** That has not been raised with me. It could be part of the decision-making process. I encourage the local community to put it forward as part of local decision-making. If they make representations we can look at what is proposed there.

**Mrs HERSEY:** What was the actual expenditure for preschool education in 2019–20?

**Ms MOSS:** In Budget 2020–21 there is \$42.4m committed to preschool education. In the Age/Grade Census that was conducted in August 2020, there were 3,206 preschool children enrolled in 126 Northern Territory Government schools. This is a slight increase from the year before. We will ensure we put programs in place to support more children becoming involved in early programs, as they are critical.

**Mr CHAIR:** Minister, do you have the data for 2019–20?

**Mr ROACH:** Our actual expenditure for 2019–20 for government preschool education was \$36.235m.

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



**Mr CHAIR:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation (2020–2021) Bill as they relate to the Department of Education. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

There being no questions, that concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.

### **OUTPUT GROUP 1.0 – GOVERNMENT EDUCATION** **Output 1.1 – Early Years**

**Mr GUYULA:** The previous minister for Education was working to bring back RATE, the Remote Area Teacher Education-style program for local teachers in Aboriginal communities. Can you advise what commitment has been made by the government to this program in partnership with which education providers? What funds have been provided in this budget for the program?

**Ms MOSS:** Our first step in re-establishment of the Remote Aboriginal Teacher Education program is to run a pilot. There are discussions regarding four potential pilot sites: Galiwinku, Yuendumu, Millingimbi and Angurugu. That is the first step, to run that in those pilot sites and then look at how we expand it.

From there, based on what we learn we want to make sure we are increasing the proportion of Aboriginal teachers in Territory schools to better reflect our communities, because we recognise that Aboriginal teachers who go into our schools, particularly in remote areas, are leaders in their community and demonstrate the value of education to the young students coming through the school.

The pilot is going to commence in 2021. It will be the smaller number of sites, first of all, then we will do further consultation with communities about how we grow the program. We are using existing budget at the moment for the pilot program and then we will look at where it needs to go from there.

**Mr GUYULA:** I was not concentrating on the answer but you might have answered my question. I will put this down for the record anyway.

**Ms MOSS:** The re-establishment of the Remote Aboriginal Teacher Education pilot program is something that the Territory Labor government is very passionate about; you are an advocate for that program as well. We are hearing good things from teachers who were part of the original program. If I have not answered your question we can have further conversations about it. You will definitely hear updates on this program from me and the Department of Education as we continue to work with stakeholders to design the best possible program we can. When you go out to schools on homelands or remote communities and you see this in action, it is clear why we need to do this. It has my full support.

**Mr GUYULA:** I will put these questions to you anyway. Could you advise which communities in my electorate and elsewhere will be included in this training—which homelands—and whether training will be provided on-site in electorates to community leaders and elders together?

**Ms MOSS:** We do not have that information yet. As we look towards your electorate, we will make sure you are aware of what is happening to here and which parts of your electorate will benefit from that as it expands. At present, we are looking at those four pilot sites and then we will go from there.

**Mr GUYULA:** Can you advise if previous RATE staff and graduates are involved in using their expertise to assist in guiding the return of the RATE program?

**Ms MOSS:** Yes, they are and will continue to be.

**Ms WESTON:** A lot of our work this year has been to consult with previous RATE graduates to understand why the program was effective and get their advice about what supports we need in place to make the program sustainable. The challenge for us is that the funding used originally to set up the RATE program was a Commonwealth bucket of funding. We need to make sure we have a sustainable program.

We are hearing that it is important that the learning for these teachers is on country, with elders and mentors around them so they understand the value of teaching in the community and are well-supported to gain their teaching qualification. We are taking it a little slowly. We want to hear the voices of previous RATE graduates as we design the program. We will do some pilots next year and we will take in voices from community and listen to what has and has not worked. After we have done the pilot we will make full-blown decisions about how we roll out a sustainable RATE program across the Territory.

**Mr GUYULA:** The RATE program and bilingual education will work together towards making it better, in achievement as well as community leaders' decision-making—working towards improving it and making it better.

**Ms WESTON:** That is what we will do.

**Ms MOSS:** We are all on the same page.

**Mr GUYULA:** Language learning and culture are an important part of teaching in our communities. What commitments have been made for those who are training local teachers to learn Yolngu Matha and undertake cultural training? What commitment has been made to ensure that local members are employed as part of this education process?

**Ms MOSS:** In some cases, employment of those school staff is done by the school council rather than by the Department of Education. That is important to know.

**Ms BOWDEN:** Schools also look at using their resources to employ staff. Part of that is about the department looking at ways to support local staff in developing their language, but also how they use that language to help children access the curriculum being taught at the school.

**Mr MONAGHAN:** Speaking to more of a global point about what the member was talking about regarding Aboriginal people becoming teachers, I wanted to know specifically what the budget stated. What is in the budget to support more Aboriginal people becoming teachers?

**Ms MOSS:** There are a number of initiatives in place and one of the most important ones is the scholarships we provide for teachers. We will find some further information. The scholarships are the important part, and re-establishment will be incredibly important. The other thing we have done as a government is government employee housing. I am sure there will be lots of questions to Ministers Worden and Paech.

Government employee housing and making sure local recruits have access has been incredibly important, but we do have the Aboriginal teacher scholarship, the assistant teacher project. As I get to schools around the Territory—there are a lot of assistant teachers who are on the pathway to increasing their qualifications, as they want to, through that program—brilliant assistant teachers across the Northern Territory. There are special measures in place within the department regarding recruitment as well. That is also part of increasing our Aboriginal workforce across the Department of Education and government.

### Output 1.2 – Preschool Education

**Mrs HERSEY:** I am going back to the actual expenditure Mr Roach was talking about before for 2019-20, the \$36.235m. In 2019–20 the budget was \$47.296m. Can you explain the discrepancy please?

**Mr ROACH:** I cannot say definitively, but I would be quietly confident that the difference is because of the change in accounting treatment, where the budget would have included repairs and maintenance but the actuals did not. If you need to know definitively, we would need to take it on notice.

**Mrs HERSEY:** The preschool budget is \$4.9m less than the last budget. Why is that, and which programs or aspects of preschool education have been cut or adjusted as a result of this program? The 2018–19 estimate was \$47.3m so it is even less than what we just spoke about.

**Ms MOSS:** It is more this year. We have not cut education; you are thinking about a different government.

**Mrs HERSEY:** I said preschool education

**Ms MOSS:** We have not cut preschool education. There have been some machinery of government changes which will be responsible for some of the changes you have seen in the budget. But in a challenging year, because of COVID-19, there is a record budget in Education, significant investment in the early years and significant commitments to the early years.

**Mrs HERSEY:** All the changes to the actual and what is stipulated in the Department of Education total agency budget are all due to machinery of government changes? Every one of the figures?

**Ms MOSS:** I make it clear that we are not cutting preschool programs.

**Mrs WESTON:** The budget for preschool for this year is \$42.4m. Mr Roach indicated the expenditure last year was \$36,235m. We are in a space where we have more budget to spend on our preschools. I should also say that the way funding for preschools works is on a needs-base funding model; funding goes out similar to the schools funding model, based on every student getting a base rate and then additional loadings for need. There is no student enrolled in a preschool who is not going to get funding for them to have a preschool program delivered in 2021.

**Mrs HERSEY:** Would it be correct in saying that the figures in the agency budget are all changes due to the machinery of government?

**Mr ROACH:** That is the case for the government Education outputs.

**Mr MONAGHAN:** How is the government ensuring children have access to quality preschool programs?

**Ms MOSS:** The first thing it is doing is investing in them. It is important to note today—we are talking about expanding programs like Families as First Teachers. We are working with families, like we are in Tenant Creek, trying to get more families engaged in preschool programs because we understand, as Karen has referred to this evening, that it is where some attendance problems are originating. Those habits are formed early, and if you can get children into preschool programs then they are more likely to build habits and engage in school. The work happening in Tenant Creek identifies families and works with them to make sure we are getting kids into preschool. Things like FaFT, where you can take your baby, get used to that kind of environment and learn how to be part of your child's education journey, are vitally important to getting more children and young people into preschool.

**Ms BOWDEN:** This area is close to my heart. It is important that we have quality early childhood education and care for our children. Our preschools are rated under the National Quality Standards and I am very proud to say that over 80% of our preschools are meeting or exceeding the National Quality Standard. In addition, there are a range of programs our preschool teachers are doing above and beyond that. The Northern Territory preschool curriculum is the only real curriculum of its kind in Australia. It focuses on unpacking the Early Years Learning Framework and linking it to the Australian curriculum so that preschool teachers can scaffold children and get them ready for the important transition year.

There is also the Northern Territory preschool learning games. These games are based around STEM, Science Technology Engineering and Maths. We are excited about programs developed in collaboration with Melbourne University. Those programs are about children using their curiosity and exploring important areas and foundations of science, technology, engineering and maths. The other program we connect into is Little Scientists, is a national program. We have delivered a number of workshops across the Northern Territory, including in Alice Springs and Katherine. It is delivered to government and non-government schools across the Northern Territory.

We have also worked on strengthening the capacity of assistant teachers in preschools. There is an NT remote assistant teacher preschool package which is a guide for assistant teachers. In schools where there are small numbers of preschool-aged children, we still want to deliver a quality preschool program. This package is designed for assistant teachers to deliver in preschools as well. We are excited about the suite of programs available for this important stage of schooling.

**Mr CHAIR:** The time is 10 pm and that concludes the time allocated for consideration of outputs relating to the Department of Education and the portfolios under the minister's watch: Seniors, Women, Youth and Children.

**Ms MOSS:** I thank all the public servants from Education and Territory Families who are upstairs, who prepared and had many good stories to tell but did not get up tonight.

**Mr CHAIR:** I wholeheartedly thank everyone involved: minister; Ms Weston; your staff; and the agencies. Thank you all for your time, for being open and for answering questions tonight. This concludes the considerations for Minister Moss and the Estimates hearing for today. Hearings will recommence tomorrow, Tuesday morning at 8 am, with questions for the Minister for Police, Fire and Emergency Services. Thank you very much and good evening.

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The committee concluded

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