

The Estimates Committee convened at 8:30 am.

Madam CHAIR: Good morning everyone. As Chair of the committee I formally declare this public hearing of the Estimates Committee of the Legislative Assembly of the Northern Territory open, and I extend a welcome to everybody present.

This is the 15th year of the Estimates Committee process. Many procedures adopted throughout previous sittings have become accepted practice and will be continued this year. I will now outline how the committee will operate.

The role of the committee is to examine and report on the estimates of proposed expenditure contained in the Appropriation Bill 2016-17. As in previous years, membership of the Estimates Committee is the same as that of the Public Accounts Committee; however, other members of the Assembly may participate in the public hearings provided that the composition of the committee never exceeds two government members, three non-government members and the Chair at any given time, and a quorum of three committee members is maintained.

To assist Hansard I will advise the membership of the committee at the commencement of every session. I will also acknowledge, for the record, when there is a change of membership of the committee throughout the hearings.

As in past years the Assembly has allowed for opening statements by ministers lasting up to five minutes. Members will be able to question the minister on issues that have been raised within those opening remarks; however, where an issue can be directly related to a particular output within the budget, that matter should be addressed when the committee considers that output.

The matter of relevance of questions has been raised a number of times throughout previous estimates hearings. I intend to follow the lead of the Senate, which adopted a report of its procedure committee in 1999 in which the following test of relevance was determined: any questions going to the operations or financial positions of the departments and agencies which seek funds in the estimates are relevant questions for the purpose of estimates hearings. While this general relevance test is very broad, questions also need to be relevant to the outputs under consideration.

For each agency I will first invite members to ask questions on the minister's opening statement. I will then invite questions on agency-related whole-of-government questions on budget and fiscal strategies. I will then call for questions on each budget output as outlined in the committee's schedule. Finally, I will invite non-output specific budget-related questions. Once an agency or an output has been passed it will not be revisited.

Members may wish to clarify with ministers, at the beginning of the hearing, the most appropriate output to raise an issue. The schedule giving the order of outputs has been provided to all members and is available at the back of the room and on the Assembly's website. We will work through this document as the agenda for the committee.

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

The previously accepted method of allocating questions throughout the hearings has worked well in the past and the same process will be adopted during these hearings. I propose to invite shadow ministers to ask their questions first, followed by committee members. Finally, other participating members may ask questions. Subject to the Chair's discretion, within that order the committee has agreed to the flexible approach introduced previously, allowing other members to join in with a line of questioning pursued by the shadow minister, rather than wait for the end of the shadow's questioning on the output. Procedures for dealing with questions that are taken on notice are contained in the *Estimates Committee Information Manual 2016*.

When a question is taken on notice it is vital that its terms are clear for the record. When a minister or the Speaker indicates they will provide an answer at a later time, I will request the member who raised the matter to clearly and concisely restate the question. I will then ask the minister if he or she accepts the question. If it is accepted I will allocate a number which will identify that question. Agency officers and ministerial staff should take note of the question number and ensure it is clearly identified in any response given by the minister during the public hearing process or at some later date.

Answers to questions on notice must be provided to the committee by 7 July 2016. The Assembly has given the last date for the publication of answers as 8 July 2016 and the committee cannot receive answers after this time.

The start and finish times of each minister's appearance are inflexible and will be adhered to. However, there is no time fixed for the duration of each agency's appearance.

When questioning of an agency has concluded the committee will move on to the next agency within the minister's portfolio immediately. If a minister's time is exhausted before an agency is reached that agency will not be questioned. Members will need to manage their questions to allow for any agencies they wish to question. Changes of minister and agency will be tweeted through the Legislative Assembly's twitter account, LegassemblyNT, to assist people in knowing where proceedings are up to.

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

I note that all the microphones on the tables are normally on, although they do have an off switch if it is required.

The Speaker has approved accredited media filming of the hearings and the cameras on the ceiling are providing a video feed that is being webcast and is available for broadcast. The rules for broadcasting are in the *Estimates Information Manual 2016*, copies of which are available at the back of the room.

Hearings will commence at 8.30 am, lunch is scheduled from 12.30 pm to 1 pm each day, and dinner is scheduled from 7 pm to 7.30 pm. Other breaks will be determined at the Chair's discretion. For all breaks I will indicate what time the committee will resume and ask members and witnesses to strictly adhere to those times. Recommencement times will also be notified on Twitter.

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

MADAM SPEAKER'S PORTFOLIOS

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

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

I note that while the Administrative Arrangements Order puts responsibility for the Department of the Legislative Assembly with the Chief Minister, by convention Madam Speaker administers the Department of the Legislative Assembly, so she will answer questions relating to the department's outputs today.

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

Madam SPEAKER: Thank you, Madam Chairman. On my left is Marianne Conaty, the Deputy Clerk; on my right is Michael Tatham, the Clerk; and on my far right is Diem Tang, the Chief Financial Officer.

Madam CHAIR: Madam Speaker, I invite you to make an opening statement of no more than five minutes. 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 onto output specific questions and, finally, non-output specific budget-related questions. I will invite the shadow minister to ask their questions first, followed by 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 the shadow's questioning on the output. Madam Speaker, do you wish to make an opening statement?

Madam SPEAKER: Yes I do, Madam Chairman, but before I do we were given a list of global questions for estimates, we have answered them and would like to table the answers. We have a copy for everyone if they want.

Madam CHAIR: Thank you.

Madam SPEAKER: It might help with some of the questions.

I am pleased to make an opening statement as the first witness before the Estimates Committee again this year. This is my fourth successive appearance as Speaker of the Legislative Assembly and my first time since being re-elected to the position of Speaker on the morning of Wednesday 18 November 2015.

Any answers I give today to questions relating to member travel entitlements will be in the context of the travel entitlements provided to the members of the Assembly, pursuant to Remuneration Tribunal Determination No 1 of 2015, which applies to member travel for this year, and Determination No 1 of 2013, which applied last calendar year.

Member travel is provided for both necessity in order to attend sittings and political meetings, and as an entitlement to advance knowledge and understanding.

The Remuneration Tribunal Determination requires that I table Basic Allowance Clause 4 travel after the conclusion of each calendar year, which I did this year, but there is another copy here if committee members want to look at it. Due to a numbering change with the new determination, that is now recorded as Clause 6 Travel. All Clause 6 Travel will be tabled in March next year.

The 2015 year Clause 4 Basic Allowance travel was tabled in the Assembly during the March 2016 sittings. Because that is already on the public record I will leave it for the committee to avail themselves of that information separately.

As has been my practice in previous years, today if I am asked about travel I will only address what was Clause 3 Travel in RTD No 1 of 2013 and is now Clause 5 Travel in RTD No 1 of 2015, applicable as of 1 January this year. While I am sure members know the difference between the clauses I will happily explain them if needed.

In my role as Speaker, in addition to accountability for administering the entitlements under the Remuneration Tribunal's Determination No 1 of 2015 and the *Public Sector Employment and Management Act*, where I have the role as Employment Commissioner for employees of the Department of the Legislative Assembly, the Assembly also entrusts me with the role of custodian of this building and its precincts under the *Powers and Privileges Act*. I look forward to any questions on these matters because, inevitably, they impact on all members as well as the visiting public, and I welcome positive feedback and suggestions.

Works at Parliament House are always of interest. Since appearing before this committee last year there have been some minor new works, mainly for electorate office upgrades and compliance.

After submission of a major security redesign for the front desk, the House Committee decided to proceed with a less disruptive and more cost-effective approach to increase security for entry to the building.

We are looking also at repairs and maintenance matters and have allocated funds for the painting of the front of the building for maintenance in the tropical marine climate to protect against rust, corrosion and salt stains as well as wear and tear.

Water leaks are impacting on the library on the south side of the building and works will have to commence there shortly.

We are examining, also, options for replacement of poorly-functioning Chamber cameras. Now seven years old, it is a fact of modern life that when one camera fails we cannot go to the shop and buy a new camera compatible with the system. We are currently looking to upgrade the system completely and it could cost approximately \$600 000, but that has not been confirmed. Similar to the constant upgrades of operating systems on smartphones and televisions, old cameras become obsolete very fast and when they wear out we need to replace an entire system. Fortunately costs are coming down and initial estimates of more than one \$1m have been revised down to approximately one-third of this after considerable discussion and assessment.

At the moment, cameras five and six are malfunctioning in the Chamber and replacement is likely in the coming 12 months because more failure will lead to a reduction in the broadcast ability and capturing for the *Parliamentary Record*.

Last year the Northern Territory Assembly was responsible for two significant international profile hosting responsibilities and I contemplate another similar role in 2017.

In November 2015 the Northern Territory was the host jurisdiction for the Commonwealth Youth Parliament, the seventh international meeting of its type, attracting 50 young people from around the Commonwealth to participate in a week of activities and debates. I particularly thank the member for Casuarina, Lauren Moss, for her role as a mentor at this event. Interested members can read my article, which they all have a copy of, in *The Parliamentarian* magazine.

Also, in the same month of November, the Northern Territory was the host of the Commonwealth Parliamentary Association Australian and Pacific Region Conference. I thank the members for Nelson, Gerry Wood, and Barkly, Gerry McCarthy, for participating and presenting papers at that conference.

Over the past year I have continued occasional sitting night dinners hosted in the Speaker's suite. These small events have been for media representatives, business leaders, community sector leaders and other professionals, and they allow me to bring the parliament to guests with an interactive quiz over dinner and discussion about the Assembly as an institution of governance in the Northern Territory. The aim is to promote the Assembly as an institution separate from government in an informal gathering of up to 10 guests. I hope the Speaker in the 13th Assembly will continue the practice.

The Northern Territory is an active member of the Commonwealth Parliamentary Association. As members are aware, I am in the middle of my three-year term as an Australian Region Representative for the Commonwealth Parliamentary Association. This role rotates between Australian Region branches with three representatives in the role at one time. I will have the role until October 2017 if I am re-elected as the member for Goyder later this year. In the role, I attend meetings of the Commonwealth Parliamentary Association Executive Committee, the most recent was in London and the next is in Bangladesh.

We benefit enormously from our relationship with other Commonwealth parliaments by way of information sharing and access to materials a small jurisdiction cannot create. My department has just written to the CPA in London, asking for them to reimburse my airfares, as is the usual arrangement for ExCo members. I am also acutely aware that going to meetings in London often looks more like fun than work. However, given that it is full of English people and soccer-mad people, this is not necessarily so. In order to address that perception, I am proposing I stay here next year and they come to us.

In order to maximise the benefit of my role on the executive for the broader Northern Territory while the Northern Territory is in the rotation on the committee, I have invited the CPA Executive to consider Darwin as the venue for the 2017 midyear meeting in April. If agreed, this will bring a total of approximately 70 people, with 40 of those being high-level parliamentarians from all the CPA regions of the Commonwealth, who will be accompanied by supporting staff, spouses and personal staff. I want to bring the Commonwealth to Darwin to see for themselves that we are a modern, energetic jurisdiction with great resources and natural benefits.

I hope all members will support me in getting the CPA away from the meetings in rainy old London and experience the sunshine and beauty of the Top End in April or May. I am of the view we can undertake the business of the CPA Executive right here in Parliament House at minimal cost and at great advantage to the city of Darwin and the Territory as a whole. Executive Committee Members' airfares will be paid by the CPA and we will receive a subsidy for hosting duties.

Last year, in conjunction with the Parliament House Press Gallery, I hosted a charity event at Parliament House called the Build Up Ball. Loosely modelled on the well-known and very successful Midwinter Ball put on by the press gallery at Parliament House in Canberra, we managed to raise \$20 000 for charities and had a lot of fun, and I hope the Speaker in the 13th Assembly will also continue this new tradition.

The department remains subject to savings measures required by successive governments over many years. I am pleased that the department continues to make an effort to find savings.

The department pays the bills to run Parliament House, including the electricity and water for the library, occupied by the Department of Arts and Museums; the Office of Parliamentary Counsel, which is now a division of the Attorney-General's department; and the ministerial offices occupied on behalf of the

Department of the Chief Minister. My department is also responsible for administering the entitlements to members, such as paying the leases on your electorate offices, paying the salaries for your electorate staff and, of course, all member salaries.

Member salaries and entitlements are fixed costs. I have asked the Clerk to look at how the department will satisfy the government's additional efficiency dividend this coming year. It is my aim that we will not impact upon discretionary aspects such as staffing and education. It would be a shame to reduce exposure in Alice Springs and the regions to our work.

Each year this committee is interested in public and private use of this building. A total of 434 functions were held at Parliament House between July last year and March this year, which is down by just one on the previous year. These consistent figures show that we remain a heavily-used venue for a range of events.

As I advised last year, I continue to ensure the department applies commercial hire rates where appropriate in order to ensure that the building is not competing as an inexpensive venue with the private sector. We do not want to become, or be seen to become, a convention centre.

In total, 107 functions brought in \$53 804 for the Assembly. I have waived fees on 60 occasions this past year, forgoing \$21 698 in potential revenue where there was a compelling reason to do so, otherwise my policy is user pays, and that includes the government.

I always promote the building for further understanding of the parliament by the public.

More than 260 bookings did not attract fees under the existing user policy, which has been approved in conjunction with the Assembly's House Committee.

During May 2014 the department commenced a series of seminars called Know Your Assembly. The Know Your Assembly seminars are now two years old and have been attended by more than 600 people across the Territory. This has been a great outcome for the department and has improved the understanding of the role and functions of the Legislative Assembly of the Northern Territory with a focus on teaching about the interaction between the Executive Government and the parliament.

The seminars have been made available to public servants, legal practitioners, media professionals, industry groups and community groups. This attendance figure is in addition to the 3811 school students we have engaged with here and through outreach, and the 1429 people who have been on public tours, the 557 who have attended events such as Law Week and Commonwealth Week, and the 1365 who have been to an open day or on specially arranged individual tours.

Following on from this outward looking focus, the department, for the first time, this year has offered an innovative seminar for those who want to consider running for a seat in this Assembly. On 27 May, 22 people attended this first effort.

The department is continuing its work to implement a resolution of the Assembly in 2013 that all papers will be available through e-tabling. A new website is almost complete and the plan is for all papers from the 12th Assembly to be available electronically through the new website by the time it goes live before the general election this year.

Progress on previous assemblies will be made as time permits, but the 13th Assembly will start off with electronic capture of tabled documents and a requirement that ministers with government agency or department-generated documents and committee chairs with committee-generated documents provide these electronically for tabling instead of physically. This will mean that once the member states they are tabling a report, the report will be instantly available on the parliament website.

The Assembly continues to Tweet, and with more than 500 followers we are doing well for a small jurisdiction. It helps us communicate with stakeholders and the public at large.

My department exists primarily to support the members and the sittings of the Assembly. For the past three years I have issued a detailed procedural bulletin after each sitting period. I trust these are useful to members and their staff. They contain precedents, rulings and an explanation of procedures, and they are public documents.

New standing orders were adopted in December last year with further updates in the April sittings this year.

The pattern of single-week sittings implemented by the government has been well received and allows for orderly sittings.

Invariably, the media and some members like to point to the Assembly's sittings as costing money, for political or supposedly newsworthy purposes. This is not correct or fair. The measure of the cost of a sitting day is full of so many variables that it is not quantifiable and any figure used can be easily challenged. What about the sitting day where the government introduces new regulations which cut costs? That sitting day is a day that saves money. Another day which increases costs but generates revenue for the government arguably costs money but also provides services through that revenue.

Parliament does not produce widgets; it is not a tangible business in that way. It serves the people of the Northern Territory. Our parliamentary staff continue to work here in the building whether the Assembly sits or not. On non-sitting days they file documents, provide education, administer the members' entitlements, and keep the building and electorate offices operating. On sitting days they provide procedural support and documents for the smooth running of the proceedings.

If it is really that important that an attempt be made to quantify the cost of a sitting day, then it can be estimated that to employ casual Hansard typists, pay overtime, keep the lights and air-conditioning on and fly in the remote members and accommodate them then it is about \$18 000 extra to run a sitting day in addition to the normal costs.

As members will be aware, the Office of the Clerk administers the Register of Members' Interests. The Assembly has before it a proposal to have the Register of Members' Interests tabled annually in the Assembly. The Northern Territory is the only jurisdiction in Australia not to have the register of interests available for viewing on the Internet. It will be a matter for the Assembly as to whether this proposal passes in the final sitting day prior to the election. If not then it falls off the Notice Paper.

I conclude my opening statement by commenting upon the annual members' survey. Members were surveyed again last year against questions relating to Budget Paper No 3 and the performance measures reported against annually. In 2014 just 12 responses were received from a possible 25 – 50%, not bad but could be better – and last year we improved this with 15 responses. The result, however, remains fewer than 2013 when 19 responses were returned to the Clerk.

As members are aware, Information Technology remains a service delivered by a centralised system managed by DCIS.

The 2015 result was an aggregated nine out of 10 based on the 15 returns and the nominal 10 returns scoring 10 out of 10, which was once again applied as it is each year when I reiterate at the commencement of the survey and here at estimates that when the survey is conducted, each non-return counts as 100% satisfaction across all criteria. This approach permits totally satisfied members to allow their views to be scored automatically.

In this category, ICT services scored an average of 78% in 2013 and in 2014; however, based on aggregated replies, assuming non-respondents are 100% satisfied across all categories, last year this increased to 90% satisfaction.

The lowest score in the ICT category in 2015 was six out of 10 (one return). There were three returns of eight out of 10, and five returns of nine out of 10, with the remainder scoring 10 out of 10.

The other area of most concern is member travel services; however, there has been an improvement since the last survey, in line with efforts made to provide more rigour in the area. Last year the aggregated score in this category was 89% and the lowest score received was 50%. This year the lowest score received is seven out of 10. The overall score this year is 9.2 out of 10, which includes three returns of seven out of 10, five returns of eight out of 10, one return of nine out of 10 and the remainder of returns at 10 out of 10. I trust all the members of this Estimates Committee took the time to answer the survey, noting that the cumulative results are before you in Budget Paper No 3.

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

Madam CHAIR: Are there any questions relating to Madam Speaker's statement?

Ms WALKER: Just a brief one, Madam Speaker, in relation to the Build Up Ball. Congratulations, I understand it was a fantastic night and it was terrific to see that \$20 000 was raised for charities. How are those charities identified?

Madam SPEAKER: There is a committee that organises the ball, which includes me, staff and media representatives. They nominate themselves. There is a subgroup of the media people. I do not sit on that committee because I do not want to bring a bias to it. Advertisements are put in the newspaper calling for nominations of people who wish to be included. Last year we received about 10 applications. The committee then determines, based on what they put in to us, who gets the money. I am not on that committee. They determine it, whatever the profit was – it was the NT AIDS and Hepatitis Council, Variety NT, HBA Incorporated and the Top End Women's Legal Service. That committee of the media representatives determined the recipients.

This year we are looking to possibly drop it to two or three recipients, only so that whoever gets the money gets more than, say – splitting it over four they all got \$5000 each but if it was only two charities they would have received \$10 000 each and they could probably do more with it.

Mr WOOD: Reading page 41 of the budget, is the Legislative Assembly operating at a deficit and continuing to operate at a deficit?

Madam CHAIR: We are just asking questions on Madam Speaker's statement at the moment.

Mr WOOD: I did not know whether you were asking about the broad side of parliamentary services in general. I can leave that until after if you want, Madam Speaker.

Madam CHAIR: I have one question on your statement, Madam Speaker. You said that for an extra day of sittings it costs an extra \$18 000.

Madam SPEAKER: Approximately.

Madam CHAIR: Does that include airfares, accommodation, catering, Hansard?

Madam SPEAKER: Yes, it does.

Madam CHAIR: That is all inclusive?

Madam SPEAKER: That is all inclusive. That is why I get annoyed that figures of \$50 000 are touted in the media, which is clearly inaccurate. The staff are here already; they are already being paid. The building is operating and the security people are here. It is to bring members like yourselves in, with accommodation and TA and extra security and a few things like that. But it is only about \$18 000, no more.

Mr WOOD: Was there any thought, or is it up to the Chief Minister to decide about having a sittings in Alice Springs, as there has been in the past?

Madam SPEAKER: Yes, that will rest with government. If it wants to do what the Labor government did and have a sittings in Alice Springs, it would have to allocate extra money. It costs, from memory, about \$500 000 to have a sittings in Alice Springs, which is relocating Hansard, etcetera. That is a government initiative; we just make it happen.

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in The Appropriation Bill 2016-17 as it relates to the Department of the Legislative Assembly of the Northern Territory. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

Mr WOOD: Is it true that the department is operating at a deficit and intends to operate at a deficit?

Madam SPEAKER: No, it is not. I will pass that to Diem Tang, the Chief Financial Officer.

Ms TANG: We continue to operate on a deficit basis. If you pay attention to the amount called depreciation, depreciation is a non-cash item and it is not funded. So you may note that the amount of deficit is pretty close to the depreciation amount.

Mr WOOD: So it would be a small deficit. Would that be correct?

Ms TANG: Depending on the size of the depreciation. Currently for next year it is \$4.1m. That is the money set aside for the future, longer term maintenance of the building, the asset we have.

Madam SPEAKER: We are not in the red.

Mr WOOD: Okay. The way it reads here is that the depreciation is exactly the same as what the deficit would be, so you come back to nil.

Madam SPEAKER: Yes.

Mr WOOD: Are you affected by the efficiency dividend that is required?

Madam SPEAKER: Yes, we are, 2%.

Mr WOOD: I think it is down to 2%, but it is forecast to go to 3%, is it not?

Madam SPEAKER: Yes, and a small example of how we go about that is that when lights need to be changed, we change them over to more efficient lights; air conditioning is automated, because it does not need to be on where things are not being occupied, so if you go into your office after hours you press the button and it comes on. They are just little ways that we try to streamline the business here.

Mr WOOD: Does the efficiency dividend affect operations at all? We have efficiency dividends every year, does it reach a point where you cannot get more efficient or do you think you can always be more efficient?

Madam SPEAKER: You can always look to improve how you go about your business, but there will come a time when you cannot change anything else because it will impact on members and members' services. Mr Clerk might want to add further to that.

The CLERK: Member for Nelson, the efficiency dividend is something we face the challenge of every year. When you look at the allocation we have for this year and our fixed costs for the coming year, we will have to manage that with regard to staffing. The only discretionary costs we really have are around staffing, but what we do with that is we do not backfill; we are flexible with things in staffing. If you looked at what our cost is to keep all the staff we now have in place for the entire year and always working and no backfilling or anything like that, we are probably around \$90 000 short, but we would not be \$90 000 short with managing it properly throughout the year to make sure we do not go over the budget.

Mr WOOD: I will leave it at that. I have questions further down.

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

OUTPUT GROUP 1.0 – PARLIAMENTARY SERVICES **Output 1.1 – Assembly Services**

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

Ms WALKER: Madam Speaker, there has been a \$659 000 decrease in Assembly Services output funding. Can you comment on where that decrease comes from? I know it is in relation to statehood, but I am keen to understand how much of that \$659 000 has been cut from pursuing statehood.

Madam SPEAKER: Member for Nhulunbuy, yes, there was a decrease of \$600 000 due to the stopping of the funding for statehood. There was another decrease of \$30 000 due to one-off funding of the 2015-16 Portrait of a Senior Territorian, and a decrease of \$11 000 in depreciation adjustment.

Ms WALKER: What is the figure out of that \$659 000 that has been cut from statehood?

Madam SPEAKER: The statehood was \$600 000.

Ms WALKER: Right.

Madam SPEAKER: There was \$30 000 one-off for Portrait of a Senior Territorian and a depreciation adjustment of \$11 000.

Ms WALKER: What was the \$600 000 for statehood allocated for? What sort of activities was that money there to fund?

Madam SPEAKER: It was there to fund program work, but we did not have a person to do the program work.

Ms WALKER: Why was that?

Madam SPEAKER: We did not have the funding from the government to have a person on, as we had done in the past, and then the LCAC, which statehood comes under, as you know, decided to delay establishing the office again until the government had decided how it wanted to go forward with statehood. The LCAC provided advice to the government on a number of options for progressing statehood and there was the report that was tabled last sittings. The \$600 000 was not spent, but from my recollection of last year it was to do program work, whatever that was. It was not to fund a position, because you would not have been able to, with that amount of money, have a person plus a full program again. It was in the budget, but now it has been handed back.

Ms WALKER: Handed back to where? DCM?

Madam SPEAKER: Yes.

Ms WALKER: It does seem to be at odds with the government's plans to have statehood achieved by 1 July 2018.

Madam SPEAKER: Yes, I know – probably unrealistic, but I can recall, as members of this committee would recall, with the last office of statehood, which at one stage Mr Clerk headed up, there was certainly a lot more money than \$600 000 required to go across the Territory with all that was done, plus what would be required to have a constitutional convention or a referendum, if that was what was going to happen. For it to happen there has to be a serious commitment of resources.

Ms WALKER: Absolutely. Madam Speaker, I know you are on the LCAC, as I am, but in your role as Speaker and given that the Legislative Assembly had carriage of this for a number of years, has your agency or have you had discussions with the government about the pursuit of statehood for the Northern Territory, outside of the LCAC or separate to it?

Madam SPEAKER: Not directly. There has been no exchange of letters between me and the Chief Minister. The report that was tabled by the Chair of the LCAC, Mr Willem Westra van Holthe, will have in it how government can go forward or how we should or can go forward in a bipartisan way in regard to statehood.

Ms WALKER: Thanks, Madam Speaker. I was not aware or perhaps I missed it somewhere along the way, that the Portrait of a Senior Territorian \$30 000 has been ceased. Why was that decision made?

Madam SPEAKER: The \$30 000 was spent last year for forward estimates but this year we will not be holding the Portrait of a Senior Territorian for a couple of reasons. One, it is an election year and it coincides with Seniors Week, which is when the portrait is run. Two is that we did not get a commitment from both ministers as we did in past years – the Minister for Senior Territorians and the Minister for Arts and Museums. Also, Government House Foundation, which sponsored the prizes of \$7000 for first and \$3000 for second, have reassessed their involvement with the Portrait of a Senior Territorian and will not be providing that kind of prize money anymore, which is their call. Perhaps next year we might find another sponsor, or the next government might be able to find another sponsor or benefactor to be involved.

Ms WALKER: What is the involvement of the Minister for Senior Territorians, Minister Styles, and the Minister for Arts and Museums, Minister Higgins, in this program?

Madam SPEAKER: When I became Speaker the cost to the department was quite high. From memory I think it was about \$58 000. At the time I made the decision to write to the Minister for Senior Territorians and the Minister for Arts and Museums to ask them to co-sponsor the event, which means co-fund the event, and they agreed to do that for a couple of years. This year the Minister for Seniors Territorians has declined. From memory, the minister for arts said his department could or would be involved because they

help with the judging as well. That compounded the issue of loss of sponsorship from Government House Foundation, plus an election year, plus the minister for seniors was not going to be supporting it.

Ms WALKER: Okay, that is disappointing. That is all the questions I have, thanks, Madam Speaker.

Madam CHAIR: That concludes consideration of Output 1.1.

Output 1.2 – Members and Client Services

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

Ms WALKER: Madam Speaker, I note that the \$800 000 increase in output for member and client services is due to increases in member entitlements. Can you advise what that increase relates to?

Madam SPEAKER: It would be under the Remuneration Tribunal's determination. It would include increases to salaries, electorate allowances, entitlements, whatever they may be, for example, additional travel allowance for sittings for some, Cabcharges, TA rates have gone up under the RTD for members, and liaison officer costs, Barkly and Arnhem employee costs for example.

Ms WALKER: That is because they have additional electorate office hours?

Madam SPEAKER: Yes.

Ms WALKER: Can I ask if you have any comments to make in relation to your annual report on member travel and fuel. On page 15 of your annual report you listed:

Challenges during the reporting period:

- *meeting the increasing number of complex reporting obligations relating to Member Travel and Financial Management.*

Madam SPEAKER: With people who have a department-issued car and a fuel card, the requirement is that they are to put in odometer readings if they are using a card. I know that in some places in the Northern Territory it is very difficult. I am not sure why, but some of the more remote electorates have issues putting odometer readings in, and that creates challenges because the department uses odometer readings with NT Fleet to work out when cars need to be serviced, for example. So that is one of the challenges we have. Most are pretty good, but ...

Ms WALKER: Isn't the challenge just the member recording the correct odometer reading at the time of fuelling?

Madam SPEAKER: When the Auditor-General did the audits of the department and that special audit of cars and fuel, that is when it was determined that odometer readings should go in to keep track of members use and things of that nature. It has come down from the Auditor-General. It is the difficulty of the department administering it to make sure they get the information, and if they do not get the information, seek the information from the member.

Approximately half the members have a government-issued car and over half have private cars; they have taken the allowance and gotten their own car, so it is diminishing as time passes. Fourteen members have the vehicle allowance, which I think is a good thing for members to do because it puts accountability back on the individual.

Ms WALKER: I note in the budget papers, on page 40, there has been a significant increase in people attending educational and promotional activities from 7100 to 8300, which is terrific. What do you understand has driven the increase in these services and do you have sufficient budget allocation in the forward estimates for this function?

Madam SPEAKER: One of the more significant contributions to that is Know Your Assembly. For some unusual reason many people find a day in parliament very interesting, so our Know Your Assembly sessions have been well subscribed to – 20 to 40 people. We have conducted them in Alice Springs. We tried to have one at Nhulunbuy, but we could not get enough interest to justify sending the staff over. Only last week we had one for people in Treasury and Finance. They are well attended. It is the whole day, but

sometimes it can be half a day. That is a big contribution. There are also more school groups coming to parliament, not only during but after sittings. Members are starting to realise that to invite special groups – I had a group of Taminmin students who were on camp so all those numbers are allocated as well. I think it is a great opportunity. All members should embrace it and do their own individual tours. The school groups come in not only during sittings but other times as well.

Ms WALKER: I think it is very positive that there are more and more people wanting to learn about and better understand the operations of parliament. As you said, it is not just about school children; it is the Know Your Assembly initiative as well. Given the increase in numbers, do you have sufficient budget allocation in 2016-17 for the function?

Madam SPEAKER: Yes, we do. Predominantly those seminars are conducted with existing DLA staff, particularly the Clerks and me, and others as required. Very few physical resources are used – a bit of photocopying – but we are okay with the budget for it.

Ms WALKER: In relation to your response to question six regarding your full-time equivalent staffing, the bottom line notes an FTE under casual DLA officers, Hansard and Education Services of 6.01 in 2015, which would correlate with those higher numbers, but only two in 2016. I would have thought the 2016 figure would be higher for casuals.

The CLERK: There has been an assessment in the Hansard area about the use of Hansard casuals and whether the Hansard process can be improved by using editors on sitting days. We use two casual editors rather than having a whole lot of typists. It is a new model we have been trialling over the last few sittings to see whether it works, because the Hansard editor has advised that it minimises double handling and the process is actually more efficient if you cut back on the casual typists and have casual editors. So, two instead of a number of typists.

Ms WALKER: I raised it because it says that those casuals are Hansard and Education, but it is predominantly Hansard.

The CLERK: It is mainly Hansard. We have education casuals who do the tours, but we lump our casuals in because all our casuals are only in those two areas. That just applies to casuals.

Madam SPEAKER: It includes the casual staff who do the tours on the weekend as well. There are a couple of those.

Ms WALKER: Do volunteers still do those tours?

Madam SPEAKER: No, they are paid.

Ms WALKER: Thanks very much. Should the Know Your Assembly program continue, I hope it gets to Nhulunbuy. Have there been efforts to deliver it at other centres like Katherine and Tennant Creek?

Madam SPEAKER: No, not Katherine or Tennant Creek, but we will go if we can get the numbers. We need at least 15, and we just could not get it in Nhulunbuy. I think we only had about 10, and they were not definitely confirmed. Help us get the numbers and we will be there.

Ms WALKER: I will do my best, Madam Speaker. Of those numbers, are you able to break them down? I am perhaps talking more about the education for school groups through the outreach service. Out of those participant numbers, how many would be where your education officers travel to bush communities?

Madam SPEAKER: I can provide that for you, but we have to take it on notice. We have those numbers where the education team has gone.

Madam CHAIR: So you would like to take that question on notice?

Question on Notice No 1.1

Ms WALKER: Yes, I will repeat the question for Hansard. Out of the participant numbers for education and promotional activities, how many of those represent participants in remote communities where the education officers are providing an outreach service?

Madam CHAIR: Do you accept the question, Madam Speaker?

Madam SPEAKER: Yes, that is fine.

Madam CHAIR: The question asked by the member for Nhulunbuy of Madam Speaker has been allocated number 1.1.

Madam CHAIR: That concludes consideration of Output 1.2.

Output 1.3 – Building Management Services

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

Ms WALKER: Madam Speaker, as you said in your opening statement, there are new works planned in 2016-17 to the tune of \$0.26m in additional repairs and maintenance funding. Security is quite a big part of that, painting of the building ...

Madam SPEAKER: Yes, painting of the front of the building. Given the cost to paint the whole building and the size of the job, it has been decided to do it in stages and start with the front first because that is the most visual. That work will be starting this Dry Season, imminently. Then, progressively, we will do next Dry Season and perhaps a third Dry Season to finish the building. The building is obviously 20 years old. It gets salt air from the ocean so it needs to be painted every little while.

Ms WALKER: You also said that we have problems with cameras in the Chamber to record and broadcast ...

Madam SPEAKER: Yes, it is the camera that gives you the broad spectrum of the room. As I said, if you replace one camera it will not talk to the other cameras, so we have to look to replace the whole system. We are still finalising that. The \$600 000 I quoted could come down a little, but that is the cost of IT and having that kind of equipment in the Chamber.

Ms WALKER: Will any of that work be progressing in the next financial year? It sounds like it probably needs to be.

Ms CONATY: The work is being scoped for us at the moment and we are looking to having something in place as soon as possible, which could include this financial year and also next financial year. It depends on the solution we arrive at.

Ms WALKER: Thank you. Budget papers also note \$44 000 in revoted works from 2015-16. What were those revoted works? It is on page 25 of Budget Paper No 4.

Madam SPEAKER: Member for Nhulunbuy, we will take that on notice and answer it before lunch time if we can.

Question on Notice No 1.2

Madam CHAIR: Please restate the question, member for Nhulunbuy.

Ms WALKER: Madam Speaker, can you please advise what the revoted works from 2015-16 allocated \$44 000 are as per Budget Paper No 4, page 25?

Madam CHAIR: Madam Speaker, do you accept the question?

Madam SPEAKER: Yes, I do.

Madam CHAIR: The question has been allocated the number 1.2.

Mr WOOD: Madam Speaker, is it true you have changed your telephone contract from Telstra to Optus? If so, why?

Madam SPEAKER: For the department, yes, we have, not for members. Mr Clerk will be able to answer that for you.

The CLERK: Member for Nelson, the Department of the Legislative Assembly has a contract for mobile phones with Optus. The Optus contract is for 15 voice and data plans, and four data-only plans. Optus plans provide an aggregation of shared data and voice allocations under a single account. The reason for the change was the department had the opportunity to change, based on service delivery. There was some consideration of service failure from the previous supplier and a new supplier was sourced.

Mr WOOD: Does it cause any problems when staff goes intra-Territory, because Optus does not cover the whole of the Territory? Is there a real problem there or you do not go into those communities often enough for that to cause a problem?

The CLERK: There is always the opportunity for using landlines when you go into communities, if required. Whether people can be contacted – we know where people are when people are on duty so we contact them on landlines if there is no Optus coverage. The service that was provided by the previous supplier provided absolutely no coverage for a period when coverage was required for international roaming, and the new supplier has provided superior coverage.

Mr WOOD: The grounds contract has changed as well. I understand that the previous contractor had been with us for a long time, so what were the reasons for the change? Were they purely monetary or were there other reasons?

Madam SPEAKER: Both. Yes, the contract that has been awarded to the company now was competitive. It was assessed by a panel. I personally, as the Speaker, had concerns because it is not only about maintenance, it is about improvement. It is a special building, an important building, and I think the grounds, or the arrangements, need to be lifted a bit, but I had nothing to do with the assessment of the contract. If Mr Clerk wants to make any comment on how that was done?

The CLERK: Significantly, cost; that is the reason. It was a significant difference in cost.

Mr WOOD: Sometimes cost can be one thing, but quality of workmanship can be another. Was there a comparison done on that as well?

The CLERK: The tender process requires the tenderers to demonstrate their capacity. The new supplier that will come on board for the garden is Sterling, and they do the maintenance at the waterfront, so we can assess by looking at their other contracts.

Mr WOOD: So it is basically a much bigger contractor than who now runs it, which I thought was a smaller contractor? I think Sterling is an interstate company that does broad work on a range of things, from picking up rubbish in parks to working at Defence and all sorts of things.

Madam SPEAKER: But they do have dedicated staff here in the Territory. I think the contract started in June and we will be watching it very carefully. If the standard slips they will be spoken to.

Mr WOOD: I suppose in light of the government's policy to buy local, are they local people working on the job?

Madam SPEAKER: They are local people. The people we have dealt with are based locally, whether they have interests interstate is of no concern to us.

Mr WOOD: No, I did not mean that, but one of the issues we have been dealing with overall in regard to government expenditure is to make sure that where possible we employ local contractors.

Madam SPEAKER: It is a significant difference. I am pleased to get you the information if you want to see how different – to have a meeting with the Clerk, if that is what you would like to do?

Mr WOOD: No, that is okay. I think that is about all the questions I have at the moment.

Madam CHAIR: That concludes consideration of Output 1.3 and Output Group 1.

OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE
Output 2.1 – Corporate and Governance

Madam CHAIR: The committee will now proceed to Output Group 2.0, Corporate and Governance, Output 2.1, Corporate and Governance. We have five minutes left of this session, are there any questions?

Mr WOOD: I did not know where this question should go so I hope you will give me a little bit of leeway. It is mentioned that the land here was devalued by \$10.3m, Liberty Square and Parliament House. How could land in the CBD be devalued by \$10.3m?

Madam SPEAKER: I could say because of the way occupants behave on the land, but I will not. I am not sure how that happened. Diem, do you have any further comments?

Ms TANG: In regard to the revaluation of land, it is in accordance with accounting requirements and standard that we have to do that every five years. We contracted professional valuers to conduct the revaluation, and the report is available for tabling if required. You can assess the methodology utilised.

Mr WOOD: I would not want to doubt their qualifications, but it seems strange to me that this land, which must be extremely valuable – you would not have thought it could be devalued by \$10.3m and whether they gave you some reasons why the land has been devalued ...

Madam SPEAKER: We can take that on notice for you, member for Nelson, and get some background from the valuer as to why the change.

Ms TANG: The report is ready and is available for tabling if required.

Madam SPEAKER: Madam Chair, there is an actual report, if we get the report and ...

Madam CHAIR: Do you want to take question on notice or just be provided the report?

Mr WOOD: Yes, that will be okay.

Madam SPEAKER: We will get the report out of session for the member for Nelson.

Madam CHAIR: That concludes consideration of Output Group 2.0. Are there any non-output specific budget-related questions for Madam Speaker? That concludes consideration of all the outputs relating to the Department of the Legislation Assembly, on behalf of the committee I thank Madam Speaker for attending and thank the departmental officers who provided advice today.

Ms WALKER: Madam Chair, I also thank the Speaker and her staff for appearing today. I especially thank her for tabling her answers to written questions; let us hope ministers follow your lead.

Madam SPEAKER: Thank you, member for Nhulunbuy.

MINISTER TOLLNER'S PORTFOLIOS

DEPARTMENT OF TREASURY AND FINANCE

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

Mr TOLLNER: Thank you, Madam Chair. I would like to make an opening statement in relation to my responsibility as Treasurer. I have with me Under Treasurer Ms Jodie Ryan, Deputy Under Treasurers Mr Craig Graham and Mr David Braines-Mead. There are other Treasury and Finance people here available to join us if required.

Madam CHAIR: Treasurer, I invite you to make an opening statement of no more than five minutes. 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 output specific questions and finally non-output specific budget-related questions. I will invite the shadow Treasurer to ask their questions first, followed by 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 the shadow's questioning on the output.

Treasurer, would you like to make an opening statement?

Mr TOLLNER: Yes. Can I just ask who the shadow Treasurer is and what other shadow ministers we have?

Madam CHAIR: At the moment we have the Opposition Leader, who I believe is the shadow Treasurer.

Mr TOLLNER: Thank you for that clarification.

Madam CHAIR: We have no other shadow ministers on the panel at the moment.

Mr TOLLNER: As Treasurer I will address financial and economic issues from a whole-of-government perspective related to Budget 2016-17, including the Territory's consolidated financial statements and the fiscal strategy; whole-of-government debt management; Territory revenue, including taxes, royalties and GST; the Northern Territory economy; and the overall cash and program position of the infrastructure budget. Details on individual agency matters, including specific infrastructure projects, will be addressed by ministers responsible for those portfolios.

In addition to whole-of-government issues I will answer questions relating to Treasury and Finance as an agency, the Central Holding Authority and the Northern Territory Treasury Corporation. As shareholding minister for Power and Water, Territory Generation and Jacana I will also address issues in the budget that affect these government-owned corporations, including dividends and tax equivalent payments. I will also answer questions in relation to utility regulation reform. Operation and other policy questions relating to the corporation should be discussed at the government Owned Corporations Scrutiny Committee session next week, and I will put on the record now that as the shareholding minister for those organisations I am happy to turn up to the Government Owned Corporations Scrutiny Committee hearing.

As part of my opening remarks I want to remind those present today of where we were four years ago, when I delivered my first budget. We inherited massive debt and deficits, and unaffordable housing and cost-of-living increases. This government has had a plan that cuts the debt, stops the Labor waste, diversifies the economy and grows the private sector.

Last year the Territory economy grew by an impressive 10.5%, the highest rate of growth since 1998-99. Underpinning this growth is business investment, which last year grew by 18.7%, the fourth consecutive year of strong growth. The Territory economy is now substantially greater than when we first took office. The economy is also underpinned by one of the lowest unemployment rates in the nation.

In addition to the near record \$1.7bn infrastructure spend, we have given the economy a boost by utilising proceeds from the lease of the Port of Darwin to stimulate the economy. This includes \$431m towards a range of projects, including \$100m for the Boosting our Economy package; \$100m toward a shiplift facility at East Arm; \$50m toward the expansion of Owen Springs and upgrades to the Tennant Creek Power Stations; \$20m to the Home Improvement Scheme that is already proving a success with tradies and home owners alike; and an additional \$100m into the Northern Territory Infrastructure Development Fund.

As the committee should be aware, the government seeded this innovative fund with \$200m in last year's budget. This additional investment takes the total Territory contribution to \$300m, and will be the cornerstone in targeting an additional \$1.2bn from external investors. This \$1.5bn investment pool should generate more than \$4.5bn in private sector infrastructure investment across the Territory.

On the fiscal front, we have already delivered operating and fiscal balance surpluses ahead of schedule and have significantly cut Labor's projected debt burden. This did not happen by accident but is a result of hard decisions this government has been prepared to tackle. However, recent reductions in revenue, estimated at more than \$1bn over the budget cycle, mean it would have been irresponsible for us to continue to target a budget surplus in 2017-18, particularly as it would have been at the expense of protecting jobs and maintaining investment in critical areas of the economy. Rather, we will continue to target investment where there is greatest need and ensure services are maintained while taking the responsible decision to defer our target to return to surplus by two years to 2019-20.

Against this backdrop, the key highlights of this 2016-17 budget, from a fiscal perspective, include a fiscal surplus of \$12m projected in 2019-20; a net debt of \$2bn in 2015-16, which I remind people is a full \$3.5bn less than Labor's projected \$5.5bn; and a net debt to revenue ratio of just 29% in 2015-16, which is of course slashed from the 98% that was projected by the previous Labor government.

We have tackled the cost of living head on. In the first year's budget we directly attacked the cost of homes and rents, released large tracts of land and focused the First Home Owner Grant to new homes. This made housing more affordable and directed government funds into local builders. In addition, the government has supported Territorians in reducing the cost of living through: a 5% reduction in household electricity tariffs from 1 January 2016; increasing competition and transparency in the retail fuel market; \$20m per year for the continuation of Back to School Vouchers, sport vouchers and the early childhood services subsidy, along with the most generous pensioner concession scheme in the country.

In this budget we have also introduced a stamp duty discount to assist first home owners in the purchase of an established home. This is on top of having the most generous First Home Owner Grant in the nation for new dwellings.

In conclusion, the 2016-17 budget highlights that, unlike Labor, this government is serious about maintaining a strong and clear course for a more sustainable Territory with long-term secure jobs. We have tackled the tough issues head on, and due to continued fiscal discipline we have been able to progress with our plan to diversify the economy, grow the private sector and lower the cost of living.

I am now happy to answer any questions from the committee relating to my responsibility for the Appropriation Bill and budget papers, and for the Department of Treasury and Finance, the Central Holding Authority and the Northern Territory Treasury Corporation.

Madam CHAIR: Are there any questions relating to the statement?

Mr GUNNER: Treasurer, a question up front about process. We provided in advance a number of written global questions. The Speaker tabled her answers at the start of her appearance. Are you happy to table your answers to written questions?

Mr TOLLNER: I have had a chance to have a look at the questions. I am curious as to whether there are any particular questions you want answers on which I can go through at length.

Mr GUNNER: If you want to do it that way, we will ask them as we go, but I was seeing if you were prepared to table them up front.

Mr TOLLNER: Considering I am the first minister of the government here, I am happy to answer the questions as we go.

Mr GUNNER: Thank you, Treasurer. When we started last year, I asked you to describe what you thought was driving the Territory economy. You responded by saying:

Jobs ... The Territory government has worked hard to put in place pro-employment policies ... Fundamentally, it is Territorians getting out there and working that is driving our economy.

A year later, Treasurer, jobs are in a lot of trouble. Do you agree that the Territory's employment situation is much worse now than it was this time last year?

Madam CHAIR: Member for Fannie Bay, we are asking questions specifically on the statement at this stage.

Mr GUNNER: Normally, with the Treasurer we - this is what we did last year and in previous years when I was chair – ask questions on the whole of the economy up front.

Madam CHAIR: My direction is to ask people to ask questions relating to the statement to begin with.

Mr GUNNER: The Treasurer, in his statement, opened up with ...

Mr TOLLNER: Absolutely. I made reference to the fact we have one of the lowest unemployment rates in the country and I am happy to take the question.

We stand by our view that it is jobs that drive the economy in the Northern Territory. We have worked hard to create jobs in the Northern Territory, with a particular focus on getting the private sector working. The Northern Territory still has one of the lowest unemployment rates in the country and is, in my view, the envy of the nation.

Mr GUNNER: Looking at the data though, Treasurer – you can go back to last year's Budget Paper No 2, page 7, where you predicted employment would grow 1.5% in 2014-15, 1.5% in 2015-16 and 0.7% in 2016-17. Looking at this year's Budget Paper No 2, on page 6, it turns out the employment growth in 2014-15 was -0.6%, a loss of jobs rather than growth and is predicted to be 1.5% in 2015-16, then dropping to 0.3% in 2016-17. You had it wrong last year, Treasurer. Can you take us through that?

Mr TOLLNER: I never had it wrong last year at all. In 2015-16 we had an unemployment rate of 4.4%. Currently the national unemployment rate is above 6%. Any way you want to measure it, we are doing better than the national unemployment rate; fundamentally, through the implementation of policies of this government.

Mr GUNNER: In Budget Paper No 2, Treasurer, your budget papers, in 2014-15 you had growth at 1.5%. That is last year's Budget Paper No 2. You have now corrected that figure in this year's budget papers to -0.6%, so a loss of jobs in that year. Can you explain that loss of jobs?

Mr TOLLNER: In 2014-15 that was a projection, you are right. We did not achieve what we projected we would. It does not equate to a loss of jobs, but I am advised that employment is lower than our expectations because of the refinery closure, predominantly at Nhulunbuy, and other resource projects closing down – Frances Creek mine at Pine Creek, Sherwin Iron, Western Desert Resources and the Australian Ilmenite Resources in the Roper region. The closure of those mines reflects a slowdown in those commodities.

Mr GUNNER: Last year you were saying 0.7% for 2016-17 and now you are saying 0.3%. So you are projecting softer employment growth going forward, Treasurer?

Mr TOLLNER: Absolutely and, as I say, we continue to drive economic growth in the Northern Territory. We continue to diversify the economy, but, as I have been saying for many months now, we have some economic headwinds coming our way and for that reason this is not a time to get carried away with mad spending promises and the like.

Mr GUNNER: In last year's estimates, Treasurer, you said:

There are plenty of jobs for people. People should not be too concerned about job losses in the Northern Territory because there are plenty of jobs going.

Twelve months later you are pumping a major stimulus through the economy with the objective of creating jobs. Is the attitude that you had last year, 12 months ago, that everything was all right, nothing to see here, not what led to your government being slow to act on the obvious signs that Territory business was in trouble and jobs are being shed all over the place?

Mr TOLLNER: No, not at all. We have known for a long time that the INPEX project, the construction phase, would be coming to completion within the next couple of years. Government has worked hard to diversify the economy, as opposed to the previous government which operated a one-business economy, you would have to say. It was a one-trick pony type of government that focused on one business. This government has taken a different approach. We have tried to diversify the economy and job opportunities. We knew that was absolutely necessary because the construction phase of INPEX would be winding down.

Similarly, we know that in the next 12 to 18 months' time there will be significant investment coming into the Northern Territory, with a range of significant projects kicking off. The last thing we wanted to see was tradesmen downing tools for that period or even contemplating moving interstate for work, so government has put in place some stimulus measures, particularly aimed at maintaining trades in the Northern Territory, keeping them here because we know there is a lot of work to come in 12 to 18 months' time.

Mr GUNNER: So the wind down of INPEX is not breaking news. At last year's estimates you said there were plenty of jobs everywhere, now we are seeing a major stimulus that was not part of last year's budget, so it was not planned for. Treasurer, do you accept that you got it wrong last year in the budget in how you planned for the year ahead and that is why you needed the stimulus? You did not see ...

Mr TOLLNER: No, I do not accept that. The fact is ...

Mr GUNNER: So the stimulus was planned for? It was in last year's budget?

Mr TOLLNER: We have always known that the INPEX project construction phase would be winding down. Anyone who could not see that really was not paying attention. Some things that have occurred that we did not count on were the reduction in revenue, predominantly from the GST; the slow-down in the global commodities market; and the change of fortunes, particularly in the oil and gas sector where the commodity prices have been hit heavily. That has been a good thing for Territory motorists of course, but it has hurt investment in the oil and gas industry. We have worked to diversify the economy. The stimulus package is not a scattergun approach to stimulating the entire economy. It is much more targeted. It is targeted specifically at Territory tradesmen and trying to maintain their involvement in the Northern Territory. This should not be seen as an economy problem; this is about maintaining tradesmen in the Northern Territory. The Territory economy continues to grow; it will continue to grow. The diversified economy is paying dividends and people should not fear the future in the Northern Territory. That fact is that there is enormous change taking place in our economy.

China is keen to trade with Australia – open the Maritime Silk Road. There is increased involvement with US Marines in the Northern Territory and we know that providing, touch wood, we have a Turnbull government in Canberra, there will be a maintained focus on developing north Australia. All of these things absolutely point to buoyed economics in the Territory. Your line that somehow or other we have had to stimulate the economy because it is tanking could not be further from the truth. We are targeting this at one sector of the economy to maintain its involvement in the Territory, because we know that in 12 to 18 months' time those people will be called on. There is a range of industries that are still having trouble attracting workers.

Mr GUNNER: So the stimulus was needed to keep trades people here? Those jobs you were talking about during last year's estimates – you said they were here and there was plenty of them – by March this year when you put the stimulus in were not there. So you were responding to the drop in employment and the loss of people. This year's predictions for employment are much lower going forward than last year. Can you take us through why you are projecting much lower employment predictions?

Mr TOLLNER: There has been a slowdown in global markets in relation to resources, especially oil and gas.

Mr GUNNER: I quote directly from the Manpower national survey:

Job seekers can expect the weakest hiring climate since the region was first measured in the survey in Quarter 2 2004, according to employers who report a Net Employment Outlook of -1%. The outlook is also the first negative forecast for the region. Hiring prospects decline by six percentage points quarter-over-quarter and are 15 percentage points weaker year-over-year.

Do you agree with that assessment, Treasurer?

Mr TOLLNER: I do not know the document that you are referring to.

Mr GUNNER: Do you agree the Deloitte Access Economics report when it says job levels are fragile?

Mr TOLLNER: I have not read that report either. You have me on the hop there, Opposition Leader.

Mr GUNNER: Both those reports also support what your budget is saying, which is that employment prospects are lower going forward.

Mr TOLLNER: You can cherry-pick as much as you like. I will not take your word that is what those reports actually say. Until I have had a chance to analyse those reports I will not comment on them.

Mr GUNNER: Treasurer, I refer you to the labour force statistics for April 2016. These figures show that in April 2016 there were 134 500 people in work in the Northern Territory. In April 2015 this figure had dropped to 130 900, a loss of 3600 people. This is despite the local content of the INPEX workforce being at its height. Can you explain these figures?

Mr TOLLNER: Sorry, are you quoting from Deloitte?

Mr GUNNER: I have quoted from Manpower, Deloitte and the labour force statistics.

Mr TOLLNER: The Deloitte figures do not equate with Treasury projections.

Mr GUNNER: Job levels are fragile and, going forward, Treasury has changed its projections down for employment in the Northern Territory from last year to this year.

Mr TOLLNER: Like I said, they do not equate with Treasury estimates. They think employment growth will be higher than what Treasury has estimated, but, fundamentally, it reinforces the point I made in relation to the slowdown in resource commodities.

Mr GUNNER: I will go back to my question about labour force statistics. I refer you to the labour force figures for April 2016. These figures show that in April 2016 there were 134 500 people in work in the Northern Territory. In April 2015 this figure had dropped to 130 900, a loss of 3600. This is despite the local content of INPEX workforce being at its height. Can you explain these figures?

Mr TOLLNER: You have just claimed monthly labour force figures. In relation to the Northern Territory, those figures are always incredibly volatile.

Mr GUNNER: April to April.

Mr TOLLNER: Sorry, April to April?

Mr GUNNER: Yes, 2015 to 2016.

Mr TOLLNER: You quoted the month of April.

Mr GUNNER: Yes, the loss of jobs, Treasurer.

Mr TOLLNER: As I said, they are incredibly volatile. Like a lot of things in the Northern Territory we have incredibly volatile indicators. Selectively quoting one month in comparison to the same month in the previous year

Mr GUNNER: Volatile. January, 131; February, 131; March, 131; April, 130 – that is pretty consistent, Treasurer.

Mr TOLLNER: This is cherry-picking month-by-month figures. It is very volatile.

Mr GUNNER: As I just said, January, 131; February, 131; March, 131; April, 130, but you are suggesting they are volatile.

Mr TOLLNER: A lot of the indicators in the Northern Territory are very volatile.

Mr GUNNER: On page 85 of the Northern Territory economy book and its chart on employment and key industries, the table reflects economic and employment activity in key industries in 2014-15. It notes the following: -15.6% in mining and manufacturing employment; -2% in employment and construction employment; -7.7% in employment in wholesale and retail trade; and overall -1.3% in employment. Out of the six categories there was negative employment in four of them for 2014-15. Treasurer, how did you miss the clear warning sign that the economy was off the boil and jobs were being wound down?

Mr TOLLNER: That is not the case. I will go back to your previous question in relation to those April numbers. In annual average terms, there were 132 888 people employed in the Territory in the year to April 2016, which is an increase of 123 compared to the originally reported estimate. So, contrary to your view that there has been a decrease, there has actually been an increase compared to the originally recorded estimate.

Mr GUNNER: April last year, 134; April this year, 130.

Mr TOLLNER: That is monthly data. I am talking annual average terms. The point is, Opposition Leader, you can ...

Mr GUNNER: In your own budget books, Treasurer, there are minuses for mining and manufacturing employment, employment in construction, employment in wholesale and retail trade, and an overall of -1.3%. Those were the 2014-15 figures you have now published in this year's budget book, so there were clear warning signs that the economy was softening and jobs were being wound down. You did not get it right in last year's budget, and you were required to provide a stimulus in March this year. Should you have not provided that stimulus earlier, Treasurer? Were you not missing the warning signs?

Mr TOLLNER: No, we were not missing the warning signs. For many months now I have been warning of tough economic headwinds. That has been out there. I have been very much on the record saying that.

Leader of the Opposition, the government has been able to deal with that. We have had the ability to put in place a couple of stimulus packages to focus work in those trade areas. The Boosting our Economy package and the Home Improvement Scheme are there to meet those gaps in construction projects in the Northern Territory.

We would not have been in that situation where we could respond the way we have without taking the tough decisions. Had we have just gone along the way the previous Labor government was going and had accrued a \$5.5bn debt and a 98% debt-to-revenue ratio, we would have had far less flexibility to deal with these downturns in this specific sector. That is the point of it, Opposition Leader; through careful management of the budget we have been able to put in place measures that will see the continued growth of our economy and the continuation of jobs in our economy.

Mr GUNNER: Treasurer, are you aware of how many steel fabricators have shut down in the Territory in the last 18 months? M&J Welding is down 10 staff; PDQ Builders is down 20 staff; RAS is down 20 staff; TDS is down 25 staff; Oil, Mining and Gas is down 10 staff; Kafe Industries is down 10 staff; Architectural Fabrication is down three staff; GAT Welding is down three staff; and two weeks ago EC&E shut. It had 50 staff 18 months ago, but that was reduced to around 15. There are probably at least another six of those businesses that are in financial difficulty, with more impact on workforce.

Do you not think, Treasurer, that you were too slow with this stimulus and you did not get your plans right in the first three budgets? You did not plan ahead for the INPEX phase. Well, we are still in the INPEX construction phase.

Mr TOLLNER: Let me make a casual observation. We have seen a slowdown in the construction sector and obviously the steel fabrication sector has suffered as a result of that. We have put measures in place to maintain those industries in the Northern Territory, but there is a greater threat to all the businesses you have just mentioned, Opposition Leader. That is the effect of a Labor government which wants to entirely kill off the onshore oil and gas industry; and our agriculture sector, through the review of all water licences; and is opposed to almost every construction development project across the Top End. You are opposed to more construction in the rural area. You do not support Holtze. You do not support Bayview. You do not support the densification of Darwin or dual occupancy. The greatest threat to jobs in the Northern Territory is a Labor government.

Mr GUNNER: Those people have already lost their jobs, Treasurer.

Mr TOLLNER: You are absolutely right. You have killed 140 jobs in the onshore oil and gas industry.

Mr GUNNER: You were repeatedly warned.

Mr TOLLNER: At the moment you are having a war on jobs in order to buy Green preferences in the upcoming election. Make no mistake, the greatest single threat to jobs in the Northern Territory is the election of a Labor government. This government has been a safe set of hands when it comes to employment. Almost over the entire four-year period of this term we have maintained near record low unemployment rates. We have been the envy of the nation. We have had strong economic growth, high employment growth and low unemployment, and we now have the lowest cost of living in the country. Opposition Leader, I do not know why you would try to rip the scab off the unemployment numbers because Labor is pretty well naked in that space.

Mr GUNNER: These people have lost their jobs, Treasurer.

Mr TOLLNER: Well there were 140 jobs wiped out the day you announced a moratorium on the onshore gas industry. Do not come in here crying crocodile tears about job losses when you have hammered 140 people out of jobs ...

Mr GUNNER: You have just answered a series of questions about the global situation when it comes to resources and used it as a fig leaf to defend what you have already done and now you are going to try to ...

Mr WESTRA van HOLTHE: Madam Chair, a point of order! I would like to hear the answers the Treasurer is giving, and the Leader of the Opposition is constantly interrupting him. I am having difficulty

gleaning from the Treasurer what he is trying to say with the interruptions from the Leader of the Opposition.

Madam CHAIR: Yes, the Treasurer should be allowed to answer the question without interruption.

Mr TOLLNER: I think I have made my point, which is that the greatest threat to jobs is the election of a Labor government. They are on record saying they are going to kill entire industries.

Mr GUNNER: That is also not true, Treasurer.

Madam CHAIR: Cease interrupting please, Opposition Leader.

Mr TOLLNER: How else do you explain it? You have announced that you will have a moratorium on the oil and gas industry. Instantly 140 jobs were lost from that industry. You have said a similar thing about reviewing of water licences. I know for a fact that there are people in the agricultural sector who are waiting on the result of this election before they make a decision about investing, because they are not going to invest in a Territory that is about putting the brakes on those industries. There is a range of different areas where people are waiting to see whether this future government of the Northern Territory is interested in growing the economy and growing jobs. The opposition has a track record and form on killing jobs before it is even elected.

Mr GUNNER: Treasurer, ministers in your government were repeatedly warned about the state of manufacturing in the Territory. You chose to ignore that. Instead you spent \$500 000 on a series of ads telling everybody everything was on track, while at the same time businesses were closing their doors. Why did you ignore these warnings from industry, Treasurer?

Mr TOLLNER: The economy, fundamentally, is on track. The economy is continuing to grow.

Mr GUNNER: But it needs stimulus.

Mr TOLLNER: It is not stimulating the entire economy. This is about a specific sector within the economy; it is about the construction sector. We know there is a range of construction projects coming to the Northern Territory in the next 12 months to two years that will require those workers to remain here. Government has been targeted on how we direct this money to make sure those people remain in the Territory and provide work in the Territory because we will need them in a short space of time.

Mr GUNNER: Treasurer, you are bringing forward an additional \$204m in cash for infrastructure in 2016-17. Budget Paper No 2, page 6 says:

Going forward, employment growth is expected to soften, reflecting an anticipated slowdown in engineering and dwelling construction activity.

In fact, Treasury is predicting employment growth will remain quite soft over the next few years. This is despite your claims about the impact of your stimulus funding and the extra expenditure on infrastructure this year. Does this not show that jobs are in a much deeper hole than you are prepared to admit? Given that you have identified jobs as the driver in the economy, does that not tell you that the economy will be in a hole for some years to come?

Mr TOLLNER: I fail to see where your argument is going, Opposition Leader. On one hand you are saying it is all doom and gloom and there are no jobs to come under this government. On the other hand you are saying you want to kill entire industries. It is rather contradictory, this argument you are running. Either we have enough fat in the system to warrant killing off a range of politically incorrect industries, as you see them, or we do not. You cannot have it both ways. This government has maintained discipline in managing its finances as well as putting focus on driving economic growth. We fundamentally understand that the Northern Territory should have a diversified economy. It is not an economy that runs on one business alone.

Mr GUNNER: Treasurer, you keep saying everything is on track but you brought in a stimulus package in March this year and you have brought forward \$204m in cash for infrastructure in 2016-17. You keep saying there are plenty of jobs but your own budget paper says, going forward, employment growth will soften. Treasurer, are we not in a bigger hole than you are admitting when it comes to jobs?

Mr TOLLNER: No, absolutely not. Of course we want to put money into infrastructure, and we are very proud of the fact that we have put a near record \$1.7bn into infrastructure spending. The reason we do this is predominantly to drive private investment and private industry jobs. More roads, better infrastructure and that sort of stuff helps the economy to grow. One thing we have been absolutely committed to is diversifying our economy and driving economic growth in private sector investment. One way to do that is to put more money into economic infrastructure in things like the shiplift facility and the new and upgraded turbines in Alice Springs and Tennant Creek. They all make doing business a whole lot easier in the Northern Territory. This is very targeted spending with the aim of maintaining economic growth.

This is fundamentally the difference between this government and the previous government. The previous government had the view that an economic stimulus package was about throwing money around every sector of the community in order to maintain spending by every sector. We are not in the business of doing that. We are in the business of providing targeted spending. Where there are gaps in our economy, such as in the construction sector – you just mentioned construction and residential development. We know that is the case. We brought on some of those ourselves with the large land release program and the targeting of the First Home Owner Grant to bring down the cost of living in the Northern Territory. Under the previous Labor government we suffered the worst housing and accommodation crisis in the Territory's history. People were reluctant to move to the Territory and take up jobs simply because of the high cost of rent. We made a conscious decision to slow that sector by increasing land release and better targeting the First Home Owner Grant. We always knew there would be a slowing in that sector of the economy, which is why we have provided a stimulus to the tradies in that sector to maintain their involvement in the Northern Territory and stop them moving interstate, if that was a possibility. We need them here for 12 to 18 months' time when some larger projects come to the Northern Territory.

Mr GUNNER: What cash levels have you put into your forward estimates for infrastructure expenditure in 2017-18, 2018-19 and 2019-20?

Mr TOLLNER: Capital works alone is \$1.461bn.

Mr GUNNER: That is cash for 2017-18?

Mr TOLLNER: That is 2016-17.

Mr GUNNER: What is the cash for your forward estimates for 2017-18, 2018-19 and 2019-20?

Mr TOLLNER: I call your attention to page 86 of Budget Paper No 2. If you look at the line item 'purchase of non-financial assets', that will give you those numbers.

Mr GUNNER: That is the cash sum for those three years?

Mr TOLLNER: Yes and that does not include R&M.

Mr GUNNER: So \$974m for 2017-18 ...

Mr TOLLNER: That is it.

Mr GUNNER: Last year when I asked you if you expect the Territory to have a hard landing in the post-INPEX phase you said:

No, I do not. I say that because this government has put in place measures to make sure we do not go over a massive cliff when the INPEX project finishes.

The INPEX project is still in its construction phase and you had to bring forward a stimulus package in March this year. Do you have it wrong in your planning for the post-INPEX phase?

Mr TOLLNER: No, we do not have it wrong and there will not be a big cliff at the end of the INPEX project.

Mr GUNNER: That is what you said last year.

Mr TOLLNER: I am saying it this year as well.

Mr GUNNER: Twelve months after you said there would be no cliff, your government rushed out a stimulus package in March this year, added an additional hit in the budget, reversed its stamp duty

decisions and put in place a \$2000 Home Improvement Scheme and still projects a downturn or softening in jobs. How bad will the slump be, and how did you get it wrong last year?

Mr TOLLNER: There is no slump. We knew the potential was there of going over a cliff, but government has done a good job in diversifying the economy. I think I have answered part of that question in previous answers. I stick to what I said at estimates last year.

Mr GUNNER: Treasurer, do you agree that in the Territory when people do not have a job they leave town?

Mr TOLLNER: In some cases where people do not have a job and are offered a job, wherever that may be, people will look at taking that job. But the fact is, and I think this is a relevant point, if people think it will be easier in some other part of the country to get a job – it is not. The Northern Territory still has a range of sectors where employers are struggling to find employees. We have gone out of our way to try to attract people to the Northern Territory, but there is no cliff from INPEX and the like. A range of projects is coming forward and we have put stimulus measures in place for a very specific sector of our economy. It does not mean the economy is going off a cliff, as you want to assert, Opposition Leader.

Mr GUNNER: So you are not worried, Treasurer, that a slump in jobs or a softening of the employment prospects going forward will lead to a greater number of people moving interstate?

Mr TOLLNER: No, I think the Northern Territory is very much the best part of the country to live. We have high employment opportunities and a very good future in the Northern Territory. We have tackled some of the problems left to us by the last government around the cost of living – price of rents, fuel and all of that. The Northern Territory is an attractive place to live, providing we maintain investment into jobs and key industries of the Northern Territory. I will point to you in a couple of directions.

The greatest opportunity the Northern Territory has is onshore gas. Onshore gas has the ability to entirely change the economy of the Northern Territory. It also has the ability to change the national economy. There are people in this place who take greenhouse gas emissions very seriously. The best way to reduce Australia's overall greenhouse gas emissions is to see onshore gas being drilled for in the Northern Territory, because that has the ability to change electricity generation interstate. If half of the coal-fired power stations interstate were to convert to gas using Territory onshore gas, we would see massive reductions in greenhouse gas emissions.

There are also the jobs that go with that. We have seen the government focus on the northern gas pipeline. There are jobs involved with that. There is a conditioning plant that will have to be built in Tennant Creek. There are jobs involved with that.

Opposition Leader, you would be aware that we have put \$500 000 towards a gas-to-liquid study to convert natural gas to synthetic diesel. One would expect that would go somewhere into Central Australia if the study we are doing looks appealing.

The question of how we intend to maintain economic development in the Northern Territory largely centres around onshore gas, but it is not solely restricted to that. We want to see a further increase in agricultural output. We are working with the CSIRO and others to see what water resources we can release into agriculture to see that industry deepen and employ more people.

Obviously we want to see more construction jobs and see the Territory economy continue to grow, which is why we are very much interested in supporting our construction and development industries whilst there is a lull in those industries at this point in time.

Treasury has done modelling in the budget books about what the future prospects of the Northern Territory are, but Treasury is always very conservative on its numbers. Additionally, Treasury does not factor in projects that are not signed up to. There are projects that we know are on the horizon. We know the *Defence White Paper* has signalled \$20bn over the next 20 years in Defence infrastructure in the Northern Territory that is not taken into account in these budget books.

There is a whole range of things in future development that we know is on the cards but is not factored into these budget books. Your questions around a softening economy I take with a grain of salt because, as I said from the outset, we know there is an enormous focus on the Northern Territory by other parts of the world, most notably China. The work we have done with the port and ensuring that we are on the Maritime Silk Road all augers favourably for future development in the Northern Territory.

Mr GUNNER: Thank you, Treasurer. Last year we had a long conversation about population. In that conversation I expressed my concern about the population growth figures. You were a bit dismissive of my concerns, but acknowledged that population loss to interstate was an issue. As you said then, and you have said just now, population predictions by Treasury are conservative. Looking at those predictions – the table is on page 3 of Budget Paper No 2 2015-16, and page 6 of this year's budget paper. Last year Treasury predicted to reach a population growth of 0.9%; that was its conservative prediction. It actually reached 0.1%. It then went on to predict a population growth of 1.8% in 2015-16 and this year's budget books are predicting 0.6%. The conservative prediction last year was 1.8%, and this year it is 0.6%. Last year they predicted the population growth in 2016-17 would be 1% and it is again at 1%. Do you really think these predictions were conservative as you said last year, and how did they get those figures wrong?

Mr TOLLNER: The point is that the population is increasing, which is contrary to the argument you have been running out there, Opposition Leader, that the whole place is going to hell in a hand basket and people are leaving and moving interstate all the time en masse. The fact is that the population has grown. Any way you want to cut it, that is a fact you cannot argue with.

Mr GUNNER: This is the debate we had last year about the different mix of that growth.

Mr TOLLNER: That is right. You were trying to suggest last year that everybody is leaving and packing up because it has all got too terrible in the Northern Territory.

Mr GUNNER: That is called interstate migration, Treasurer.

Mr TOLLNER: The fact is that the Territory population has grown and continues to grow.

Mr GUNNER: We are revisiting the argument we had last year, Treasurer, which I think is still the basis of misleading statements by you, the Chief Minister and the Deputy Chief Minister. Population growth in the Territory is largely driven by natural increase – natural increase meaning more babies being born than people dying. Babies, Treasurer, as we discussed last year, are usually in need of services and do not pay taxes; they are not working. If we want to increase retail trade, goods and services, build houses and all the things you have been talking about, we want to grow the number of adults in our community. That is where we are having the trouble at the moment, and your own budget books show the extent of this problem. Chapter 4 in the economy book, page 45, shows a drop off people coming to the Territory and an increase in people aged over 50 leaving the Territory. Do you not agree that the population loss will impact on the Territory's economy?

Mr TOLLNER: You will recall that last year we spoke about this and I was very fortunate to have with me at that time Tony Stubbin, Deputy Under Treasurer, who is no longer with us. He had a bit of insight into these population matters. One thing he said was that on average over the last 30 years around 600 Territorians have left. That is predominantly for two reasons, not the only two reasons. One is when people retire from the workforce will often move interstate to be closer to family and friends and, secondly, is that students, when they complete Year 12, will often move interstate for university or higher education. As you rightly point out, we also went on to explain that overseas migration and births had predominantly sustained population growth in the Northern Territory for the last 30 years.

What we have seen this year is that fewer people have moved interstate than previously, but, similarly, fewer people have come here from overseas. There has been less overseas migration. Both numbers are down, which explains somewhat the lower growth in population, but I will again stress there has been growth in our population.

Mr GUNNER: That is the natural increase and we accepted that last year too, Treasurer, but we are concerned about net interstate migration.

Mr TOLLNER: Fewer people this year have moved interstate than in previous years.

Mr GUNNER: We still have a very alarming gap. It is not positive.

Mr TOLLNER: We have always had an alarming gap. That was the point made in the last estimates in as much as ...

Mr GUNNER: You can see some quite positive years during the Labor years, Treasurer.

Mr TOLLNER: Things will fluctuate over time, but on average we are now losing fewer people interstate than we previously did. We have not seen the same increases in overseas migration.

Mr GUNNER: That is being slightly tricky with numbers, Treasurer. We are still losing people. We are just losing fewer than we lost last year.

Mr TOLLNER: Let us talk about being tricky with numbers ...

Mr GUNNER: It has been down for quite a while now, Treasurer.

Mr TOLLNER: For the last 30 years we have lost, on average 600, people a year, to interstate predominantly, because senior Territorians are retiring from the workforce and high school students are going interstate for higher education. That is not the case all the time, but in the main, that is why people are leaving to go interstate, and that has been the case for the last 30 years.

Mr GUNNER: This was said last year too, Treasurer. That figure of about 16 000 people in and about 16 000 out each year, but if you look at the data from the ABS when they break this down, you see a net loss of 1220 in 2012-13, 3344 in 2013-14, 3038 in 2014-15 and 450 up to September last year. That is 8000 people, from those figures, that we have lost.

Mr TOLLNER: But the population has grown.

Mr GUNNER: Babies, Treasurer, but we have lost 8000.

Mr TOLLNER: The population has grown and it is not just babies. It is overseas migration and attracting people here to work.

Mr GUNNER: So you accept the figure of 8000 adults – interstate migration over those three years?

Mr TOLLNER: I do not know what you are quoting from. I will take your word on that.

Mr GUNNER: ABS data.

Mr TOLLNER: For years there has been a net loss to the Territory, that is, people leaving as opposed to people coming from interstate ...

Mr GUNNER: You can see it was not there during the Labor years, Treasurer.

Mr TOLLNER: ... have predominantly left because they have retired from the workforce or children are going on to higher education interstate. That has been a historical trend for at least the last three decades. But the population has continued to grow.

Mr GUNNER: It is currently at its worst.

Mr TOLLNER: The population has continued to grow so it is actually a lie to tell people that the population is declining. That is a lie because the population is growing.

Mr GUNNER: Treasurer, you accept we lost 8000 adults in net interstate migration over the last three-and-a-bit years.

Mr TOLLNER: Clearly we have had more people arrive than that because the population has grown.

Mr GUNNER: It is natural increases, Treasurer – birth. We are losing adults to down south. It is in your own budget books. It is in the ABS data. It is completely accurate to say we have had a loss of net interstate migration. It is simply a fact. What impact do you think that is having on the economy?

Mr TOLLNER: The number of interstate departures last financial year was less than it has been in the past, and the number of interstate arrivals has also slowed, but the population is growing.

Mr GUNNER: Do you accept that the net interstate migration loss we have – you talked earlier about keeping tradespeople in the Territory. Your stimulus packages are aligned to try to keep people here rather than losing them down south.

Mr TOLLNER: That is right. We do not want to see tradespeople moving interstate.

Mr GUNNER: It is a problem that needs to be fixed because we have been losing people. We lost 8000 in the last three-and-a-half years.

Mr TOLLNER: No, these are historical trends. I will go back to it, Opposition Leader. Predominantly ...

Mr GUNNER: Historical CLP trends. You can see the Labor years there with positive net interstate migration.

Mr TOLLNER: It is senior Territorians and school leavers who are the majority of people making up those numbers. That has been the case for at least the last three decades. You are trying to suggest that they are all leaving because of some concern with government and that there are no jobs here. We have one of the lowest unemployment rates in the country. We have the lowest cost of living in the country at this point in time. We have good opportunities for economic growth down the track and there are fewer people leaving than have left in the past. When people leave the workforce to retire or go interstate for university or some other higher education – that is a historical trend but the population continues to grow.

The fundamental issue is the population continues grow. We are not in a declining population. The economy continues to grow and unemployment remains low. No matter how you try to paint it, Opposition Leader, this is no reason to start scaring people or panicking.

Mr GUNNER: You need your stimulus package because we are losing adults down south.

Mr TOLLNER: I have been very up front and honest with you that this stimulus package is about a specific sector within the economy. It is not a broad scattergun approach like the previous Labor federal government's approach, mailing out \$900 cheques to every man and his dog, including dead people and those permanently living overseas. It is not that kind of stimulus package. This is targeted specifically at tradesmen whose work has slowed because there has been a change in the construction phase at INPEX.

There has also been a slowing in the residential construction sector, fundamentally brought on by policies of this government which were created in order to bring down the cost of living in the Northern Territory, which we make no apology for.

Mr GUNNER: We have a slow population growth, Treasurer, as well as interstate migration loss. Do you agree that it is undermining our GST receipts?

Mr TOLLNER: No.

Mr GUNNER: Treasury makes it quite clear and points out regularly in Budget Paper No 2 that slowing population growth is having an impact. On page 40 it says the GST share is dependent on relativities, national GST collection and population. Treasury has calculated that slow population growth has resulted in a GST reduction of \$28m this financial year. Treasurer, do you accept that your failed population policies and are now costing us a significant amount of GST?

Mr TOLLNER: No, not at all, and you mentioned a word in there, 'relativities'. The Territory population continues to grow. Relative to the rest of Australia it is growing somewhat more slowly, but there is also the circumstance of a smaller pool of money because of lower revenues from mining and other areas, and people are not spending the money they were spending in the rest of the country. The Northern Territory still gets a damn good share of GST, albeit it has dropped from \$5.60 to \$5.20 for every dollar raised in the Northern Territory. That has resulted in a more than \$1bn hit to our revenue.

The other thing I have to point out is that GST is incredibly volatile. It is a very hard revenue stream to calculate, which is an historical fact. Whilst we have suffered somewhat from a reduction in GST revenues, we are focused on the job at hand, which is growing the economy and building private sector investment in the Northern Territory.

Mr WOOD: Can I ask you a question on the GST? While he is on that section, I have a question in relation to the reasons given in Budget Paper No 2. It says the decline in GST was due to a decline in the Territory population growth, so it has reduced. It is still growing, but at a lower rate. It is, 'above average growth in the Territory's assessed capacity of collected payroll tax'.

What worries me is if the federal government was just looking at those two issues – there are other issues. We had a reduction in other taxes, such as stamp duty. Why was our GST not brought back up to a higher rate based on the loss of taxes from stamp duty, which would have balanced out our increase in taxes collected through payroll tax? Did the federal government not look at our reduction in stamp duty?

Mr TOLLNER: To answer your question, member for Nelson, the GST is a lagging revenue stream. The calculations are based on previous years, so it was based on years 2012-13, 2013-14 and 2014-15.

Similarly, you would be aware that Western Australia's own source revenue has gone off a cliff since the slowdown in the resources sector. At the same time that has happened, they have also seen a big reduction in GST revenue because they were being treated the same way as they were in 2012-13, 2013-14 and 2014-15 when they had those big booms. They have had declining GST revenue at exactly the same time as they have had declining own source revenue. A similar circumstance has happened here, but nowhere near to the extent of Western Australia. If you follow that, it is a lagging source of revenue. They use earlier years to calculate what we receive in GST payments.

Mr WOOD: Were we receiving higher stamp duty taxes in the previous year then?

Mr TOLLNER: No, because stamp duty is part of our own source revenue. It is based on property sales, in the main. We know exactly when that stamp duty is paid and how much. Treasury will obviously make an estimate for next financial year, but for previous financial years we will know exactly what that revenue was. We see it coming in as it is collected.

Mr WOOD: All right, I will not hold up the Opposition Leader's questions.

Mr TOLLNER: Very simply, with the GST there is a very complex calculation in determining how much each state's relativities are. You would be aware of horizontal fiscal equalisation. I defy any member of parliament to explain exactly how HFE is calculated. It is a very complex calculation, but it is based on past results, not on amounts coming in. It is a calculation as opposed to what we see coming in through the door, whereas stamp duty we see reflected on a day-to-day basis.

Mr WOOD: Would you expect GST then to drop because growth has dropped? You mentioned the mining industry has basically, in many cases, nearly collapsed, except for McArthur River Mine?

Mr TOLLNER: We have factored in decreases into the forward estimates based on what we just received. I make the point that the GST is a very difficult revenue stream to predict because it is so volatile, particularly in the Northern Territory with such a small population and so many of those relativities impacting on us. You would recall in the year before last there was a change in relativities in relation to indigeneity. Predominantly it was because of people in New South Wales, Victoria, parts of Queensland and South Australia claiming to be Indigenous who had not previously claimed to be Indigenous, which changed the relativities largely and impacted to the point where we saw a \$120m loss in GST revenue through no fault of our own. Our argument at the time was it should be based on need, as opposed to race, in some regards.

Mr GUNNER: Treasurer, in our earlier conversation about population you mentioned that there is an historical trend in people over 50 years of age retiring down south. Do you think that is something that is important for us to stop? What do you think the economic impact of that is?

Mr TOLLNER: You are asking me for an opinion.

Mr GUNNER: In some respects, but it is also a policy objective in a sense. Do you think from a policy point of view this is something we need to arrest?

Mr TOLLNER: It is an historical issue. For example, there is a range of things people will go interstate for. When people retire from the workforce they will often make the decision to move interstate to be closer to family. Whether we can change that by encouraging family to move up here – I would love to think that was an opportunity. Similarly, people moving interstate for university education – I think the trend around the country is that universities are getting much more specialised and people are being encouraged, in Australia, to travel for an education in order to have a much more specialised form of training and education. Whether that is a matter for the Territory government to assess I imagine is a matter for future governments to look at. I do not know if any government wants to become too prescriptive about who should and should not leave the Northern Territory, and the sort of money we might throw at them.

Mr GUNNER: Treasurer, let me turn to some of the other impacts we could have from slowing population growth, a shift in natural increase or a reliance on natural increase in that net interstate migration loss. The Treasury analysis in the NT budget book, under 'Retail and Wholesale Trade', page 130, says:

The outlook for retail trade is expected to remain subdued over the medium term ... Modest population growth and a slowing housing market are expected to dampen retail trade and spending on household goods compared to growth experienced over recent years.

So there is a modest population growth, Treasurer. Compared to the 10-year average of 13 480 jobs there are now only 12 050 jobs, a loss of around 1400 jobs in retail, Treasurer. Additionally, Treasury says, on page 132, that growth was a low 0.5%. Looking at the graph on page 132 the retail trade turnover has been negative. Compared to the rest of Australia we are performing quite badly.

Expenditure has grown by 7.1% for 10 years, except for the last two, when it plummeted 2.8%. Do you agree, Treasurer, that your failed population policies have driven this decline where we are seeing a reliance on natural increase – babies - versus the adults we have lost to interstate?

Mr TOLLNER: No, I think the retail sector right across the world faces challenges. I imagine a place like the Northern Territory, which is probably a bit more remote than other parts of the country, will be impacted to a greater extent. Obviously I am talking about the impact of the Internet and people shopping online. Again, the best way to ensure a strong retail sector is to ensure the economy continues to grow strongly, and that is where government's focus has been.

Mr GUNNER: You can see, Treasurer, from the comparison graph on page 132, that the Territory is quite distant from Australia. Do you think that is largely due to a shift to the Internet, not population loss down south through net interstate migration?

Mr TOLLNER: No, I do not believe it is in relation to anything to do with population at all. I imagine there is some mood involved, as the note under that chart mentions, but as I said, there is a greater move toward Internet shopping than ever before, and that would have some impact, and I would say an exacerbated impact in the Northern Territory as opposed to other parts of the country.

Mr GUNNER: Fewer adults being here is not involved in fewer people buying?

Mr TOLLNER: Let us get something straight. There are not fewer adults here; the population continues to grow.

Mr GUNNER: Babies – net interstate migration loss has seen adults go.

Mr TOLLNER: When does a person change from a baby to an adult? The population is growing.

Mr GUNNER: This is your own budget books Treasurer, your own figures – 8000 fewer adults over the last three-and-a-bit years.

Mr TOLLNER: The population is continuing to grow.

Mr GUNNER: The retail activity has slumped over those last years, especially when compared to what is happening across ...

Mr TOLLNER: Let me tell you how badly retail activity will slump if there is a Labor government. If you start killing jobs in the construction sector, the oil and gas sector and the agricultural sector, the bottom will completely fall out of the retail sector. The fact is you see higher retail spending when you have a strong construction industry. When people buy new houses, quite often they spend money on whitegoods, furniture and all that sort of stuff. We have seen a slowing in the construction sector. We, as a government, are very keen to support the construction sector, hence the stimulus packages and the continued land release that is going on. All that stuff is about supporting the construction sector, which will see an increase in turnover in the retail sector. One quick way of killing the retail sector is to stop land release and construction.

Things like Bayview Boulevard, for instance, which has been on the drawing board for almost 20 years and is two-thirds incomplete – if you start telling tradesmen you are going to stop that industry, not only will you see a massive slow-down in the construction sector, but you will see almost a wipe out in the retail sector. We are very bullish about the economic prospects of the Northern Territory and we think the retail sector

will continue to chug along under a Country Liberal government. The same obviously cannot be said for a Labor government which intends to wipe out jobs in entire industries. That will have a massive impact on the retail sector.

Mr GUNNER: Treasury points to the modest population growth being a factor in those retail figures. We have seen the loss of a lot of jobs in the manufacturing sector. You have just said again that we need to keep the construction jobs here, which is the purpose of your stimulus package, to stop those adults leaving, because we have been losing those adults. You still refuse to accept that is responsible, or partly responsible, for the impact on the retail trade figures.

Mr TOLLNER: One party sitting in this room is saying the sky is falling on our heads; the other party sitting in this place saying there is no reason for panic. The economy continues to grow and jobs continue to be maintained. One party says that whilst it is time to panic, the response to that panic should be wiping out entire industries; the other party says while it is not a time for panic we are committed to increasing jobs and private sector investment in the Northern Territory.

There is a real choice that people have to make in the coming election, Opposition Leader. Do you want jobs and growth and a sustainable future, or do you want to live in the Dark Ages with no construction activity, no industrial development through onshore gas, no agricultural development and the Territory racking up debt and deficit all over again. That is the clear choice that people have.

Mr GUNNER: There is a contradiction in your answer, Treasurer. Everything is on track, there are jobs everywhere and population is fine, but we needed a stimulus package in March and we need a stimulus package in this budget to keep people here in those jobs you say are gone ...

Mr TOLLNER: In the construction sector.

Mr GUNNER: You say those people you not leaving yet we still need a stimulus package to address those two things you say do not exist?

Mr TOLLNER: In the construction sector we know there has been a slow-down. That does not bother the Labor party because the Labor party wants to see the back of the construction sector. The Labor party has said they are not going to support these developments, more people living in the rural area, the construction of Holtze, Bayview or the further densification of the Darwin area, or dual occupancy. All of these things are limit construction jobs, not increase them.

Our government is very keen to maintain the focus on those construction industry jobs, hence we have put out a small stimulus package to maintain them until the next big projects arrive. You can sit there and call that doom and gloom if you want to, but I can tell you there is more doom and gloom than supporting the construction sector if we see the introduction of a Labor government. We will see unemployment rates skyrocket and more requirement for Canberra to kick the can at the very time it is struggling with debt and deficit problems brought on by the federal Labor government.

Mr GUNNER: Treasurer, sticking to population and the ongoing issue of population and your government's policies, let us look at household consumption as a measure of expenditure on goods and services by households. Page five of the Northern Territory economy books, in the commentary on household consumption section, says:

Growth in household consumption continued to slow in 2014-15 ... This was broadly in line with low population growth and a subdued labour market ...

Further it goes on to say:

Growth in household consumption is expected to soften in 2015-16, resulting from subdued population growth over the year and a slowing housing market, reducing demand for consumer goods.

Constantly through the books we see these warnings about the low population growth, the subdued labour market and all the problems you say do not exist. Is this not bad news? Does this not indicate that we can still expect retail trade and motor vehicle sales to remain slow, and employment to remain low?

Mr TOLLNER: Nothing contradicts what I have said at all. I have said that our economy is slowing; I have been warning of that for some time.

Mr GUNNER: So it is on track and it is slow?

Mr TOLLNER: Of course it is on track. You seem to think you can throw a project into the Northern Territory, like INPEX, which is said to be now sitting at around \$39bn, into a population of 120 000 to 130 000 in Darwin and Palmerston and there will not be any economic upheaval. You would be deluded to think a project like that thrown into our small economy would not have some quite profound economic impacts. The great fear everybody has that we will go off a cliff once the INPEX project is complete – it is absolutely not the case. It is complete and utter nonsense because the government has worked hard to diversify the economy.

To think there will not be a softening of growth when the construction phase of that project is complete, you would have to be deluded. We always knew this was happening. What we probably did not take into account was some of the external factors, such as the global economic environment – what has happened globally with resource commodities and the impact that has had on national GST revenues. All those things were probably not known about four years ago.

In the last few months I have been warning of my concerns with the slowing of the Australian economy, the reduction in GST revenues and the like. This government has been paying attention to what has been going on around us and responding in kind, in a way that would not have been possible had a Labor government been in control. Labor was on track to get to \$5.5bn in debt and have a revenue-to-net-debt ratio of 98%. It could not have responded to these events the way this government has. It has been very much a case of a steady hand on the tiller to make sure we navigate ourselves comfortably through these economic conditions.

Mr GUNNER: You just said, Treasurer, that this is something that you saw coming. You had three budgets to get ready for the post-INPEX phase. We are not even at the post-INPEX phase yet and you had to do a stimulus package in March this year and bring forward a stimulus package in this budget. Do you accept that you simply did not have a plan and you have ended up here, having to make stuff up on the go?

Mr TOLLNER: That is not true. We knew there would be a slowing down of the construction industry the minute we did a bigger land release program, the minute we targeted First Home Owner Grants to new homes. We knew that would have an impact on the residential property market. That was the whole idea. We expected the residential property market to slow. We actually put measures in place to make sure it did because this was one of the cost-of-living issues that government and Territorians had to face – the enormous cost of rents and property prices in the Northern Territory. People were constantly saying, 'How is my kid ever going to afford to get into a house?' We had to do something in order to slow the growth of the housing market in the Northern Territory. We have done that. The consequence of that, of course, is there has been a slowing construction sector.

In order to maintain those people here we have put in place a stimulus package to keep tradesman operating in the Territory, because we know that in 18 months or so there is a range of new construction projects coming to the Northern Territory.

Mr GUNNER: Thanks, Treasurer. We have talked a lot about jobs being a driver of the economy, based off your answers from last year's estimates. Do you also agree that Territory business confidence and consumer confidence are also key elements in driving the economy?

Mr TOLLNER: I am not too certain of that. Obviously business confidence is something that is very important, but in some regards business confidence is a mood, and moods change from time to time.

Mr GUNNER: Is it a mood that encourages private sector spending, Treasurer?

Mr TOLLNER: Absolutely. This is one of the things I have been somewhat concerned about in relation to the mood in the Northern Territory, with a slowing construction sector with so much of our working population in that sector. The slowing of the growth in the property sector has somewhat contaminated the mood of the business sector. The reality is there is no need whatsoever for businesses to not be upbeat about the future. There will be enormous things happening in the future of the Northern Territory. I will go through them again if you like.

Mr GUNNER: According to the March 2016 Sensis Business Confidence Index, business confidence in the Territory has slumped. The NT has the third-lowest business confidence in Australia and expectations for the year ahead are the lowest nationally -29%. In the NT, the perception of the economy now is that it

is slowing – 46% versus 2% who believe it is growing – and attitudes towards Territory government policies show that 24% think they are supportive whereas 31% think they work against business at -7% overall. Treasurer, do you agree this is a pretty damning assessment of your government's economic policies that business has lost confidence in your policies?

Mr TOLLNER: No, I do not; I think it is damning of the opposition's policies. When people are asked about the future of government, they do not put their party political hats on, they think about the possibility. A lot of people are thinking there is a possibility there may well be a Labor government. In making that assessment they have to ask what that means. It means an end to the onshore gas industry, any jobs in the construction sector, a slowdown – almost of wipeout – of the agricultural sector. I can understand that people are feeling somewhat concerned about that prospect.

Mr GUNNER: That is an extraordinary interpretation of the Sensis Business Confidence Index, Treasurer.

Mr TOLLNER: Well what do you put it down to? There is an enormous world focus on the Northern Territory and a focus by the federal government. The only thing I can put it down to is your announcement of a moratorium on the onshore gas industry, a review of all water licences across the Territory and that you will kill off the Bayview development, some 18 years after it started. What would you put it down to, Opposition Leader?

Mr GUNNER: I put it down to your government, Treasurer, considering it is a survey on your government, and they have at -7% support for your policies and the impact they are having on the economy.

Mr TOLLNER: I would not have looked at it like that. Our government is extraordinarily supportive of business and is running a positive agenda to make sure the economy continues to grow, unemployment remains low and the cost of living remains low. The only counter to that is what the opposition is promising ...

Mr GUNNER: Except business does not agree with you, Treasurer.

Mr TOLLNER: ... and the opposition is fundamentally promising Armageddon. It is a war on jobs.

Mr GUNNER: Stability, Treasurer – you might have noticed that in the last four years there has been quite a lack of stability.

Madam CHAIR: We are going to stop for a 10 minute break.

The committee suspended.

Madam CHAIR: Welcome back. We are continuing questions relating to the Treasurer's statement.

Mr GUNNER: Thank you, Madam Chair and Treasurer. We ended on business confidence. Treasurer, this is the largest deficit you have delivered. Is it the largest deficit in Territory history?

Mr TOLLNER: I am informed that there was a larger one was when the previous government committed to the prison, but I should explain the deficit somewhat. A large part of that deficit occurs because of the way the port lease is accounted for. Opposition Leader, you might recall the sale of TIO, when we liberated TIO from government ownership and saved the organisation. You may well recall that it showed up on the books as income in the year it was sold.

The port lease is treated somewhat differently. Because it is a lease the income in the budget is demonstrated over the next 99 years as income, but the expenditure still remains on the books. This is fundamentally a part of the accrual accounting treatment of that lease. We have committed to spending the proceeds of that port lease, the vast majority of which is accounted for in this budget. It has the effect of adding outgoing expenditure to the budget with no corresponding line of income in that year, which should help to explain why we see such a rapid reduction of that deficit in coming years and how we can be confident we will meet our target of balancing the budget in 2019-20.

Mr GUNNER: There seem to be some other factors that lead to those reducing deficits, but we will get to that. We have had three return-to-surplus dates this term now, Treasurer. Chief Minister Mills set the first

one, which was this term, then Chief Minister Giles changed it to 2017-18. Now you have changed it again to 2019-20. Why have we changed the date three times and how confident are you of the 2019-20 date?

Mr TOLLNER: The interesting thing is that we did achieve an actual fiscal surplus in 2014-15, and an operating surplus. We are three years ahead of our date in relation to meeting an operational surplus. As I said, there have been some changing circumstances. Government is very much of the view that we do not want to tighten government expenditure to the point where it would start to impact on jobs. We said when we came to government we would deal with the Labor financial mess, but that we were focused on maintaining jobs in the Northern Territory. That is why we put that first date to return to surplus from 2015-16 to 2017-18, and now we have pushed it out slightly further. It reflects the reduction in revenues, predominantly from GST.

Mr GUNNER: For the financial years 2017-18 and 2018-19, you have a forecast of net operating balance deficit of -\$13m in 2017-18 and -\$65m in 2018-19. Is this a measure of one-offs or is revenue not sufficient for government business?

Mr TOLLNER: It is a demonstration of the revenue dropping, which we intend to match by reduced expenditure outlays.

Mr GUNNER: In saying you are reducing your expenditure outlays, you are still forecasting a deficit?

Mr TOLLNER: That is correct. As I said, we are committed to maintaining jobs. To cut spending to the extent that would be necessary to maintain operational surplus would impact on public service jobs. We are committed to maintaining public service jobs. To put that into context, Opposition Leader, we understand there is a bit of a skewing between public sector and private sector jobs. Our remedy for getting that balance right is to focus on growing the private sector, as opposed to reducing numbers in the public sector.

Mr GUNNER: But at the moment a future government will be inheriting that net operating balance deficit, which is a concern, for those 2017-18 and 2018-19 years.

Mr TOLLNER: That is correct.

Mr GUNNER: You have also predicted a budget deficit of \$794m for 2016-17, dropping to \$422m in 2017-18, a \$372m drop. How do you plan on achieving that, given that in all of your revenue predictions you are either receiving declining revenue in Territory source revenue or receiving federal money at a lower rate than previously anticipated?

Mr TOLLNER: As I said, that fundamentally reflects that expenditure of the port proceeds, which is a one-off. It is not something we envisage would go on into the future at all. We will see a big reduction in expenditure in that regard, which will not impact on jobs.

Mr GUNNER: On that, Treasurer, you have talked about the importance of the infrastructure spend and the cash you have in this year's budget for the infrastructure spend. In those figures we talked about earlier, that is \$1.4m in cash for this year, but in cash for next it is \$900 000, the year after \$650 000, and the year after that \$600 000. Is the most attributable difference in those deficit numbers the reducing cash spend for infrastructure in that 2017-18 year; you are actually planning to spend a lot less in cash next financial year than this financial year?

Mr TOLLNER: Yes, because we expect there will be a lot more private sector investment into infrastructure in those years. For example, the Infrastructure Development Fund - which you guys support, and thank you for that. We expect that within the next 12 to 18 months that fund will start investing that money across the Territory, and leveraging that money across the Territory. Obviously in 2017-18 we expect the start of construction of the northern gas pipeline, and obviously we will start to see federal government Defence expenditure occurring in the Territory, which will reduce the need of government to continually put large wads of money towards infrastructure spending into the future.

Mr GUNNER: So, based on your projections, we can afford to massively cut infrastructure next financial year and then cut it a lot the year after as well. So you are really expecting that Defence spend to start coming in in 2017-18?

Mr TOLLNER: What I do expect is that some of that money, obviously, will be carried over the years.

Mr GUNNER: So you are expecting a revote of that \$1.4m?

Mr TOLLNER: The sort of projects that we are committed to will cross over years, so there will be a revote of a portion of that money.

Mr GUNNER: In your 2017-18 deficit reduction, how much are you basing that on cuts to government services and recurrent expenditure, and if so, what services and recurrent expenditure are you looking at?

Mr TOLLNER: We have an efficiency dividend which we expect will offset wages growth and CPI. There is certainly no threat to public service jobs. The efficiency dividends – we expect we will find further efficiencies and cut further waste. It is a big job; we look in every nook and cranny across government and continually refine our policy and structures of government to meet those efficiency demands.

Mr GUNNER: My understanding on infrastructure is you cannot revote the cash. So you are expecting those projects that cash is being spent on to go over the 2016-17 and 2017-18 financial years, the actual project?

Mr TOLLNER: Yes, the cash will be spent, but the projects obviously cross over financial years.

Mr GUNNER: So you are definitely going to spend that cash?

Mr TOLLNER: We should definitely spend that cash, absolutely.

Mr GUNNER: Last year, Treasurer, you indicated \$25m per annum of recurrent expenditure was going to be factored in to pay for ongoing costs of operating the Palmerston hospital. We agreed last year that was an indicative cost, but probably unlikely to be the real cost. Do you now have a realistic recurrent expenditure figure and is that embedded into the forward estimates? If so, when is it kicking in?

Mr TOLLNER: It is still sitting there at \$25m as it was in previous years. That is not obviously the total cost of running the Palmerston hospital, but it is the net cost when you take into account the services that will be moved there and the like.

Mr GUNNER: \$25m additional?

Mr TOLLNER: We do not expect that it will go beyond \$25m additional money.

Mr GUNNER: When are you expecting that to actually start?

Mr TOLLNER: When the hospital is completed and operations start.

Mr GUNNER: Do you have a date for that, Treasurer?

Mr TOLLNER: What we committed to.

Mr GUNNER: So it is drifting on again. Treasurer if you go further forward in the forward estimates you are cutting the 2018-19 deficit to \$148m, a \$646m reduction from the predicted deficit in 2016-17. This coincides with the largest impact of the GST reductions and our own source revenue predicted to remain soft. How are you going to cut this amount of money from the operations of the budget in those two budgets without seriously cutting the expenditure on – we are seeing it being cut on infrastructure, but on recurrent items like schools, health, police?

Mr TOLLNER: We are not envisaging cuts to schools, health and police. In actual fact we are not ...

Mr GUNNER: So how do you deliver that massive reduction in that second year when that is also when you are ...

Mr TOLLNER: The rate of growth of our expenditure certainly does not match the rate of growth of our revenue. We expect to continually reduce that gap and arrive at a fiscal surplus in 2019-20.

Mr GUNNER: The 2018-19 year, where we see the reduction in the fiscal balance, is also when we see the biggest net operating balance deficit of \$65m. So in that 2018-19 year we are going to be, at this stage, in some trouble when it comes to running those services.

Mr TOLLNER: I disagree. The expenditure still increases. If you have a look at page 86 in BP2 ...

Mr GUNNER: That is the page I am on.

Mr TOLLNER: Look at the total expenses and you can see in 2016-17 and 2017-18, all of those years the operational expenses continue to grow.

Mr GUNNER: Yes.

Mr TOLLNER: Revenue, of course, does not grow at the same pace, but we see, in 2019-20, enough revenue to cover the total expenses. So this is ...

Mr GUNNER: My question goes to the 2018-19 year. As you pointed out, Treasurer, revenue and expenses leading to the net operating balance -\$65m – so that 2018-19 year is going to be a difficult year.

Mr TOLLNER: Without a doubt they are going to be difficult years, but that is why we have put in place the efficiency dividends to make sure we can get to that surplus.

Mr GUNNER: So the efficiency dividend is included in the forward estimates?

Mr TOLLNER: Yes.

Mr GUNNER: So that has already been factored into that -\$65m.

Mr TOLLNER: Yes.

Mr GUNNER: So despite the efficiency dividend we are getting to – my point, Treasurer, is that in the 2018-19 year, at this stage we are going to have a net operating deficit of -\$65m, so we are spending more ...

Mr TOLLNER: \$65m more ...

Mr GUNNER: Yes.

Mr TOLLNER: ...than we actually get in as revenue.

Mr GUNNER: So 2018-19 is going to be a difficult year. Have you thought ahead, Treasurer, about the problem we are going to be facing in 2018-19 with that net operating balance at -\$65m?

Mr TOLLNER: We have put in place efficiency measures that will see us meet that shortfall. I have just been reminded, that is why we have put in place a deferred date to return to fiscal balance, because we do not want to reduce services across government.

Mr GUNNER: Which is why we get to the 2019-20 surplus date, but then the concern is how realistic that is if you have a net operating balance deficit in 2018-19 of -\$65m.

Mr TOLLNER: That is my point. We had to do that in order to maintain jobs in the public service. We are not envisaging job cuts, and we have done the sensible thing to defer the date to return to surplus. To stick to our guns and say we are going to return to surplus in 2017-18 would have certainly meant a reduction in services or job losses.

Mr GUNNER: So I am confirming, Treasurer, it is responsible to be running that net operating balance in 2018-19 to guarantee those jobs, to guarantee those valuable public sector services?

Mr TOLLNER: My point is that we have a plan. We have a plan to not disrupt the economy and maintain government services, but also focus on private sector development and growth.

Mr GUNNER: That plan is surplus in 2019-20, and we are okay with a net operating balance deficit in 2017-18 and 2018-19, knowing there will be a return to surplus in 2019-20. For those two financial years government will essentially have to run at a loss. We will be earning less than we are spending, but because we know that in 2019-20 we will come out of it, it is okay in those two financial years to spend that extra money to cover the services with the shortfall in revenue.

Mr TOLLNER: We have a costed plan. We have gone through this in a lot of detail; we have determined where savings can be made, where we need to allocate more money to maintain services and the like. We have taken the responsible decision to defer the date that we return to fiscal surplus. We have a plan to get the government finances into a sustainable circumstance.

I have to ask the question, Opposition Leader; what would a Labor government do? The previous Labor government never had a plan to get anywhere near balancing the books. It appears the Labor Opposition now has a plan to blow the government finances, fundamentally making commitments on health, education and a range of other services while reducing revenues with the destruction of industries. Is there a plan for the alternate government to ever achieve a surplus and, if so, how will you do it, given the fact you have announced enormous spending measures without any corresponding savings measures?

Mr GUNNER: There is a plan. What I love, Treasurer, is that if we are elected to government – we have a 2017-18 budget – when we are sitting on that side of the table, Treasurer, one of your team will be able to ask us questions about that plan in the budget. Unfortunately it will not be you because the CLP has chosen not to go with you again next term, but I will be happy to talk about it then.

Treasurer, you have deferred the return to surplus to 2019-20 based off the problems we will have with the net operating balance in 2017-18, 2018-19, so it is responsible and reasonable to move the return to surplus date to 2019-20.

Madam CHAIR: Are there any other questions to the statement?

I have a question regarding the Home Improvement Scheme, Treasurer. I think it has been embraced by the community. Even the likes of myself and my colleagues in the parliament have been talking about how we want to take up this wonderful offer of \$2000.

Mr TOLLNER: Did you know Labor will abolish it?

Madam CHAIR: My question is, I do not see this as consistent with what I understand as your philosophy on economics and financial management. Is this not just another middle-class welfare bonus that you are putting on the table?

Mr TOLLNER: No, this is a targeted package, specifically aimed at maintaining tradespeople in the Northern Territory.

Madam CHAIR: Giving me \$2000 to repair my home?

Mr TOLLNER: You are opposed to that?

Madam CHAIR: I am saying it is middle-class welfare.

Mr TOLLNER: Middle-class welfare, I do not know about that. It is certainly focused spending to drive private sector activity in the construction industry, where currently it is going through a lull in work. The desire is to keep those guys and ladies working because we know a range of projects is coming down the pipeline in 12 to 18 months.

Mr WOOD: I probably would have left this question to Mr Styles, but how long is this program going for?

Mr TOLLNER: It is capped at \$20m.

Mr WOOD: No, the time period.

Mr TOLLNER: As I said, it is capped at \$20m.

Mr WOOD: You have to have your application in by when?

Mr TOLLNER: By the time the scheme is exhausted. It is not ...

Mr WOOD: I thought it was September this year.

Mr TOLLNER: No, not at all. It is a \$20m program. It is there whilst there is money there to be spent. We are obviously keeping a watch on the take-up rate of it and when it will be exhausted. The Chief Minister has said that depending on the take-up rate we might well put more money into it down the track. But at this point in time, it is capped at \$20m and we will wait to see when and if that money is entirely expended.

Mr WOOD: Can I be cynical and say this issue of local industry suffering is something I have raised in parliament for at least two years. I have mentioned there have been industries that have gone to the Chamber of Commerce and said, 'We, as suppliers, are nearly going broke'. I remember talking about this. Yet I am not sure this – what I would call a mini-package – will save the steel industry. This might save the home maintenance man, because that is all it is aimed at. It has just been put up before the election and it will run out and that will be it.

Would it not be fair to say that this is more about short-term gain in an election period, rather than real economic stimulus, which you were talking about seriously before – real economic stimulus, which is long-term projects, the gas pipeline, the oil and gas industry. They are all important, but this is just a little boost to popularity, rather than a decent go at trying to fix the economy for local businesses.

Mr TOLLNER: I would expect Independent and Labor members to be cynical about this proposal, to try to blacken it in some way.

Mr WOOD: Some of the community is a bit cynical.

Madam CHAIR: It is what it is.

Mr TOLLNER: The fact is it is a program squarely aimed at tradesmen in our community and keeping them working until we see some new big projects occurring in the Territory, which we know are coming.

Madam CHAIR: If there are no more questions to the statement, the committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2016-2017) Bill that relate to the Department of Treasury and Finance.

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

Madam CHAIR: Are there any agency-related whole-of-government questions on budget and fiscal strategies?

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

Output Group 1.0 – Financial Management Output 1.1 – Financial Management

Madam CHAIR: The committee will now proceed to Output 1.1, Financial Management. Are there any questions?

Mr GUNNER: Treasurer, you touched a little on the port earlier. Can you confirm that the government received \$506m from the sale of the lease of Darwin port?

Mr TOLLNER: Yes.

Mr GUNNER: So we have \$506m, but the accrual method means you have to put it in the books over 99 years? You actually banked \$506m?

Mr TOLLNER: Yes.

Mr GUNNER: So you banked \$506m this financial year, but the books show it over 99 years?

Mr TOLLNER: That is correct.

Mr GUNNER: Can you break down the sale and its components? For example, does the \$506m include a payment of stamp duty on the transaction?

Mr TOLLNER: I am advised that it does, but we cannot reveal the exact amount for commercial-in-confidence reasons.

Mr GUNNER: But the \$506m is inclusive of stamp duty?

Mr TOLLNER: That is correct.

Mr GUNNER: In terms of treating the cash from the sale, the \$506m - you obviously can spend it now, but you have to put it in the books?

Mr TOLLNER: Yes, and I should say that the revenue less stamp duty and other costs is shown as coming over 99 years.

Mr GUNNER: Yes, but the reality is the money is there to be spent?

Mr TOLLNER: The money is there to be spent; that is correct.

Mr GUNNER: Can you table, Treasurer, the receipt of sale or the documents associated with the port agreement, the details of the sale?

Mr TOLLNER: No, I cannot; maybe that is a question you could put to the Chief Minister.

Mr GUNNER: To fully understand how this port money is used through the budget, it will appear in income for 99 years, but when it is spent, it appears in that particular year for expenditure?

Mr TOLLNER: Correct. It is one of the quirky things about Treasury accounting standards. It is not Treasury's choice, I have to say.

Mr GUNNER: What other things are included in the \$506m? The \$506m includes stamp duty; what other costs are included?

Mr TOLLNER: The \$506m is the full value. The transfer of the port is involved in that, the lease of the port. The other thing is the transfer of the business; the operational aspects of the port corporation were transferred as well. Predominantly, that is it.

Mr GUNNER: The \$506m is the full value of the port, how much cash did government receive?

Mr TOLLNER: \$506m.

Madam CHAIR: So you are not able to tell us what the actual sale price of the port was, only the total income you received from that sale? The \$506m includes stamp duty; you cannot tell us what the sale price was?

Mr TOLLNER: No, we obviously cannot talk about tax for commercial reasons. I think pretty well everyone can understand that.

Madam CHAIR: When you buy a house you pay the sale price and then the stamp duty is added on to it.

Mr TOLLNER: I will talk in very broad terms. The sale of the lease was around \$380m - give or take \$10m - and the sale of the business, the operations, was around \$100m. Obviously I do not want to be any more specific than that because we are bound up in legalities around aspects of stamp duty, and giving you exact numbers may well compromise us on the tax side of this.

Mr GUNNER: There are three main components of the sale then: the lease; the business; and the stamp duty.

Mr TOLLNER: Correct.

Madam CHAIR: Could you explain why you cannot tell us about the tax on that sale?

Mr TOLLNER: There are secrecy provisions in the tax act.

Madam CHAIR: For this type of transaction?

Mr TOLLNER: For all taxes and transactions of this nature, yes.

Mr GUNNER: The fees that were paid to the company that helped manage the sale, does that come out of the \$506m?

Mr TOLLNER: They are probably matters better directed to the Chief Minister. It was the Chief Minister's department that was involved in that lease proposal.

Mr GUNNER: So your role was to take the money and spend the money, and report it as income over 99 years.

Mr TOLLNER: Yes, and stay mum on stamp duty.

Madam CHAIR: Is it fair to say that a percentage of stamp duty was charged to the sale of the lease and to the sale of the business? Was it a percentage or was it negotiated as a separate sum?

Mr TOLLNER: Stamp duty is very black and white, and purposefully so. You are either in or you are out, and there is never really an opportunity to negotiate. Certainly the revenue guys in Treasury do not negotiate. The Australian Tax Office will often have private rulings and the like which can vary one way or the other. Certainly in the Northern Territory, though, it is a very black and white law and the stamp duty rate is the stamp duty rate. Negotiations are not entered into on that. The negotiations would have been around the valuations of the port and the like, which are not really a matter for Treasury. Treasury just looks at the numbers as they come in and charges the applicable rate on the lease. To answer your question, there was no negotiation in relation to stamp duty.

Madam CHAIR: What was the stamp duty rate charged on this transaction?

Mr TOLLNER: It was 5.45% on the property?

Madam CHAIR: For the lease and the business?

Mr TOLLNER: The property components, so it is just the lease, not the operational aspects of the business.

Madam CHAIR: So 5.45% on the sale of the lease?

Mr TOLLNER: And some goodwill, I am advised.

Mr GUNNER: The stamp duty was on the goodwill?

Mr TOLLNER: Yes.

Madam CHAIR: Is there a figure put to the goodwill? It is quantified. It must be if you were charging stamp duty on it.

Mr TOLLNER: There was an amount charged on the goodwill. I do not want to give a breakdown on that because that would get us into some trouble with the secrecy provisions.

Madam CHAIR: Can you explain what the goodwill is? How does it come about?

Mr TOLLNER: Businesses that are sold will often be sold with a component of goodwill. There will be a calculation involved in what that goodwill component is. Businesses vary from business to business. I do not have the detail of the goodwill component of the port. They are questions probably better directed to the Chief Minister.

Madam CHAIR: Is goodwill charged or offered?

Mr TOLLNER: Offered.

Madam CHAIR: And it is a lump sum, offered as part of the transaction? Intriguing.

Mr TOLLNER: A determination will be made about what they will pay for the lease and the operations. Valuations will then be done on the assets of the business, and the remainder is determined to be goodwill.

I am informed that stamp duty is charged on many elements. Goodwill is just one of those elements.

Mr GUNNER: That is all my questions in relation to Output 1.0.

Mr WOOD: I think you have covered most of mine, Leader of the Opposition.

Mr GUNNER: It is a pleasure, Gerry.

Mr TOLLNER: He is very thorough.

Mr WOOD: The only thing I ask is, earlier you said, in response to what is happening after INPEX, work was coming in 12 to 18 months' time, and you mentioned the pipeline, but is there anything else?

Mr TOLLNER: Yes. The *Defence White Paper* highlights \$20bn of spending in the Northern Territory over the next 20 years, which is \$1bn a year. We have created the Northern Territory Infrastructure Development Fund. For the last 12 months that fund has been established. All the legal processes have been gone through, a board has been appointed and a fund manager has been appointed. In this budget we contributed another \$100m to that fund. It is now in the business of raising further capital on the back of that, as well as looking at projects to get going.

The fund has a desire to get that happening quickly. Obviously that is a good commercial view. They want to get that money invested as quickly as possible. It is quite reasonable to expect that there will be \$4.5bn of infrastructure projects developed by that fund over the next 12 months to two years.

Mr WOOD: And what is our starting input?

Mr TOLLNER: Our contribution is \$300m.

Mr WOOD: I am not the economist ...

Mr TOLLNER: Can I explain this for you?

Mr WOOD: Yes. I have always wondered how you make \$4.9bn out of \$300m. It sounds better than the races.

Mr TOLLNER: This is why this is such a public policy innovation, member for Nelson.

Mr WOOD: Public private partnership ...

Mr TOLLNER: No, it is not. It is a public policy innovation, which is somewhat different to a PPP. The setup of the fund has been augmented by the government. It will be a private fund. The government has put in a cornerstone investment of \$300m. We expect the fund will raise another \$1.2bn on the back of that, giving the fund a total pool of \$1.5bn in investment funds. Bear in mind that every infrastructure project has a mix of debt and equity – by the way, the Northern Territory Infrastructure Fund is an equity fund, so it invests equity. It does not provide debt, unlike the north Australian infrastructure fund, which is a Commonwealth fund, which is a debt facility.

In any project you expect there would be a mixture of debt and equity and here would be more than one equity partner. The infrastructure fund will provide \$1.5bn to infrastructure projects, of which it will be not a small part but a minority funder of ...

Mr WOOD: Can I butt in there? You say infrastructure projects – for that to make money it has to make a profit.

Mr TOLLNER: Absolutely.

Mr WOOD: So this is not public infrastructure as in roads, bridges and things like that?

Mr TOLLNER: This is about commercially viable infrastructure projects.

Mr WOOD: What sort of projects do you think this money will be invested in?

Mr TOLLNER: There are opportunities on a range of different fronts, from electricity infrastructure to port infrastructure, water infrastructure and general energy infrastructure. There is a range of projects that can provide a commercial return that we hope the private sector will develop, as opposed to government.

Mr WOOD: Can you give us any examples in Australia where something like this is already occurring?

Mr TOLLNER: There are a myriad of different examples. A lot of renewable energy projects all over the country are being funded by the private sector. A myriad of electricity and utility assets are being funded by the private sector. A range of water assets are being funded by the private sector.

Interstate where there are large populations, roads and the like are being funded by the private sector. I have to say, member for Nelson, I cannot see those projects stacking up in the Northern Territory. We just do not have the motor vehicles on the road to fund tolls and whatnot that would make something like that commercially viable, but it certainly happens in other parts of the country. If you get around the world you will find it is quite a deep investment sector. There are a myriad of companies all over the world now set up, fundamentally, to provide private investment into infrastructure.

Mr WOOD: So you are not looking at investment in the Territory?

Mr TOLLNER: The vast majority of the money has to be invested in the Northern Territory; it is part of their constitution. Seventy per cent of the money has to be invested in the Territory. A portion can be invested interstate. For instance, if we were to build a railway line between Tennant Creek and Mount Isa, it would make sense to fund the Queensland side of that railway line as well. With the Ord River scheme, if there is infrastructure or headworks to be put in, it would make sense that the fund could invest in the other side of the border as well. In the main, it is to be invested in the Northern Territory.

Mr WOOD: How do you get the money back? If you invest into Ord Stage 3 or Ord Stage 2, the only people who can pay you would be the growers?

Mr TOLLNER: That is correct.

Mr WOOD: They would be charged for setting up of the channels, the building of roads?

Mr TOLLNER: Yes, and they have to be commercially viable in order for an investor to invest their own money, otherwise it would fall to government to fund that type of infrastructure.

Mr WOOD: That is what I cannot quite understand. For instance, you said water and power networks. In the Territory the water and power is still owned by government. Are you saying that a private fund would take over some of those responsibilities?

Mr TOLLNER: Power, for example – it might surprise you to learn, member for Nelson, that there are private providers for power infrastructure in the Northern Territory. For instance, on the Darwin to Katherine network at Pine Creek there is a company called Energy Developments Ltd, EDL, a privately-owned company that operates a power station there and puts electricity into the grid.

Part of the reforms to the Power and Water Corporation were around structural separation and implementing National Electricity Market rules. That makes it easier for investors of generation businesses, for instance, to set up generators in the Northern Territory, which relieves the burden on the taxpayer, who might well have to fund generators had we not made that decision to put in market reforms.

As the Territory grows – and one would expect, hopefully – even the Leader of the Opposition would hope that the Territory economy would grow in years to come and there will be a need for further generation capacity down the track. One would hope that our market reforms open the door for private investors to build some of that capacity, rather than taxpayers having to foot that sometimes enormous bill.

Mr WOOD: What groundwork was done to make sure we do not lose the \$300m? Was there work done? Is this just a stab and hope for the best?

Mr TOLLNER: No, member for Nelson, this is a rather deep industry. There is a range of regulatory bodies around the country that police these funds, from ASIC, the Australian Securities Investment Commission, to APRA, the Australian Prudential Regulation Authority. Obviously the ASX will have its own rules, and the Tax Office and the like. There is a range of different regulatory bodies that keep an eye on this industry. The other thing I should say, member for Nelson, is that the creation of this fund

fundamentally changes the economic landscape in the Northern Territory forever. This fund brings major financial investment industry to the Northern Territory, something that has never existed in the past. Its employment of an investment fund manager basically opens the eyes of the investment world to the Northern Territory. For the first time ever we will have an organisation up here that will do its own due diligence, will be the originator of projects and will be very proactive in developing the Northern Territory. That has never existed in the past. It is a huge leap forward in financial terms and getting investment happening in the private sector on a larger scale than what we have been used to.

Mr WOOD: I am on the Public Accounts Committee; we look at risk. What is being done to identify the risk of this \$300m being lost?

Mr TOLLNER: Obviously there is a risk. The most stable investments will sometimes fall over. There is a risk that the Australian government could fall over, for instance, and we could go the way of Greece. You should never suggest that everything is without risk. There is an element of risk, but there is also a range of regulatory bodies in this country that keep a close eye on our institutions. Again, I do understand that as a member of the Public Accounts Committee you will not have oversight of this fund. It sits outside of government.

Mr WOOD: But you spent \$300m of ...

Mr TOLLNER: We did not actually spend it; this is an investment. This reduces net debt; that is the other point about it. This is an investment. In 10 years' time we expect that investment will mature and come back to government, but again ...

Mr WOOD: Who will keep an eye on it if we cannot keep an eye on it through the Auditor-General?

Mr TOLLNER: It is kept an eye on, as I said, by a range of different regulators in this country. It is a highly-regulated industry; it is an industry like superannuation funds. Government keeps a very close watch on those organisations. There is an element, I suppose, that the directors of the Commonwealth Bank could run away with everybody's money, but I have to say it is probably somewhat unlikely because of the nature of our regulatory regime in this country. Similarly, this would apply to the Northern Territory Infrastructure Development Fund as well. I cannot for the life of me see the directors running off with our \$300m.

Mr WOOD: But we will not be able to look at it as a Public Accounts Committee.

Mr TOLLNER: You do not look at the Commonwealth Bank either.

Mr WOOD: No, but we do not invest \$300m in the Commonwealth Bank.

Mr TOLLNER: You would be surprised where we have money invested, member for Nelson. There is a range of debt facilities that we have money with.

Mr WOOD: But you are setting this up as an example of how we are going to develop the Northern Territory and putting \$300m into it. I would have thought the Public Accounts Committee would want to say, is it working?

Mr TOLLNER: You will see it working because obviously they will provide annual reports. They will be reporting to Treasury on a regular basis, as they will report to all their investors. You are right; The Public Accounts Committee will not have oversight of this. There is a range of organisations and institutions out there that regulate this fund. Obviously it will be managed to the highest integrity. The board of directors that has been chosen to head up this organisation are people of the highest integrity. This is a significant public policy step for the Northern Territory and it is a first of its kind in Australia.

Mr WOOD: I have the project for you, minister, one you can start on straightaway and save a lot of difficulty in the rural area. You can start to design and build the best city in Australia, Weddell. Invest that money.

Mr GUNNER: A point of clarification, Treasurer, the Auditor-General has the power to follow government money where it goes?

Mr TOLLNER: That is correct, yes.

Mr GUNNER: The Auditor-General can look at it and that will then, through the Auditor-General's reports, provide the PAC a look in?

Madam CHAIR: When you set this fund up, the Northern Territory Infrastructure Development Fund, I think it was reported the \$200m of government money was coming from the sale of TIO. Is that correct?

Mr TOLLNER: Yes, that is correct.

Madam CHAIR: Exactly \$200m?

Mr TOLLNER: Yes

Madam CHAIR: The total sale of TIO was \$424m. Could you tell me what has happened to the other \$224m from the sale of TIO please?

Mr TOLLNER: That was outlined in the last budget. We can certainly go through that if you want to, but there was a range of projects identified.

Madam CHAIR: Has it all been spent, the \$224m?

Mr TOLLNER: Yes, it has been, or will be. There are some of those flood mitigation projects. You would be aware that there is an allocation of money for Central Australia in that and the Alice Springs Flood Mitigation Advisory Committee is still working on that. We have some indicative figures of what we are prepared to spend across the Territory in relation to flood mitigation works. A lot of money has already been spent around Darwin on flood mitigation works.

There are more works to be done in relation to that. Just off the top of my head I know Ludmilla Creek – there is money yet to be spent there to improve drainage from the Ludmilla and Narrows region. There is money to be spent at Rapid Creek. Probably the biggest expenditure item there is some detention ponds on the Marrara side of McMillans Road. There is money to be spent at Berrimah North on some drainage works and the like. Obviously there is money to be spent in Katherine, but Katherine is probably a longer-term view because most of the town is in the flooding zone and there are some difficult questions there for the residents of Katherine. I am informed that there is a lot of work happening with the Katherine Flood Mitigation Advisory Committee and they are working through the issues as they go.

Madam CHAIR: Just as a ballpark figure, how much has been spent across the Northern Territory on flood mitigation from the sale of TIO?

Mr TOLLNER: I think off the top of my head we allocated \$50m as an initial indicative number. I would imagine we would have spent around \$20m of that \$50m. If you want me to get more detail I can take the question on notice and get you a response or I can ...

Madam CHAIR: I guess people are still asking me, where the money has gone and it is good for the public record to just ...

Mr TOLLNER: Maybe I can suggest you ask that question of me in the Lands and Planning section. That is the agency that is in charge of allocating the flood mitigation money. Hopefully there will be someone from lands who can make sure I am properly prepared for that and give you a good breakdown of it.

Madam CHAIR: So you are saying about \$50m has gone to flood mitigation. That still leaves \$170m from the sale of TIO?

Mr TOLLNER: From the last budget I can tell you that outside of the flood mitigation works there is \$7.5m for the Sadadeen Road bypass in Alice Springs. There is upgrade and seal works on the Roper Highway of \$16m. There is the continued upgrading of the Tanami Road, another \$10m there. The sealing of sections of Litchfield Park Road and the construction of the Lower Finnis River bridge has \$28.5m. The sealing of the Mereenie inner loop on Larapinta Drive has \$3m. There is \$27m for road upgrades on the Tiwi Islands. There is the Palmerston Special School at \$21.4m.

Madam CHAIR: We still have \$80m to account for.

Mr TOLLNER: The Casuarina Coastal Reserve has \$21.1m. The staged refurbishment of RDH's main building has \$20m towards a projected \$40m cost. Relocation of the Katherine ambulance centre out of the flood zone is allocated \$7.5m. The Mereenie inner loop was \$25m, sorry.

Madam CHAIR: So none of this money was used to stimulate the economy? From March we were in a black hole ...

Mr TOLLNER: Those projects are all economic stimulus projects. Obviously upgrading the road around Litchfield National Park encourages greater tourism. Upgrading the Mereenie Loop Road encourages greater tourism and improves access. The RDH work is about making health facilities more attractive and giving people confidence in our health system. The flood mitigation works are about trying to limit the impact of insurance hikes and the like, making the place more amenable to live in. There are a lot of economy-generating or growth-generating projects in that list.

Madam CHAIR: Just out of interest, had we not sold TIO in 2014, a lot of those projects would not have happened?

Mr TOLLNER: That is true. But TIO, without doubt, would have withered on the vine. It had to close its doors. The fundamental issue with TIO was it was losing market share because of increased competition in the Northern Territory. As a result, the operational costs and the cost of reinsurance were increasing quite rapidly; the writing was on the wall for TIO. It was limited in its capacity to deliver insurance services solely to the Northern Territory. It could not diversify its risk any further, and government actions basically enabled TIO to dilute that risk into a much greater pool and thereby ensure the sustainability of the business. The spinoff was that we have a range of projects government has been able to invest in, which will further drive economic growth into the future.

Madam CHAIR: Are there any more questions for Output 1.1? That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – ECONOMIC Output 2.1 – Economic Services

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

That concludes consideration of Output 2.1.

Output 2.2 – Payments on Behalf of Government

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

Mr GUNNER: Treasurer, what is your explanation for the collapse in Territory revenue?

Mr TOLLNER: What collapse?

Mr GUNNER: We have been talking about it already, Treasurer; now you say there is no collapse in Territory revenue.

Mr TOLLNER: There has been a reduction; I would not have said it was a collapse. That is getting a bit emotional.

Mr GUNNER: Do you have an explanation for the reduction then, Treasurer?

Madam CHAIR: Opposition Leader, we are talking about payments on behalf of government, Output 2.2.

Mr GUNNER: Own source revenue, Output Group 3?

Madam CHAIR: No, that is the next one. Are there any questions on Output 2.2?

That concludes consideration of Output 2.2 and Output Group 2.0.

OUTPUT GROUP 3.0 – TERRITORY REVENUE
Output 3.1 – Territory Revenue

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

Mr GUNNER: Treasurer, do you have an explanation for the reduction then?

Mr TOLLNER: There has been a contraction of revenue, particularly in the area of stamp duty. Stamp duty is largely derived from property sales. Clearly there has been a moderation of the property market since government introduced changes to the First Home Owner Grant and embarked on that massive land release program. We have seen a decline in stamp duty for that reason, or, fundamentally, because people are not buying and selling in a moderating market. Secondly, there has been a decline in mining royalties which is reflective of the global downturn in resources.

Mr GUNNER: Last year, Treasurer, you said you removed the exemption from payroll tax for apprentices, saying you thought it would net you around \$4.4m in a full year.

Mr TOLLNER: Yes.

Mr GUNNER: Did you get the \$4.4m?

Mr TOLLNER: It sounds like we did, Opposition Leader.

Mr GUNNER: Does that explain the increase in payroll tax receipts this year?

Mr TOLLNER: Payroll tax receipts are fundamentally because we have a strong economy with low unemployment.

Mr GUNNER: You just removed the exemption, Treasurer. The exemption may have something to do with this, Treasurer. How many businesses are paying payroll tax in the NT in 2015-16 and how many paid payroll tax in 2013-14 and 2014-15?

Mr TOLLNER: I will have to take that question on notice.

Question on Notice No 2.1

Madam CHAIR: Could you please restate the question for the record please, Opposition Leader?

Mr GUNNER: How many businesses are paying payroll tax in the NT in 2015-16 and how many paid payroll tax in 2013-14 and 2014-15?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: I accept the question.

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 2.1.

Mr TOLLNER: That is not too bad. Three hours and one question on notice.

Madam CHAIR: We will have to lift our game.

Mr GUNNER: Treasurer, have you calculated the likely post-INPEX construction phase into your forward estimates for payroll tax? If so, what are your numbers around that in broad terms?

Mr TOLLNER: Yes, we have. If you look on page 58 of Budget Paper No 2, the last paragraph on payroll tax – Opposition Leader, I call your attention to the last line:

Over the forward estimates period, payroll tax revenue is expected to increase at a rate of between 1.5 and 2.5 per cent per annum.

Recent growth has been much higher.

Mr GUNNER: Treasurer, turning to stamp duty – you touched upon this a bit already in your previous answer about the drop off in stamp duty and the impact of the CLP's policies on the difficulty of people entering the market and the impact it has had on the actual transactions vendor market.

Mr TOLLNER: It has actually improved the ability for people to enter the market.

Mr GUNNER: Significantly it reduced the number of people entering the market.

Mr TOLLNER: No, it has not; that is not true at all. It has slowed property sales. Fundamentally, people have a view that their property is worth X, they are being offered Y and they are saying they will hold off selling. On the other side of the coin, people are sitting there saying, 'If I just wait around for a little longer, we expect prices to fall off', so they are reluctant to purchase. That has meant sales have slowed and stamp duty revenues have declined because, but the reality is it is much more affordable to purchase a home in the Northern Territory than it was a few years ago.

Mr GUNNER: It is just that less people are doing it, Treasurer.

Mr TOLLNER: It is now certainly much more affordable than it was some years ago. To suggest that people cannot afford to do it is actually a bit of a cheap shot and somewhat of a wrong assertion, because there has never been a better time to buy a property in the Northern Territory. Prices have come down; interest rates, of course, are at the lowest level that they have been since I can ever remember. Property is now very affordable in the Northern Territory.

Mr GUNNER: There has been a spectacular drop in stamp duty, around \$47m. The RELM report for the March quarter showed a record low level of sales. Quentin Kilian, the REINT Executive Officer, in commenting on this wrote:

This is coupled with continually rising vacancy rates as we see the Territory population decline ...

We believe the evidence is now very clear that the policy changes made by the Northern Territory Government in 2015 to the FHOG program have not worked in the manner that they were planned and changes need to be made immediately to rectify the imbalance.

Do you agree with these comments from Quentin Kilian? Do you accept that your government's policy precipitated a collapse in housing sales and therefore a collapse in stamp duty on conveyancing?

Mr TOLLNER: No, I do not agree with Quentin Kilian's assessment. Let us be completely honest, Quentin represents the Real Estate Institute of the Northern Territory. He is a great advocate for the real estate industry and he is doing what he is paid to do, which is represent real estate agents. I understand that real estate agents are hurting out there; predominantly, real estate agents work on commission, and any slowdown in activity in the property sales or rental markets hits his members. His members will certainly be hurting from those times in the last couple of years where we saw high activity occurring in the real estate sector and a lot of turnover.

That has obviously slowed because of policies put in place by this government. Those policies were put in place in order to reduce the cost of housing and accommodation because cost-of-living pressures were becoming far too burdensome under the previous Labor government. One of the things that we committed to doing when we came to government was reduce the cost of living for Territory families. Taking the heat out of the real estate marketplace was absolutely essential in reducing the cost-of-living pressures in the Northern Territory.

Admittedly, this has hurt real estate agents because there is not the same sales turnover that there was 12 to 18 months ago. Understandably, Quentin Kilian, who represents a large commission-only workforce, would obviously be saying government has to do more, but the question is do we do a whole lot more and reinstate all those changes we made? I do not think so because that would lead us to the inevitable area where we were before: high property prices, unaffordable rents and a circumstance where people are worried about their children being able to buy a home and all that sort of stuff.

Mr GUNNER: But right now, Treasurer, Territorians are not buying homes. That is what the stats show so recorded sales ...

Mr TOLLNER: Obviously that is because of a slowdown in the property market. People are saying; 'Look, if I wait prices will come down further'. Homeowners are saying; 'Well if we sell now we actually realise a loss'. There is not a lot of activity going on in sales for the real estate industry.

Mr GUNNER: So you do not believe there is any link between collapsing sale volumes and the loss of population and net interstate migration?

Mr TOLLNER: No.

Mr GUNNER: And failed stamp duty policies? It has nothing to do with that?

Mr TOLLNER: No. In actual fact, reduced real estate prices encourage people to come to the Northern Territory, as opposed to discouraging them from staying here.

Mr GUNNER: The data shows there has been, year on year, -38% decline in first homebuyers' finance applications. There has also been a decline of 8% in non-first home buyers' finance and a similar decline for refinancing. What are these figures from non-first home buyers telling you, Treasurer? At a time of record low interest rates and declining housing prices, you would think that home occupier finance would be on the way up.

Mr TOLLNER: I think I have just outlined the reasons for that.

Mr GUNNER: A declining adult population?

Mr TOLLNER: You want to paint this view that the sky is falling in on us, everything is going to hell in a hand basket and people are leaving on mass. That is not the case. The fact is more people now can afford to get into a house than could two years ago. The percentage of first home buyers getting into the market place has not changed markedly from when we introduced the changes to the first home buyers' scheme.

Mr GUNNER: Budget Paper No 2 again, page 59, motor vehicle taxes are expected to drop by \$3m on predictions. Again, is this a consequence of the loss of adult population to interstate?

Mr TOLLNER: Firstly, what you have quoted is an estimate, but I am advised that it is as a result of a decline in new vehicle sales across the Territory. Whether that points to people leaving the Territory is a long bow to draw. There has been a downturn in the mining sector, which was a big purchaser of new vehicles in the past. Obviously with a lot of belt-tightening in that sector there would be a reduction in new vehicle sales. I would not for a second think it is because of people moving interstate, as you would like to assert. We are projecting an increase in 2016-17.

Mr GUNNER: Treasurer, can you explain the drop in casino tax payments by almost 50% below expected receipts on page 60?

Mr TOLLNER: Yes. There is ...

Mr WOOD: It has gone to the pubs and clubs; now you have doubled up.

Mr TOLLNER: No we have changed – there have been some negotiations on casino arrangements. As you would be aware, we put a new levy on casino gaming machines, and those numbers reflect the changes to our agreements with casinos. In real terms they are paying a whole lot more than they previously were.

Madam CHAIR: It is 12.30 pm so we might break for lunch. Does anyone have any objections?

Mr GUNNER: Madam Chair, I will put my questions through the written question process and we can come back to Lands and Planning.

Madam CHAIR: We have a few more output groups to go through. Member for Nelson, are you okay with that?

Mr WOOD: I am happy, yes.

Madam CHAIR: We will have to see if anyone else comes in to join the panel. We will break now and be back at 1 pm to continue.

The committee suspended.

Output 3.2 – Tax-Related Subsidies

Madam CHAIR: The committee will consider Output 3.2, Tax-Related Subsidies. Are there any questions?

That concludes consideration of Output 3.2 and Output Group 3.0.

OUTPUT GROUP 4.0 - SUPERANNUATION

Output 4.1 – Superannuation

Madam CHAIR: The committee will now proceed to Output Group 4.0, Superannuation, Output 4.1, Superannuation, are there any questions?

Madam CHAIR: That concludes consideration of Output Group 4.0.

OUTPUT GROUP 5.0 – ECONOMIC REGULATION

Output 5.1 – Utilities Commission

Madam CHAIR: The committee will now consider Output Group 5.0, Economic Regulation, Output 5.1 Utilities Commission. Are there any questions?

Mr WOOD: Yes, I would like to ask one question.

Mr TOLLNER: I thought there might be something on utilities.

Mr WOOD: I have learnt what they are about after all these years. My question is, what is the future of the Utilities Commission? Will it basically only now be there to look at regulation in regard to the port charges? If you are now going to be part of the national electricity regulation?

Mr TOLLNER: The AER.

Mr WOOD: What will be the future of the Utilities Commission?

Mr TOLLNER: The Utilities Commission still regulates water and sewerage, but in the main it will be there for port regulation.

Mr WOOD: That is all I need to know.

Madam CHAIR: That concludes consideration of Output Group 5.0.

OUTPUT GROUP 6.0 – CORPORATE AND GOVERNANCE

Output 6.1 – Corporate and Governance

Madam CHAIR: The committee will now proceed to Output Group 6.0, Corporate and Governance, Output 6.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 6.1.

Output 6.2 – Shared Services Provided

Madam CHAIR: The committee will now consider Output 6.2, Shared Services Provided. Are there any questions?

That concludes consideration of Output 6.2 and Output Group 6.0.

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

That concludes consideration of Department of Treasury and Finance outputs. The committee will now move to the Central Holding Authority.

OUTPUT GROUP 7.0 – CENTRAL HOLDING AUTHORITY

Madam CHAIR: The committee will now consider the income and expenses of the Central Holding Authority. Are there any questions?

Mr WOOD: Minister, there is a nearly \$100 000 decrease in royalties, rents and dividends. Is that mainly from royalties and because of the decline in the mining industry?

Mr TOLLNER: That is correct.

Mr WOOD: Have you any idea what the percentage is in lost royalties in the financial year?

Mr TOLLNER: Yes, about 30%, member for Nelson.

Mr WOOD: When, minister, you are looking at – next time you are down in Canberra talking about the GST – well, just like in Western Australia ...

Mr TOLLNER: I do not know whether I will be in Canberra again talking about the GST, member for Nelson, but I will enter into this hypothetical with you.

Mr WOOD: I just heard all of Canberra cheering; I digress slightly. Whoever goes down to Canberra next time - is that a reason for arguing that our GST should be higher and has Western Australia put a similar argument?

Mr TOLLNER: It does get picked up in the calculation. Generally though, I think the best way to increase our revenue from Canberra is to increase our own source revenue. The Commonwealth Grants Commission tends to reward heavy lifting.

Mr WOOD: It also helps if you have a higher population.

Mr TOLLNER: There is a range of factors involved in determining the relativities, not just population.

Mr WOOD: I was going to ask one other question, it related to the debate late last year over the states taking over some income tax revenue. I think the Northern Territory government opposed that move by Mr Turnbull. Is there any reason why the Territory thought that would be an unwise move?

Mr TOLLNER: Fundamentally, our income tax base is not very high. The agreement was to offset some cost of governments, and whilst that may well have worked in other jurisdictions it certainly would not have worked in the Northern Territory. Similar proposals have been made around land tax, for instance. The ACT government made the change of removing stamp duty and replacing it with a land tax, the view being that a land tax was a much more efficient tax. It encouraged turnover of properties where stamp duty is seen as providing a negative incentive to turn over properties, the view being the more you turn over properties the more effects you have in areas like retail trade, for instance. People buying a new place will generally decorate it, put in new furniture and the like. However, land tax will not work in the Northern Territory because 95% of the land here is untaxable. You cannot put a land tax on Aboriginal land and you cannot put a land tax on pastoral leases. The only place you could raise a land tax would be in some of the urban areas, which certainly would not cover the losses from stamp duty revenue.

Whilst in theory some of these things might stack up well in other parts of the country, they do not necessarily stack up in the Northern Territory.

Madam CHAIR: Are there any other questions? Are there any other non-output-specific budget-related questions to the Central Holding Authority?

That concludes consideration of the Central Holding Authority.

OUTPUT GROUP 8.0 - NORTHERN TERRITORY TREASURY CORPORATION

Madam CHAIR: The committee will now proceed to the Northern Territory Treasury Corporation. The committee will now consider the income and expenses of the NT Treasury Corporation. Are there any questions?

Are there any non-output-specific budget-related questions? That concludes consideration of this business line.

This also now concludes consideration of Output Groups relating to the Treasurer. On behalf of the committee I would like to thank the Treasurer and his departmental officers for attending today.

Mr TOLLNER: Can I just put on the record my thanks to Treasury, Jodie Ryan and her team. I know, Madam Chair, you have been in this position yourself, and they do a great job.

Madam CHAIR: They do.

Mr TOLLNER: They are a great organisation to work with and they have been absolutely a dream for me in the last four years in this job. I want it on the record how thrilled and honoured I have been to serve them as Treasurer.

Finally, I am disappointed that there is not more interest, from the opposition in particular, about what makes this economy work and matters relating to government finances. Anyhow, that is for them to worry about.

Mr WOOD: I helped the economy. I went to Colemans and got this spiral bound version of the budget. I just thought I would mention that for next year.

Mr TOLLNER: Good on you. You could have gone online and had your computer up there and you would not even have had to waste those trees, member for Nelson.

Mr WOOD: I cannot turn the pages quick enough on the computer.

Madam CHAIR: Thank you, Treasurer.

DEPARTMENT OF LANDS, PLANNING AND THE ENVIRONMENT

Madam CHAIR: The committee will now move to consider outputs relating to the Department of Lands, Planning and the Environment.

Treasurer, I invite you to introduce the officials accompanying and, if you wish, to make an opening statement regarding the Department of Lands, Planning and the Environment.

Mr TOLLNER: Can I introduce, on my right, the Chief Executive of the Department of Lands, Planning and the Environment, Rod Applegate; Fotis Papadakis is here, the CFO of the Department of Lands, Planning and the Environment. Later in the session I will have Hon Gary Nairn, the Chair of the Northern Territory Planning Commission, as well as Andrew Kirkman, the CEO of the Darwin Waterfront Corporation.

The Department of Lands, Planning and the Environment provides an important role in managing Crown land, strategic planning and policies to support land release and economic growth, and provides advice on resolution of native title and Aboriginal land matters. The department plays an essential role in regulating the building and construction industry, which is a vital sector, critical to the Northern Territory economy. It also ensures conservation of our natural and cultural heritage. It supports the NT Planning Commission, a statutory body that plays a strategic role in planning for the future development of the Territory. It also provides support to statutory bodies, such as the Darwin Waterfront Corporation and the Northern Territory Environment Protection Authority, as well as a number of regulatory, advisory and appeal bodies related to the department's functions.

I thank the CE, Rod Applegate, and his team for their hard work over the last 12 months or so. Their proactive approach to planning in land development matters, which benefits the community building and development industry of the Northern Territory, is certainly welcomed.

It has been a busy year of reform for planning during 2015 and 2016, and the NT Planning Commission has conducted extensive consultation on various projects as part of this program of reform. I am currently considering a range of land use plans for inclusion within the NT Planning Scheme. These plans include a regional plan for Alice Springs, which sets a framework facilitating future growth in the region; area plans for the inner and mid suburbs of Darwin, both of which are aimed at identifying growth localities and areas of minimal change; a sub-regional plan for Litchfield which updates the Litchfield planning concepts and land use objectives of 2002; planning principles specific to the Litchfield sub-region and land use concept plans to guide the future development of area plans for the rural activity centres, or villages, as some in this place like to call them; and an amendment to the Katherine regional land use plan to incorporate a new neighbourhood shopping centre.

Two additional highlights of the year include the finalisation of an area plan for Holtze which identifies the site for the Palmerston hospital and associated medical precinct within a framework that will support future urban development, and the amendments I implemented to the NT Planning Scheme to set a new building height limit of 34 m in the CBD of Alice Springs, which was accompanied with strict guidelines to protect key view lines to the surrounding ranges and from lookouts such as Anzac Hill.

There are also two key Planning Scheme reforms under consideration for inclusion within the NT Planning Scheme. These are a proposal to streamline the planning consent process by reducing the number of minor or ancillary developments that require consent, increasing flexibility in some development provisions to reduce the number of minor variations requiring consent, and a proposal to allow for dual occupancy on lots greater than 1000m², subject to meeting strict design and development guidelines.

The progress achieved with these projects could only occur because of the Northern Territory Planning Commission's extensive consultation process. The Planning Commission has conducted consultation on all the projects mentioned, with some of these projects allowing the community three opportunities to have input on the direction of the project. Infrastructure planning, including essential services, traffic and drainage investigations, has been undertaken in conjunction with the land use planning in order support development in accordance with area plans. Budget 2016-17 includes \$3m for infrastructure to support the development within the Berrimah North Area Plan.

In relation to land release, the government is releasing land at record levels. The timely release of land is critical to lowering the cost of living and making housing more affordable. Residential land release by the Territory government has led to the construction of approximately 550 new residential lots in 2015-16. Land was released during 2015-16 for residential, industrial, community purpose and agricultural uses, supporting population and economic growth across the Territory. It is imperative that government ensures there is an ongoing supply of serviced land to the market to cater for future population growth. Since May 2013, government has released to the market land that will accommodate approximately 5500 new homes across the Territory.

Construction of new residential and industrial subdivisions in Tennant Creek and the first stage of Katherine East were completed during 2015-16. Planning for the second stage of Katherine East is under way. Construction of headworks infrastructure to support future development in Katherine East has commenced. Construction of 14 residential and two commercial lots at Kalkarindji was completed in March 2016, with lots to be auctioned late in July. Construction of the residential subdivision of Kilgariff Stage 1B in Alice Springs is nearing its completion.

All five stages of Zuccoli in Palmerston – the suburb was named after Guido Zuccoli. He loathed being called ZuccOli. I prefer to pronounce it ZUccoli in reverence to the person it was named after.

Mr WOOD: Make sure we change Malak to Muluk as well.

Mr TOLLNER: I was not aware of that one, but thank you for that advice.

All five stages of Zuccoli in Palmerston are now under construction. The headworks infrastructure required to support development in Zuccoli has been completed.

Construction is under way for the new industrial subdivisions in Humpty Doo and works will commence at College Road industrial subdivision in Berrimah later this year.

The design of land subdivisions is in progress for a number of other regional towns, including Borrooloola, Mataranka, Timber Creek and Pine Creek. Development is ready to commence on resolution of native title.

Budget 2016-17 provides funding for a new land subdivision in Ti Tree to create serviced residential lots. The design of this subdivision is also under way.

In relation to some flood mitigation projects, the Darwin and Katherine Flood Mitigation Advisory Committees' reports are now complete. Both reports have received Cabinet's approval for the Department of Lands, Planning and Environment to lead the implementation of the measures recommended by the Darwin and Katherine Flood Mitigation Advisory Committees.

The construction of the new Sadgroves Creek trunk drain under Tiger Brennan Drive is under way and the Ludmilla Creek trunk drain has been reinstated west of Bagot Road, with the extension of this drain under design. The department is currently designing detention basins for Rapid Creek and Ludmilla Creek, and drainage upgrades for Yarrowonga and Howard Springs

The construction of the new Katherine ambulance station has been tendered and the new Katherine flood modelling contract has been awarded. The NT Planning Commission has recommended an amendment to the Katherine Land Use Plan to incorporate a new neighbourhood centre in Katherine East.

On 16 November last year the Chief Minister approved the formation of an Alice Springs Flood Mitigation Advisory Committee. The committee, chaired by Alice Springs Mayor, Damien Ryan, has met regularly to consider options available to government to mitigate flooding in the Alice. The committee's draft report is now available for public comment from 2 June until 2 July this year.

In relation to cutting red tape, Survey Approvals Online Stage 1 was released in January 2016. Stage 1 of the survey approvals online enables private industry surveyors to apply for survey data allocation, which is lot numbers and survey reference numbers, either through the development assessment online system or the SAO. Stage 2 of the SAO, which is currently under development and expected to be launched in July this year, will give surveyors the ability to lodge all their survey data and have surveys approved online, therefore improving the efficiency of the land development process. The linking of the components of the land development cycle, the planning part five and the Land Title Office concurrence processes will ensure that the process is completely online in SAO Stage 2. SAO supports the existing Land Titles Office's electronic land title system and seamlessly links the information utilised to progress developments in the Integrated Land Information System, ILIS.

In the future, SAO will become the interface for all survey inquiries. This includes place naming applications, street addressing and a range of services provided to other NT government agencies. The department is continuing to work to digitise all existing paper-based building records to enable a total online solution to complement the efficiencies of the Building Approvals Online system. A pilot project to digitise building records for Tennant Creek, Timber Creek and Elliott was completed in September last year, which resulted in the full online delivery of building files for these areas. The building records for Muirhead and Lyons have also been digitised, and work is continuing to systematically digitise building records for Palmerston. In addition, equipment has recently been purchased and training delivered to commence digitising building records in Katherine. The department has an ongoing program to identify and implement measures to reduce regulatory burden and unnecessary red tape to streamline systems and processes for industry and the community.

In relation to reforming the regulatory environment, the Legislative Assembly passed the Building Amendment (Occupancy Certification) Bill in March last year. The amending act commenced on 1 May this year and introduced two new alternative pathways to occupancy certification; they are the certificate of substantial compliance and the certificate of existence. These are in addition to the existing occupancy permit. These changes are designed to enhance public safety, transparency and public confidence in the building certification process, and encourage compliance from building owners, moving forward.

In response to concerns from the building design industry and the broader community that the new house designs in the tropical areas of the NT are not appropriate for the local climatic conditions, the Domestic Building Code Review Group was formed in September 2015. The group was tasked with a review of energy efficiency requirements in the NT and, more broadly, to review the appropriateness of the elements of the National Construction Code to Territory circumstances. The group publicly consulted regarding potential changes to the National Construction Code and invited related industry and community submissions on key issues and questions in December last year. Twenty-two submissions were received. The group has sought submissions and is finalising its recommendation report for my consideration.

The government sought advice on a broader building framework protection model that could apply to both consumers and the extended construction industry supply chain to deliver improvements to the building

and construction industry. The resultant review of the building industry regulatory framework, also known as the Cureton Review, includes 35 recommendations which cover three key areas: residential warranty insurance; building contractors licensing; and payment protection. The Cureton Review was released for public comment in late 2015 and received 43 submissions. The department compiled a summary of the submissions that identifies overall industry support, or non-support, for each of the recommendations of the review. The report recommendations will be considered in the further development of each of the building and construction reforms which comprise the government's building reform agenda. In addition the department continues to work to review the regulatory frameworks to support the achievements of the government's economic, social and environmental policy objectives.

In relation to heritage, work has continued this year to conserve government owned heritage assets and support the conservation of heritage assets in private hands through a range of measures. For example, conservation work carried out by a qualified stonemason to improve the town hall ruins located in the Darwin CBD are nearing completion. The works are valued at \$441 000 and include stabilisation of the foundations and walls of the town hall ruins, and replacing damaged stone, mortar, render and architectural features. Conservation works have also been carried out at the Old Courthouse and Heavitree Gap Police Station in Alice Springs, the Tennant Creek and Barrow Creek Telegraph Stations, Adelaide River Railway Station and the World War II gun turret at the Defence of Darwin Museum.

In relation to land information, the department is the lead agency for spatial information in the Northern Territory government and provides whole-of-government aerial photography, satellite imagery and topographic information programs, and generates products and services from integrating spatial data. Highlights of the 2015 program include imagery of the Katherine River lower catchment region, ready for use in flood modelling, and for the first time aerial photography was captured for the entire Tiwi Islands to assist the future development of the islands. The department is completing its first light detection and ranging aerial survey, or lidar. As lidar can penetrate through gaps in vegetation and ground cover, it allows for the creation of highly-accurate digital terrain models even in grass and woodland areas. Lidar capture has been completed over Katherine and will be compared with existing aerial photography to improve mapping and flood model.

The highlights from the budget – here are some of the commitments of this government to supporting the important work of the Department of Lands, Planning and the Environment. Budget 2016-17 provides \$1.38m, including an additional \$650 000 to manage the Frances Bay marine facility; \$600 000 for the development of a scope of works for the Frances Bay Mooring Basin infrastructure; \$530 000 to facilitate the Building Amendment (Occupancy Certification) Bill, which I spoke about earlier, to provide alternative pathways for building certification; \$680 000 to continue the conservation program for government owned heritage assets; \$200 000 to continue to support flood mitigation initiatives; \$1.5m to continue to manage fire and weeds on Crown land across the Territory; \$680 000 to support the building reform agenda, and there is a range of new capital works programs, some of which are: the Berrimah North headworks, valued at \$3m; \$2m for the Darwin waterfront redevelopment; and \$4m for the subdivision works at Ti-Tree.

Madam Chair, I look forward to any questions the committee may have with regard to the appropriation for the Department of Lands, Planning and the Environment for this year.

Madam CHAIR: Thank you, minister. Are there any questions relating to the statement?

Mr WOOD: I might just ask about the Cureton report – What sort of response did you get from the building industry in general about the report? One of the criticisms given to me was that the report was a desktop report rather than a report based on visiting actual people involved in the industry directly.

Mr TOLLNER: The report was a discussion starter. A lot of people probably took it the wrong way inasmuch that some people assumed it was a done deal. Fundamentally, I asked Cris Cureton, once the department had located the person we were going to use, to look across the industry and suggest some ways to overhaul the *Building Act*. He put together a paper with, as you said, little consultation. It was a discussion starter, and I am happy to report that we got an enormous number of submissions from around the Territory. Many aspects of the Cureton Review were supported by the sector, but it is fair to say that some areas stood out and immediately created concern in the industry.

Government is using that feedback to work through the submissions and look at what may come of that, but at this point in time, member for Nelson, we have the review and we have received the submissions, and we are now in the process of assessing that.

Ms FYLES: How much did the government pay for that report?

Mr TOLLNER: The exact amount was \$77 120.

Ms FYLES: That was the total overall cost of the report?

Mr TOLLNER: No, that was the cost of the consultant. Publications were \$4000 ...

Ms FYLES: Even just a total figure for the overall work.

Mr TOLLNER: Sorry, it was a total of \$77 120.

Ms FYLES: That whole body of work cost the government just the consultancy fee of \$77 000?

Mr TOLLNER: I put on the record my thanks to Cris Cureton; he did an absolutely fantastic job. He pulled together legislation information from around the country and even other parts of the world. His review did exactly what it was supposed to do and got people talking. It is something government can work with in order to formulate policy and legislation in that area.

Ms FYLES: Was it always set out to be a desktop report?

Mr TOLLNER: It was always about being a conversation starter and really getting industry and other stakeholders to take an interest. He certainly did that, and the feedback we received from the report has been invaluable.

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

Madam CHAIR: The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2016-17 as they relate to the Department of Lands Planning and the Environment. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

Ms FYLES: Minister, will you table the responses to the global written questions that were provided?

Mr TOLLNER: I would, but I do not have them here. I can go through them one after the other if you like?

Ms FYLES: How convenient that you do not have them here. It would be more helpful with timing if you tabled them. We ask the same questions each year.

Mr TOLLNER: I could probably locate them but I would much rather go through them one by one.

Ms FYLES: The same questions are asked each year of the same ministers. All right, if you insist. It is a bit disappointing considering you have had them for a while.

For your agency can you outline the details around consultancies associated with communications? Can you please provide details of consultancies over \$100 000 and the details on consultancies that were conducted by interstate companies? You are welcome to table the responses, minister, if you have a change of heart.

Mr TOLLNER: It will not take too long to get through this short list. Provision in phase two, Port of Darwin project – queries should go to the Department of the Chief Minister.

Ms FYLES: Under what output for him? I want to make sure he does not say ask you when I am done with you and I miss out.

Mr TOLLNER: I am not across the Chief Minister's outputs.

Ms FYLES: But you assure me that he will answer that question?

Mr TOLLNER: He is the person to go to in relation to the lease.

Ms FYLES: Sounds interesting. I thought you leased everything off.

Mr TOLLNER: The Darwin inner- and mid-suburb market research infrastructure and traffic studies, economic investigations and social needs assessment – there is \$572 289 in total. There were only two

consultancies that are greater than \$100 000 in that total number. That is GHD Pty Ltd – a series of contracts to that consultant – \$293 339 and the Jacobs Group, \$146 293.

Ms FYLES: Are you able to provide a breakdown of those consultancies?

Mr TOLLNER: Less than \$100 000 – McGregor Tan Research Pty Ltd got \$36 000, Elton Consulting got \$41 957; TPG Town Planning Urban Design and Heritage got \$3400; and MacroPlan Dimasi got \$51 300.

In relation to the Berrimah Farm land release, there are costs totalling \$187 493 for legal, engineering and financial advice.

Ms FYLES: Is that in relation to the tendering?

Mr TOLLNER: It is in relation to a range of different advice – as I said, legal, engineering and financial advice.

Ms FYLES: But in relation to the Berrimah Farm site ...

Mr TOLLNER: This is all in relation to the Berrimah Farm site. That is a total figure of \$187 493. Broken down: Squire Patton Boggs, \$115 183; CBRE Pty Ltd, \$2000; Merit Partners, \$29 100; the Jacobs Group Pty Ltd, \$12 975; Deloitte Touche Tomatsu, \$11 325; and Fyfe Pty Ltd, \$16 910.

In relation to infrastructure planning services consultancies that include technical advice, project management to help with the delivery of capital works and land release programs – the Alice Springs gap analysis, a company called Livingstone Infrastructure Services Pty Ltd was paid \$173 485. The Berrimah North Area Plan – in relation to the connector road and the detailed design around there, \$123 650 was spent between Douglas Partners Pty Ltd and Jacobs Group. Douglas Partners received \$7941 and the Jacobs Group received \$115 709.

In relation to the Litchfield subregional plan, there was money spent for market research, entomology and drafting services – a total of \$114 950, and that was broken down as follows: the Department of Health's, Medical Entomology section received \$1944; Associated Advertising and Promotions Pty Ltd, \$40 356; Big Picture Graphic Art, \$1150; and McGregor Tan Research Pty Ltd, \$71 500.

In relation to flood mitigation – that was money spent on communications, the Dwyer Park concept plan, Rapid and Ludmilla Creek hydraulic modelling. In total, \$104 802 was spent there: Clouston Associates, \$11 970, Aurecon Australia, \$6589; the Jacobs Group, \$54 612, First Class Pty Ltd, \$4154 and Quanxi Pty Ltd, trading as Michels Warren Munday, \$27 478. Then there was ...

That is it.

Ms FYLES: Are you sure?

Mr TOLLNER: That is it. As I said, the port stuff can go to the Chief.

Ms FYLES: Do you have something there you do not want to share with us?

Mr TOLLNER: I am happy enough to share it with you, but these questions on the port will have to go to the Chief Minister. There was \$13 920 960 that went to Flagstaff Partners Pty Ltd for consultancy in relation to the Port of Darwin.

Ms FYLES: That is a lot of money.

Mr TOLLNER: It is.

Ms FYLES: Was that in relation to the lease that we saw signed late last year?

Mr TOLLNER: I imagine so. From what I can gather Flagstaff Partners did an exceptional job in arranging that lease and ...

Ms FYLES: You would hope so for \$13m.

Mr TOLLNER: Well, a lot is involved in it – \$506m to the Northern Territory government, I understand, was quite a substantial amount of money.

Ms FYLES: On the consultancies you just talked about – I apologise if I did not make my questioning clear; I had actually asked what were the consultancies over \$100 000, but I do appreciate that you read all the details out. I asked what consultancies were conducted by interstate companies, but just those over \$100 000. Was it just those first two, Jacob and GHD?

Mr TOLLNER: No, the only one was that last one that I mentioned.

Ms FYLES: The \$13m.

Mr TOLLNER: The Port of Darwin, yes.

Ms FYLES: Operational consultancies and infrastructure-rated consultancies – did you just give me both or just one?

Mr TOLLNER: No, I think both. Yes.

Ms FYLES: Yes, because there was operational and then that \$13m would have been infrastructure related, is that correct?

Mr TOLLNER: I would imagine both.

Ms FYLES: Of those consultancies that were just listed, did those cover, for example, the Planning Commission?

Mr TOLLNER: Yes.

Ms FYLES: They all come under your department?

Mr TOLLNER: Yes.

Ms FYLES: So that \$540 000 – there was one from the Planning Commission, sorry. I can ask you now or I can ask you in the Planning Commission. I just wanted a further breakdown.

Mr TOLLNER: I am not too sure, but McGregor Tan was probably the biggest item on that list, at \$71 500.

Ms FYLES: Were all those consultants selected through competitive tendering, and if they were not, why not?

Mr TOLLNER: In relation to the Darwin inner- and mid-suburbs plan, GHD had been recommended as the preferred service provider by the Power and Water Corporation, which is the primary stakeholder of the infrastructure aspects of that. GHD has also been involved in the previous infrastructure investigation in supporting the inner- and mid-suburbs area plans. The project was a continuation and expansion of the works that were completed in the previous infrastructure investigation.

In relation to the Berrimah Farm land release, Squire Patton Boggs – firms prequalified to go on the legal services list which the agency then selects from for the provision of legal services. The Solicitor for the Northern Territory had advised that this firm had the appropriate skills to undertake the work.

In relation to infrastructure planning services, Livingstone Infrastructure Services Pty Ltd was awarded \$173 485. It has a sound understanding of government policies, processes and procedures. Livingstone Infrastructure Services had demonstrated its ability and resource availability to meet the department's very short time frames for this project within budget. To proceed with the request for three quotes would have disadvantaged any other prospective respondents as the time and cost required to obtain the background knowledge, skills and expertise on the matter would reduce the ability to be competitive with the nominated respondent and meet government's delivery expectations.

Finally, the Berrimah North Area Plan – Jacobs Group received \$115 709. Jacobs had undertaken the previous investigative study, which reduces the overall cost of the design. Jacobs also undertook the engineering design for the Berrimah Business Park, which provides them with an exceptional

understanding of the issues related to the area. If another entity undertakes the work the cost would be much greater and would be unlikely to identify all the potential issues.

Ms FYLES: In relation to the \$13m for the consultancies to do with the Port of Darwin lease, with Flagstaff – did that go through the competitive tender process?

Mr TOLLNER: I cannot answer that question. That is a matter for the Chief Minister's department.

Ms FYLES: Even though it falls within the budget output of your department?

Mr TOLLNER: It falls under the department because it is a lease of land and hits the department's budget, but, by the very nature of it, the department had no line of sight into the process. Those matters are for the Chief Minister to comment on.

Ms FYLES: Okay, so questions in regard to that \$13m and the competitive tendering?

Mr TOLLNER: Yes.

Ms FYLES: What was the total value that had certificates of exemption? Do you have the total figure there?

Mr TOLLNER: About \$700 000. If you just add all those numbers up that I gave you, you will get to the total figure. Do you want me to give them to you again?

Ms FYLES: I can review the documents.

Mr WOOD: You could always table them, but that would spoil the fun.

Ms FYLES: I already asked for them to be tabled.

Mr WOOD: We have been here too long.

Ms FYLES: Considering that last year there was only one consultant not selected through the competitive tendering process, and that was a value of \$66 000, it is interesting that it has jumped up to \$700 000.

Mr TOLLNER: We are working so much harder this year. I am cracking the whip.

Ms FYLES: Why are they not keeping you?

Mr TOLLNER: I am probably working them too hard.

Ms FYLES: You can elaborate, although it is not quite the time and place.

Mr TOLLNER: They are doing a magnificent job.

Ms FYLES: Minister, within your agency can you detail – once again you are welcome to table the documents for your agency – the number of full-time equivalent staff, permanent part-time, temporary contract, frontline staff as FTE as a percentage of the agency, and FTE as a percentage identified as Aboriginal or Torres Strait Islander staff within the agency?

Mr TOLLNER: Of course I can.

Ms FYLES: Will you table that?

Mr TOLLNER: No, it is too short. FTEs: 243.6 as of 31 March 2016; permanent part-time contracts, 10.8 FTEs; part-time contract employees, 1.4; temporary contracts, 44.7; frontline staff as full-time equivalents and as a percentage of the agency – they are matters for the Public Employment minister, and the same with the identified Aboriginal or Torres Strait Islander staff within the agency.

Ms FYLES: How many supernumerary staff does your agency carry?

Mr TOLLNER: I am informed that there are supernumeraries, but I do not have that detail. I can take that on notice if you like.

Question on Notice No 2.2

Madam CHAIR: Could you please restate the question for the record, member for Nightcliff?

Ms FYLES: How many supernumerary staff does the agency carry?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: Yes.

Madam CHAIR: That question will be number 2.2.

Ms FYLES: Minister, how many staff are at the ECO1 level or above, as detailed by classification level?

Mr TOLLNER: Fifteen.

Ms FYLES: How many staff resigned in 2015-16 to date and what is that as a percentage of the agency's total staff?

Mr TOLLNER: That is a good question and I cannot answer it. That is a matter for the Minister for Public Employment. I would be surprised if there were any, to tell you the truth. It is a good employer.

Ms FYLES: You have been surprised already today.

Mr TOLLNER: They are a great bunch of people in Lands and Planning, dedicated to the cause, and they love turning up to work.

Ms FYLES: A bit like you, minister. How many staff were made redundant in 2015-16 and how many were terminated?

Mr TOLLNER: There were no redundancies in 2015-16. In terms of any other terminations, no staff were terminated from employment in 2015-16. For any other types of redundancies you would have to ask the Minister for Public Employment, but I cannot imagine it happening in Lands and Planning. They are a good bunch. They are a bit light on – I like to keep them lean and mean – but they are very efficient and they work hard and love their jobs.

Ms FYLES: Thank you, minister. In relation to agency travel, could you please provide the total cost of travel in your agency and have it broken down into (a) international, (b) interstate and (c) intrastate? In the case of international travel, could you please provide details around the itinerary, persons and cost involved with each international trip?

Mr TOLLNER: Do you want me to stick the Environmental Protection Authority in here as well?

Ms FYLES: If you feel it fits.

Mr TOLLNER: I can put them all together if you like: Lands, Planning and the Environment, which includes the Environmental Protection Authority and the Planning Commission?

Ms FYLES: That is fine, as long as we can have a breakdown on the international travel.

Mr TOLLNER: Okay, I can give you that too. Intrastate, in total, \$227 337; interstate, \$195 403; and overseas travel, \$1140, which is entirely within the Department of Lands, Planning and the Environment. There has been no overseas travel for the Environmental Protection Authority or the Planning Commission.

Ms FYLES: What were the details of that international trip?

Mr TOLLNER: It looks like he got a red eye special. I understand the Surveyor-General went for a Surveyor-General's Conference in New Zealand. He is very frugal, our Surveyor-General.

Ms FYLES: Thank you, minister. It is a shame the ministers cannot travel like that. Was there any ministerial travel undertaken by your office paid for by the department?

Mr TOLLNER: I suggest no.

Ms FYLES: You do not travel that frugally.

Mr TOLLNER: That is confirmed by the department. I do not travel frugally? Well, member for Nightcliff, we might have an argument about that.

Ms FYLES: You have caught private planes, not me.

Mr TOLLNER: I think I would be a very frugal traveller. So, no, none.

Ms FYLES: Does your chief executive have a government-issued credit card, and what was the total value of the purchases on the credit card issued to the chief executive? Can you please provide detail and cost transactions that involved hospitality or entertainment.

Mr TOLLNER: We will have to take that on notice. I am stunned that he has one, but he does have a government-issued credit card. We will get that information for you.

Question on Notice No 2.3

Madam CHAIR: Member for Nightcliff, please restate the question for the record.

Ms FYLES: Does the chief executive have a government-issued credit card and what was the total value of the purchases on the credit card issued to the chief executive? Could you please provide detail on costs of transactions that involved hospitality or entertainment?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: Of course I do.

Ms FYLES: Interesting, they did not have one last year, but ...

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

Ms FYLES: Minister, can you provide details of all boards and advisory bodies in your agencies, including the chair and members who attract remuneration?

Mr TOLLNER: Yes. I have a long, detailed answer here.

Ms FYLES: You are welcome to table the information, minister.

Mr TOLLNER: No, that is fine. There are a number of people on the Building Advisory Committee. The chair is Steve Ehrlich. I can go through all of the names of the people, but maybe it might be easier if I just tell you that they are ...

Ms FYLES: The information we are after is the members of the committee, how many times they have met and the remuneration paid. It would be helpful if you could table that.

Mr TOLLNER: The Building Advisory Committee met nine times and the subcommittee met 16 times during the period of 1 July 2015 to 31 March 2016. The total cost of that committee was \$26 359, and that includes any payments to those board members, most of which I do not think are getting paid.

The Chair of the Building Appeals Board is Mr John Brears. The total entitlement to board members in 2015-16 for the period of July to March was \$14 771, and they met four times during that period.

The Darwin Waterfront Corporation Chair is Graeme Lewis and the CEO is Andrew Kirkman. That board met five times during the period of 1 July to 31 March this year, and there was a remuneration entitlement of \$159 481.

Ms FYLES: How many board members were on that board?

Mr TOLLNER: There are five. The board members are Graeme Lewis, Patricia Brick, David De Silva, Suzannne Morgan, Peter Carew and the CE of Transport, Andrew Kirkman, acts as the chief executive officer; if you count him as a board member that brings the number to six.

Ms FYLES: He would not be paid remuneration though?

Mr TOLLNER: No, not at all, and nor is Suzanne Morgan. I think she is with Tourism NT or in the Chief Minister's department. The others do.

The Development Consent Authority – this is a rather extensive list. The chair, of course, is Denis Burke. There are various divisions around the place, including Darwin, Katherine, Litchfield, Palmerston, Batchelor, Alice Springs and Tennant Creek. There have been meetings occurring; the Development Consent Authority met 45 times in the period of July 2015 to 31 March. Total remuneration was \$265 187, less transport costs of \$4467, travel allowance of \$392, and 'other', which is the cost of meetings, cups of tea and scones, \$24 952.

Ms FYLES: That is a lot of scones.

Mr TOLLNER: It is 45 meetings all over ...

Ms FYLES: \$24 000 worth of scones?

Mr TOLLNER: Yes, 45 meetings all over the Territory. That includes room hire.

Ms FYLES: Phew. I was worried about that scone cost.

Mr TOLLNER: Well, I did say room hire ...

Ms FYLES: That is more than \$2000 a meeting.

Mr TOLLNER: ... and tea and scones, \$24 952. Room hire is not cheap in some places.

Ms FYLES: Minister, last year they met 49 times and it only cost \$183 000, so it is quite a significant increase to \$265 000 for fewer meetings.

Mr TOLLNER: Well, that is your take on it. I think the DCA does a pretty good job and a cost of \$265 000 for 45 meetings, including room hire and the like, I think is very worthwhile.

Mr WOOD: Is the meeting fee set, because the waterfront met relatively few times for approximately five people who would be paid. I think they are over \$100 000 and yet the Development Consent Authority – is the waterfront fee set?

Mr TOLLNER: Yes. The Development Consent Authority includes a range of different divisions. I would imagine that the Chair, Dennis Burke, probably did the vast majority of those 45 meetings, but all the other members would be in a particular division and the like. Member for Nelson, I think the point you make, and I am only part way through answering this question, is that there probably has to be a review of sitting fees and the like for certain statutory bodies. Some will do an enormous amount of work where others seem to meet for a handful of times during a year. I know there are variations between the remuneration and the entitlements that are paid to various different positions, but I do still think some things have to be up for review.

The Domestic Building Code Review Group, the group that is headed up by Phil Harris of Troppo Architects – a big group of people on that board – had eight meetings between July and March, with total remuneration of \$22 205. On top of that there were transport costs of \$5729 and other costs that include accommodation and office requisites of \$4268, bringing the total for that Domestic Building Code Review Group to \$32 202.

Ms FYLES: Minister, I ask you once again if you would table the responses to save time?

Mr TOLLNER: I do not really have the things itemised in the way you would like so I think it is probably best that we just go through these.

Mr WOOD: Amble through them.

Mr TOLLNER: I am endeavouring to get through them quite quickly.

Ms FYLES: On that group you just talked about, that was not mentioned last year during estimates but I am assuming it is a review ...

Mr TOLLNER: No, it was not because it is something I initiated in the last 12 months. We made a commitment that we would look at, in particular, tropical-style housing, what changes would need to be made to the national building code and other things, whether we would seek exemptions and that sort of stuff. We created the group and Phil Harris was asked to be the chair and to guide that process. He is doing a good job and I expect a report from him soon.

Ms FYLES: Will that report be tabled in parliament?

Mr TOLLNER: I would love it to be tabled in parliament. I do fear, though, it might not be around by the time we sit, but I will certainly make an effort to get it out there. It is one of those things I am very keen to get out there, because I think we can make improvements in building design to suit our conditions.

The chair of the Heritage Council is Wayne Kraft. The council had three full meetings and seven out-of-session meetings. There were total entitlements of \$15 315; transportation costs were \$15 000; travel allowance, \$2341; meeting expenses and the like, \$8300, bringing the total to \$40 964 for the Heritage Council.

The Place Names Committee is chaired by Tom Lewis. It met three times during the year. Entitlements of \$1621 were paid; transportation costs of \$2361; travel allowance of \$349; other meeting costs, \$650, which is a total of \$4985.

The Planning Commission, a very and valuable group – Gary Nairn chairs that, with representatives from the DCA, local government, the Heritage Council, the EPA and other members from the community. They met five times during the period 1 July 2015 to 31 March 2016. The total remuneration was \$165 539; transportation costs of \$42 400; travel allowance of \$13 649; and other costs, which include planning consultancies, document production and general office expenses, were \$28 235. The total cost of the Planning Commission remuneration was \$249 827.

Member for Nelson, this is one of those boards where I think government could do a whole lot better in remunerating people on those committees. The work Gary Nairn has done is absolutely incredible. He has put in hundreds of hours into work on that board and has done a power of work.

Getting down to the last couple, the Swimming Pool Safety Review Committee – I know this one is very close to the heart of the member for Nightcliff; she loves her pool reviews.

Ms FYLES: You love your pool fencing too, don't you, Dave.

Mr TOLLNER: Well, no, but that is another matter. I know you do like it, member for Nightcliff.

Ms FYLES: I like keeping our children safe.

Mr TOLLNER: Don't we all. The chair is Graham Franklin, and there are three members on the committee. They did not meet during the period 1 July 2015 to 31 March 2016; therefore there has been no remuneration to that committee.

The Valuation Board of Review Panel – the chair is Michael McDermott. A range of members are on that board. The Board of Review met once to hear an objection during the period 1 July to 31 March. Two further objections were received during that period and will be heard in the middle of this year. The total cost of that board was \$666 for the period.

Finally, the EPA – the chair is Bill Freeland. The EPA met seven times during the period of 1 July 2015 to 31 March 2016. Entitlements were \$299 271 and, in addition, transport of \$26 305 and travel allowance of \$4052. Other meeting costs were \$38 332, bringing the total to \$367 960.

That is all the boards.

Ms FYLES: Minister, the Surveyors Board and the Community Living Areas Tribunal?

Mr TOLLNER: The Community Living Areas Tribunal has not met. The Surveyors Board has moved to the Department of Business under the licensing regime.

Ms FYLES: Thank you, I just wanted to clarify those two points.

Mr WOOD: Where does the Place Names Committee fit? I know it fits in with them, but we have to have it in the right spot, otherwise we miss out. There is nothing down here to say where it fits.

Mr TOLLNER: We already have lake Wood don't we?

Mr WOOD: No, you are wrong, minister. It is Lake Woods, like Woods Street.

Mr TOLLNER: It fits in Land Services. I will take your questions wherever you like but if you want to get it in the right place, it is Land Services.

Mr WOOD: Land Information, would that be right?

Mr TOLLNER: Yes, that will do.

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

OUTPUT GROUP 9.0 – PLANNING AND DEVELOPMENT

Output 9.1 – Land Development

Madam CHAIR: We will now proceed to Output Group 9.0, Planning and Development, Output 9.1, Land Development. Are there any questions?

Ms FYLES: Minister, can you explain the reasons for the new outputs of Land Development, Crown Land Estate and Environmental Management and Policy?

Mr TOLLNER: It is been done that way because the Department of Lands supports the Planning Commission, obviously, and they are tied in to so many different areas of planning.

Ms FYLES: What was the cost of the one-off additional flood mitigation works, the \$42m allocated in the annual report, and what activities are being undertaken this financial year? I know you touched on it briefly in your opening statement.

Mr TOLLNER: I did in Treasury. I said come back to it in Lands because we will have the information at hand. It is \$42.4m. The total budget is \$50m. It is split into \$42.4m on the Lands and Planning capital works program and \$7.6m on the Department of Health's capital works program for the relocation of the ambulance service in Katherine.

Ms FYLES: Are you able to break that \$42.4m down into what works are taking place? You are welcome to table the response.

Mr TOLLNER: There is \$11.8m on the Rapid Creek catchment mitigation measures, including the construction of a detention basin and flood-proofing grants ...

Ms FYLES: Retention?

Mr TOLLNER: Detention. Did I say retention or detention? I know you are an old chalkie. You pull me up on little things like that.

There is \$7.5m on the Ludmilla Creek catchment, including construction of a detention basin and the Winnellie west drain; \$300 000 to the Wadham Lagoon catchment mitigation, including upgrades of culverts and drains; \$3.23m for the Yarrowonga catchment mitigation measures, including upgrades of culverts and drains; \$900 000 to Pinelands mitigation measures, including the construction of drains; and \$1.27m funding to support the activities of the stormwater management.

Ms FYLES: What is the stormwater management?

Mr TOLLNER: I would suggest it is all tied in to flood mitigation – cleaning out of pipes and drains.

Ms FYLES: I am not sure if it is within this output, but the flood mapping, are there any works being taken on those ...

Mr TOLLNER: Land Resource Management is responsible for flood mapping. We take that flood mapping and use it to model the land management issues.

Mr WOOD: Does TIO use those maps? Because I have been getting feedback from a couple of people that their houses are now regarded as floodable and therefore their insurance has gone up. Are you making mapping available to those insurance companies and are they accurate enough for companies to use for that purpose?

Ms FYLES: I am getting the same feedback.

Mr TOLLNER: The maps are publicly available. It is something LRM puts up on its website. Who uses those maps and what they are used for really is a matter for people who access them, but I suggest that the insurance companies would look closely at that mapping as well.

Mr WOOD: I do not think they have, and in a couple of cases I know of, work has been done to reduce flooding. In another case they do not get flooded, and they have used, I think, maps the department has put out. I warn people that those maps are of too high a resolution to be used accurately. Obviously insurance companies are using them. I have not got a problem with them using them, but if they are going to be definitive about a small block of land, I think that is where the issue would come in.

Mr TOLLNER: Yes. I appreciate what you are saying.

Ms FYLES: What was the cost of the non-cash gifting of assets to the Power and Water Corporation and what were the reasons for it occurring?

Mr TOLLNER: You would be aware that when developers, and indeed the government, do headworks they have to be built to a Power and Water standard. When that occurs, and the development is complete, Power and Water takes ownership of those assets. What you ask there is a reflection of that transfer of those assets to the Power and Water Corporation – \$23.7m in total.

Ms FYLES: There was \$19m allocated towards capital works in 2016-17; what was that for?

Mr TOLLNER: New works is \$13 414m and minor new works is \$4 414m. That is broken down in BP4, if you want to have a look at that, or I can quickly whip through it now.

Ms FYLES: Is that the capital works at Berrimah North or ...

Mr TOLLNER: It is Central Australia – \$4m to do the subdivision at Ti Tree; headworks to support the development in accordance with the Berrimah North Area Plan, \$3m; and \$2m remediation of the development site and the provision of power and water supply to Darwin Waterfront Stage 2 residential development.

Ms FYLES: What is the Community Living Area reform project referred to in BP3, page 128?

Mr TOLLNER: I will ask Rod Applegate to give you the detail on that.

Mr APPEGATE: Section 8 or 9 of the *Pastoral Land Act* deals with community living areas, and whilst the *Pastoral Land Act* is largely the responsibility of the Department of Land Resource Management, the Department of Lands, Planning and the Environment does deal with the community living area section. Given that there has been a fairly long and tortured process to deal with applications under the community

living area program we thought it would be timely to do some reform on that process and see if we might be able to streamline it for the benefit of people who have put in applications for living on pastoral land but have not yet been able to get an answer on whether or not their application would be approved. It is all about business improvement processes.

Ms FYLES: Who would approve that?

Mr APPEGATE: If we came up with a better system then we would bring it back through the minister for Cabinet to consider around process reform.

Ms FYLES: There was a \$2m variation in 2015-16 financial year and a \$3m reduction in funding allocated for the 2016-17 financial year. Can you provide an explanation for those variations?

Mr TOLLNER: The main one there was the construction stimulus package, with phase two of Ludmilla Creek, \$2m. That was a one-off.

Ms FYLES: There was no budget allocated in 2015-16 for the major infrastructure program output. The estimate was revised to \$62m. What was the reason for that and could it not have been foreseen?

Mr TOLLNER: It is a one-off. The \$4m for the flood mitigation stuff drops off, which is why you are seeing that drop.

Ms FYLES: There was \$24m in other administrative services indicated as an expense in your operating statement. This is compared to \$1.4m allocated the year before.

Mr TOLLNER: It is what we went through before in relation to the transfer of those power and water assets.

Ms FYLES: There was a tender awarded for seabed mining in the NT. A \$59 000 tender was awarded in March. What were the terms of reference for the tender and will it be publicly released?

Mr TOLLNER: I will have to take that on notice.

Question on Notice No 2.4

Madam CHAIR: Would you restate that question please, member for Nightcliff.

Ms FYLES: A tender was awarded for seabed mining in the NT. A \$59 000 tender was awarded in March. What were the terms of reference for the tender and will it be publicly released?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: Is seabed mining a company?

Ms FYLES: A tender was awarded for seabed mining in the NT; I am asking you the question.

Mr TOLLNER: Yes, I will take that on notice. I think it is a company that is doing a bit of geotechnical work for the boardwalk.

Madam CHAIR: The question asked by the member for Nightcliff has been allocated the number 2.4.

Answer to Question on Notice No 2.2

Mr TOLLNER: Can I give an answer to a question on notice, very quickly. Question on Notice No 2.2 – the total number of supernumerary staff for the department was 39.

The committee suspended.

Madam CHAIR: We will continue with Output 9.1.

Ms FYLES: Minister, what are you doing to resolve increasing uncertainty about the future of the town of Jabiru? What is the status of the native title claim over the township? What arrangements are in place to settle the claim?

Mr TOLLNER: The Territory government has little involvement. The future of the township is largely a Commonwealth matter, a matter for Energy Resources of Australia and the traditional owners. Currently, of course you would be aware, there is some discussion about extending the mine's life; however, if those discussions prove fruitless, it is my understanding that the mining company is obligated to rehabilitate the area where it has a lease, which includes the township. Apart from supplying some services to that township, it is really a matter for the federal government, along with the traditional owners and the mining company.

Ms FYLES: Did you articulate that in a letter last year to the Commonwealth?

Mr TOLLNER: I do not know that I had to articulate that in a letter to the Commonwealth; it is clearly the case.

Ms FYLES: But did you write to the Commonwealth and the Northern Land Council asserting that the future of Jabiru is a Commonwealth issue?

Mr TOLLNER: Yes, we basically outlined to the responsible Commonwealth minister that this is a matter for the Commonwealth to deal with.

Ms FYLES: How many departmental staff and other resources are dedicated to resolving issues relating to the future of Jabiru and what are the key actions and milestones you are working to in terms of more certainty about the future?

Mr TOLLNER: There is a range of agencies that are impacted by the negotiations taking place between the Commonwealth, ERA and traditional owners. Until there is a finalised outcome from those discussions it is a bit hard to determine exactly what the impact is on the Territory government.

Ms FYLES: Minister, in November 2013 the *NT News* reported that preliminary talks had begun between the NTG and developers to turn the Bagot Aboriginal Community into a normal suburb. The *NT News* reported you as saying that was an election commitment. Where are you up to with that 2012 election commitment?

Mr TOLLNER: Currently Bagot Community Incorporated is under administration, so we have been having discussions with the administrators in relation to what is intended to occur there. At this stage there has been no outcome from those discussions.

Ms FYLES: That same report reported that you said existing residents would be offered their houses on condition they were brought up to acceptable community standards. How has that progressed and how many houses at Bagot are now at that standard?

Mr TOLLNER: That has not progressed because that community government council is currently under administration.

Ms FYLES: In October 2013 the Chief Minister told the Assembly there was a review under way by the Minister for Lands and Planning on how we can assist town camps transition to a range of opportunities, or stay the same. I understand that a task force was established and led by your department for that purpose. Where are things at, after more than two years? What are the key recommendations of that review and is there a report available?

Mr TOLLNER: Member for Nightcliff, I am not aware of the review you are talking about and neither is my Chief Executive Officer.

Ms FYLES: In October 2013 the Chief Minister announced it and minister Chandler said in debate on town camps, on 27 November 2103, 'There are no shonky deals here; this is open and accountable'

Mr WOOD: It was split into two: one for minister Price and one for your department.

Mr TOLLNER: I know that minister Price is conducting a review of town camps across the Northern Territory. I started as minister in this portfolio in 2015, along with the chief executive, who started at much the same time. I am not aware of work that had been done prior to that. However, I am aware that minister Price is doing work in relation to reviewing town camps.

Ms FYLES: So this is not that review, it is a separate review. In October 2013 the Chief Minister said in the House – I find it astounding that - I understand that you and your chief executive have come in, but surely between minister changes we do not just lose track of projects.

Mr TOLLNER: When we both started, that work was not occurring within the department, so it must have been transferred at some stage prior to that to minister Price's portfolios.

Ms FYLES: The Chief Minister said that there would be a review undertaken by the Minister for Lands and Planning. The minister at the time, in the House, said they would be open and accountable, yet somehow that review has been lost.

Mr TOLLNER: I cannot comment. It is not something that has occurred whilst I have been in the job.

Ms FYLES: So every time we change ministers under your government you just shift responsibility?

Mr TOLLNER: No. I cannot comment ...

Ms FYLES: It seems a bit like that. We have the Chief Minister telling us that a review took place. We had the minister at the time saying they would be open and accountable, yet you are saying you are a new minister and your chief executive is new, and therefore you have no idea. We all know the government has no idea reshuffle to reshuffle, but this is an example of the chaos impacting on work that should be followed through.

Mr TOLLNER: The work is occurring; it is being done by minister Price.

Ms FYLES: You are not sure of that. You just said that a few moments ago.

Mr TOLLNER: I just told you the work is occurring with minister Price. It was not a responsibility of this department when I took the job on.

Ms FYLES: In October 2013 the Chief Minister told the Legislative Assembly that your department would be responsible on how we can assist town camps transition, and that a report would be available. The minister at the time, minister Chandler, confirmed that there would be no shonky deals; it would be open and accountable. Two years later I am asking for the recommendations of the review, but you do not even know where the review has gone.

Madam CHAIR: Would you like to take that on notice?

Mr TOLLNER: It was not a question. It was a statement.

Ms FYLES: It is a straightforward question, minister.

Mr TOLLNER: What is the question? Ask it again. There was no question in that. You just made a long, drawn-out statement.

Ms FYLES: Minister, in October 2013 the Chief Minister told the Legislative Assembly there was a review under way by the Minister for Lands and Planning on, 'How we can assist town camps transition to a range of opportunities, or stay the same'. A task force was established, led by your department for that purpose. After more than two years, I am asking for an update on the key recommendations of that review. Is there a report available? Are there key recommendations and where are they at?

Mr TOLLNER: This department does not have a report available.

Ms FYLES: You are the incoming minister and you choose to ignore what the Chief Minister said previously in the House. Are you willing to take the question on notice and come back to us?

Mr TOLLNER: I have given you an answer.

Ms FYLES: So you are not willing to take the question on notice and see where the work was at and if a report was done?

Mr TOLLNER: You are asking me about something that happened in 2013.

Ms FYLES: I am asking something that is important that has happened under your government.

Mr TOLLNER: I have just told you there is a review taking place with minister Bess Price.

Ms FYLES: I do not think that is the same review because this was talked about in 2013 by the Chief Minister. I am asking you to take those three questions on notice.

Mr TOLLNER: I am not taking them on notice because I have given you an answer.

Ms FYLES: So two years later, anything the Chief Minister says – he can say things but we cannot follow through and check up?

Mr TOLLNER: That is another statement.

Ms FYLES: So you are refusing to answer the question in regard ...

Mr TOLLNER: No. I have given you an answer. I have been absolutely up front with you. I have told you this department does not have that review completed. There are no review findings and it is a matter for minister Price to answer.

Ms FYLES: That is your view ...

Mr TOLLNER: I am telling you my view. I can only comment on when I came into this job and when my chief executive officer came into this job. I can tell you there has been no review going on whilst I have been in this job or the chief executive officer has been in that job. That review is currently being done by minister Bess Price. You might think that is not an answer, but I am telling you it is.

Ms FYLES: I appreciate that the chief executive and yourself have come into the job fairly recently. I am asking if you could go away, look at the question and come back to us with an answer. I appreciate you might not know the information here today.

Mr TOLLNER: I have given you the answer.

Ms FYLES: So you are not willing to take that question on notice?

Mr TOLLNER: I have answered the question.

Ms FYLES: Your Chief Minister said in October 2013 that your department would be undertaking a review. You could come back, if you take this question on notice, and let us know formally that the review definitely was handed to minister Price. I think there is some confusion about which review – I am asking you to look to before you took on the role to see where the work was at. It is an important review the Chief Minister announced, something minister Chandler said would be followed through.

Mr TOLLNER: I have given you an answer.

Ms FYLES: So you will not take the question on notice.

Mr TOLLNER: There is nothing to take on notice.

Ms FYLES: There are three questions. The Chief Minister told the Assembly there was a review by the Minister for Lands and Planning, by the department. A task force was established. These are the Chief Minister's words, not mine. We want to know, after two years, what the key recommendations of that review were and if there was a report available.

Mr WOOD: I do not think you will get an answer there. So could we move on?

Madam SPEAKER: Are you happy to move on?

Ms FYLES: Yes, because the minister will not answer the question.

Mr TOLLNER: I have answered the question.

Ms FYLES: Bagot Community Incorporated, which is the leaseholder of the Bagot lease, went into voluntary liquidation in October 2015. Media at the time reported that action was taken in the face of threats of legal action from the Power and Water Corporation regarding \$700 000 in unpaid water and sewerage bills. You were the minister responsible for the lease and for the Power and Water Corporation at the time. What was your role in that decision-making?

Mr TOLLNER: None.

Ms FYLES: So, as the minister responsible for both the lease of the Bagot Community and Power and Water, you played no role in the Bagot Community going into voluntary liquidation?

Mr TOLLNER: None whatsoever.

Ms FYLES: I understand an arrangement has been made whereby the Bagot Community is now looking to amend its lease, enabling land in the Bagot area to be used for residential development as an opportunity to create income that can be used to repay debt. What changes are being considered to the Bagot lease to enable that plan, in your role as Minister for Lands and Planning?

Mr TOLLNER: None at this stage.

Ms FYLES: How many leases are there over the Kululuk area and what sort of leases are there? Would you be able to provide copies of the Kululuk leases?

Mr TOLLNER: As at March the Gwalwa Daraniki Association are holders of Crown Lease in Perpetuity 671 over Lot 5182 Town of Darwin and Lot 8630 Town of Nightcliff.

Ms FYLES: Are you able to provide copies of the leases?

Mr TOLLNER: We can dig them up; they are on the ILIS.

Ms FYLES: Are you able to provide details describing the reasons for the leases originally given to the Kululuk people?

Mr TOLLNER: Yes, they are on the lease statement. If you would like I will dig that up on ILIS and report back to you.

Ms FYLES: Madam Chair.

Mr TOLLNER: We can take it as a question on notice, yes.

Question on Notice No 2.5

Madam CHAIR: Could you please restate the question for the record, member for Nightcliff.

Ms FYLES: Can the minister describe how and for what reasons the leases were originally given to the Kululuk people? Who were the beneficiaries of the leases at the time the leases were granted? Further to that, who are the beneficiaries of the leases currently? I assume you need to take that on notice.

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: Yes.

Madam CHAIR: That question asked by the member for Nightcliff of the minister has been allocated number 2.5.

Ms FYLES: Minister, can you provide the names of who currently holds the Kululuk lease?

Mr TOLLNER: The Gwalwa Daraniki Association Incorporated.

Ms FYLES: In the information notice you provided when you made your decision to reject the heritage listing, you stated the current leaseholder is acting as a custodian for the cultural values of the site. Who is that person acting for and can you name the people who the custodians are acting on behalf of?

Mr TOLLNER: It is the Gwalwa Daraniki Association Incorporated.

Ms FYLES: Will you table the Heritage Council report?

Mr TOLLNER: I will have to take that on notice, but, gladly.

Question on Notice No 2.6

Madam CHAIR: Could you please restate the question for the record, member for Nightcliff.

Ms FYLES: Minister, will you table the Heritage Council report?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: I do. I imagine that is publicly available, but, anyhow, I will get it for you.

Madam CHAIR: The question asked by the member for Nightcliff of the minister has been allocated the number 2.6.

Ms FYLES: Minister, how many of the Kulaluk leases are subject to development applications and what are the nature of these applications?

Mr TOLLNER: I will take that on notice.

Question on Notice No 2.7

Madam CHAIR: Could you restate the question please, member for Nightcliff?

Ms FYLES: Minister, how many of the Kulaluk leases are subject to development applications and what are the nature of these applications?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: I do.

Madam CHAIR: The question asked by the member for Nightcliff of the minister has been allocated the number 2.7.

Ms FYLES: Minister, I appreciate that you have taken that question on notice, but you did have some information before you. Have you had meetings with any of the proposed developers of the Kulaluk leases?

Mr TOLLNER: I take it you are talking about the Gwalwa Daraniki Association leases? Kulaluk is a town camp on that land.

Ms FYLES: Yes, minister.

Mr TOLLNER: I take it you are talking about the Jape development, behind McDonald's?

Ms FYLES: I am asking you the question, have you had meetings with any of the proposed developers of the Kulaluk leases?

Mr TOLLNER: I have seen a proposal that has been put forward by the Jape Group. I am not too sure where that is in process at this point in time and that would be the only – sorry, along with of course the Gwalwa Daraniki Association itself – meetings I have had in relation to any developments anywhere on that Gwalwa Daraniki land.

Ms FYLES: Without obviously disclosing any commercial-in-confidence matters, can you describe the meetings – the times you have met and who attended – and have you given any undertakings to developers?

Mr TOLLNER: I have given absolutely no undertakings to developers. The briefing I received from the Jape Group was prior to me becoming the minister for Lands and Planning. I have only seen it as a concept plan. I understand they are working with the leaseholder, the Gwalwa Daraniki Association. I have met a number of times with the Gwalwa Daraniki Association going back well over 10 years. The Gwalwa Daraniki Association has always impressed me as an organisation that is interested in self-sustainability, self-determination. They have always expressed an interest in commercial development on their land, going as far back as when I first met them with the mud crab farm they tried to get operating.

Ms FYLES: Have you seen the original lease documents, in relation to why the Kulaluk leases were first issued?

Mr TOLLNER: Yes, I have. I do not have them with me at the moment. I could not recite them by rote but, yes, I have seen the original leases.

Mr WOOD: Madam Chair, we have been going two hours and I think we have one small question. I think the Independents would like some time.

Madam CHAIR: Yes, we have an hour ...

Mr WOOD: I appreciate there are lots of questions.

Madam CHAIR: ... left, approximately, for Lands and Planning, so if you would like to go ahead, member for Nelson.

Mr WOOD: Minister, on page 32 of the annual report it mentions grants provided in June but not published in the 2014-15 budget. Could you show us where they are in this year's budget?

It says in your annual report:

The final approved budget also included an increase of approximately \$10m provided to the department for the transfer of capital works program items to grants as an alternative delivery method.

The additional grants were provided in June 2015 and were not part of the Budget Estimate for 2014-15 as published in April 2015.

If that is so, they should, I would imagine, be seen in this year's budget, and I could not find them.

Mr TOLLNER: They are clearly shown in this year's budget but it would be a global figure and I will get you a full breakdown of how that money was allocated. If you want I can take that question on notice and provide you with that detail.

Mr WOOD: Would it be the Berrimah North, Darwin Waterfront and ...

Mr TOLLNER: I cannot comment on that, member for Nelson. It may or may not be but we will make an effort to get you that information.

Question on Notice No 2.8

Madam CHAIR: Could you restate the question please, member for Nelson.

Mr WOOD: Minister, page 32 of the annual report mentions grants provided in June but not published in the 2014-15 budget. Is it in this year's budget?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: Yes I do.

Madam CHAIR: The question asked by the member for Nelson of the minister has been allocated the number 2.8.

Mr WOOD: Minister I know I will get a serve from you about the sewerage at Howard Springs Activity Centre but I will still ask the question. Why has that sewerage project for Howard Springs now been put on hold, because it does not appear to be in this year's budget? It was meant to start this year.

Mr TOLLNER: It has not been put on hold; the design work is occurring and that is happening after, I have to say, a lot of opposition from the local member.

Mr WOOD: I knew that was coming, but there is no figure in the budget for something you said in parliament was going to start in 2017, so where is the money allocated for the design work? I could not find it in the revotes either.

Mr TOLLNER: Member for Nelson, it is on the design list; work is happening. It will appear on the Department of Infrastructure's budget.

Mr WOOD: They were not the ones running the public meetings; Lands and Planning ran the meetings.

Mr TOLLNER: Yes, there is, I suppose, a global budget held in the agency, and there is design work contained in that for that rising main.

Mr WOOD: Whose responsibility is the project because it was planning last year?

Mr TOLLNER: No, it is the responsibility of the Northern Territory government. Lands and Planning did the initial work and it has been passed on to the Department of Infrastructure to do the more detailed design work.

Mr WOOD: Just in following that one up, could you give us an update on the design of the sewer pump station and drainage works at Humpty Doo, and when will that work start? This was worth \$3.5m in last year's budget but it does not appear in this year's, unless it has been completed; I have not seen those works down there. I took that out of the annual report, \$3.5m, page 21.

I am interested because my understanding is this is holding up new residential development within Humpty Doo; I might be wrong. Would it not be nice to have a retirement village on Crown land in Humpty Doo.

Mr TOLLNER: Would it not be great to have some development.

Mr WOOD: Yes, and you own quite a bit of land, minister, not you personally, at least I do not think so, and you have never developed it.

Mr TOLLNER: Member for Nelson, I will take your question on notice.

Question on Notice No 2.9

Madam CHAIR: Could you please re-state the question, member for Nelson?

Mr WOOD: Minister, can you please give an update on the design of the sewer pump station and drainage works at Humpty Doo, and when will that work start? This was worth \$3.5m in last year's budget but it does not appear in this year's budget.

Madam CHAIR: Do you accept the question minister?

Mr TOLLNER: I do.

Madam CHAIR: The question asked by the member for Nelson of the minister has been allocated the number 2.9.

Mr WOOD: Minister, where are the completed infrastructure studies for Humpty Doo, Howard Springs, Coolalinga, Freds Pass, Berry Springs and Noonamah? What was the cost of those studies, who did the studies and are those reports now public? That was in the annual report on page 21. This is the only chance I have to find out if that has all been completed. I need details with it, please.

Mr TOLLNER: I am not too certain what you are referring to, member for Nelson.

Mr WOOD: Regional highlights for Darwin and Palmerston in last year's budget.

Mr TOLLNER: I have some information here for you. Berry Springs has infrastructure investigations being conducted by the department with the consultancy, Jacobs. Litchfield area it is not complete. The expected completion date is 13 October. I will have to get you some more detail here, member for Nelson. I will take the question on notice.

Question on Notice No 2.10

Madam CHAIR: Could you restate the question, member for Nelson?

Mr WOOD: Minister, where are the completed infrastructure studies for Humpty Doo, Howard Springs, Coolalinga, Freds Pass, Berry Springs and Noonamah as mentioned in the Regional Highlights on page 21 of the annual report for last year? What was the cost, who did the studies and will those reports be made public?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: Yes.

Madam CHAIR: The question asked by the member for Nelson to the minister has been allocated the number 2.10.

Mr WOOD: Minister, what are the details of the Glyde Point utilities and road corridor, and the acquisition of land required from Koolpinyah Station? That is on page 35 of the annual report. Basically I am asking what the process is for removing land from Koolpinyah Station for that road corridor, and is there monetary compensation or some other form of compensation? If so, are we allowed to have the details of that compensation package?

Mr TOLLNER: Normal acquisition of land is – there is a process to go through. I am not aware of that occurring at this stage, but I am happy to take it on notice and get some more detail on it.

Mr WOOD: Pastoral properties are leasehold, so is compensation different than if it was freehold, because you own the land?

Mr TOLLNER: I can shortcut this for you. It is actually a question for the Department of Transport and I will have information for you on it.

Mr WOOD: It is on page 35 of the annual report.

Mr TOLLNER: Yes, we just got word that DoT is hot to trot on it, and it is in its budget too, member for Nelson.

Mr WOOD: Okay. Lucky we had not gone past the Department of Transport or we would have been in trouble.

Madam CHAIR: I know the Kilgariff subdivision is being funded by the Land Development Corporation for the most part. I am wondering how much money Lands and Planning has poured into Kilgariff since 2012 when this government took over? Has it been completely Land Development Corporation?

Mr TOLLNER: Yes, it is in the main Land Development Corporation which is doing that work. The vast majority of it would be in its budget. I can inform you that we have put some work into the augmentation of water services and some infrastructure outside of that development, which I am happy to take on notice and get a response for you on. But in the main, it is funded through the Land Development Corporation.

Madam CHAIR: I will put that question on notice.

Question on Notice No 2.11

Madam Chair: I will restate the question for the record as the member for Araluen. How much money has the Department of Lands and Planning put into the Kilgariff subdivision since 2012?

Do you accept the question, minister?

Mr TOLLNER: Yes, absolutely.

Madam CHAIR: The question has been allocated number 2.11

Madam CHAIR: Kilgariff was not connected to the NBN. Apparently it was up to the developers to apply for that when it was being developed. Was that your responsibility to do that?

Mr TOLLNER: No.

Madam CHAIR: Are you the developers?

Mr TOLLNER: No, the Land Development Corporation is the developer.

Ms LAWRIE: Minister, there have been two pink signs on the Stella Maris fence. Could you please explain what they are?

Mr TOLLNER: Well we ain't renting the joint to the unions for nothing! I will give you a deeper explanation, member for Karama. Following the Stella Maris Inquiry and subsequent report, the Stella Maris site was released for low-scale community and commercial development via a public, competitive expression of interest process on 19 August 2014.

On 11 November 2014 the Chief Minister made a public announcement that the assessment panel identified the National Trust as the preferred proponent. The National Trust NT's expression of interest proposed three components for the site: a museum inside the heritage-listed old railway house building; a café; and office accommodation. The National Trust was granted an initial Crown lease over the site for a period of six months in order to undertake due diligence and develop business cases for each of the components. That lease expired on the 6 February 2016.

In order for the initial lease to be exchanged for a longer lease, the National Trust was required to provide business cases that demonstrated the feasibility of its proposal for each area of the site. The National Trust NT's business case for the old railway house and car park area of the site was found to be satisfactory and a 10-year lease over the old railway house to the National Trust NT and a non-exclusive licence over the car park are now currently being finalised.

The National Trust advised it had no interest in leasing the balance of the site, and as such its tenure over these areas, which is approximately 1500 m², has expired.

The remainder of the site, which includes two buildings, will now be available for applications via the Community Land Grant Scheme, and the pink signs are in relation to the museum being established by the National Trust.

Ms LAWRIE: One of the pink signs is in relation to the museum being established by the National Trust. My understanding is the second pink sign is in relation to the remainder of the site, the 1500 m². Can you confirm that?

Mr TOLLNER: I think you are right, member for Karama. The 1500 m² site is available for other community groups.

Ms LAWRIE: Could you be more specific on the details of that second pink sign because I understand it includes commercial use? It is not for community use; it is for a range of options, including commercial use. If you could provide specific information for the second pink sign?

Mr TOLLNER: As I said, the Stella Maris site was released for low-scale community and commercial development by public, competitive expression of interest on 19 August.

Ms LAWRIE: I am not interested in the EOI process. That has moved on. We now have two pinks on the site: one is the National Trust-associated pink; the second pink is for the remainder of the site, 1500m². Could you please provide the details?

Mr TOLLNER: I just did. I said it is available for low-scale community and commercial development.

M LAWRIE: So, it is available for commercial development.

Mr TOLLNER: Yes, via a Community Land Grant Scheme.

Ms LAWRIE: Let us be specific here. Could that 1500m² be used for commercial development?

Mr TOLLNER: Yes. Providing it supports the Community Land Grant Scheme.

Ms LAWRIE: That is pretty broad. Could you provide a copy of the Community Land Grant Scheme?

Mr TOLLNER: It is out there publicly.

Ms LAWRIE: I am just asking would you provide a copy of the Community Land Grant Scheme?

Mr TOLLNER: You ought to know it pretty well. The Community Land Grant Scheme evolved from the Stella Maris Inquiry.

Ms LAWRIE: Could you please provide a copy of the Community Land Grant Scheme? I am happy for it to be a question on notice, if that suits.

Mr TOLLNER: The pink signs relate to a development application for a change of use to a museum that was advertised on 15 April 2016 for a two-week period. It is just for the old railway house that is closest to McMinn Street. The application has since been approved.

Ms LAWRIE: I am asking about the second pink, minister, not the National Trust pink. Where is that at? Have applications been made? If so, who has applied? What are the details of the applications and what is the timeline for the decision? Has a decision been made?

Mr TOLLNER: I do not know who has applied. It is available for a Community Land Grant. A community organisation can run it. If they have some commercial aspect to it, they can do that as well. Applications are still open.

Ms LAWRIE: Can you confirm the date for close of applications?

Mr TOLLNER: I will take that on notice.

Question on Notice No 2.12

Madam CHAIR: Restate the question please, member for Karama.

Ms LAWRIE: Please confirm the date for close of applications on the 1500m² remainder of the Stella Maris site to which a pink currently applies, and would you provide the details of the applicants?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: Yes.

Madam CHAIR: The question asked by the member for Karama of the minister has been allocated the number 2.12.

Ms LAWRIE: In relation to the 10-year lease negotiations with the National Trust, minister, has there been a request by the National Trust for government funding to support that lease?

Mr TOLLNER: Not that I am aware of.

Ms LAWRIE: Would you take it on notice because this is actually being asked ...

Mr TOLLNER: No. I have just told you I am not aware of it.

Ms LAWRIE: Minister, would you provide me with the information to confirm whether or not the National Trust has requested funding to support its operation under the 10-year lease of the Stella Maris site.

Mr TOLLNER: Not that I am aware of.

Ms LAWRIE: I am not asking whether you are aware of something; I am asking whether or not there has been a request by the National Trust for funding to support its operations. You may not be aware as minister, but the department would be. This is the estimates process, this is the expenditure of public funds, so I do not know why you are not prepared to provide that information.

Mr TOLLNER: They are constructing a museum. I do not know what they have asked the Department of Arts and Museums for. I am not aware of any applications that have been made to this department. What other applications have been made to other departments and agencies is a matter for them.

Ms LAWRIE: I am not asking of what you are or are not aware of minister. You may not be aware but the department would be. This is the scrutiny of public expenditure. It is a simple question. Has there been an application from the National Trust for government funding to support the operation of the site.

Mr TOLLNER: No.

Ms LAWRIE: Thank you, minister. In terms of the 10-year lease to the National Trust, you said that negotiations were under way. When will they be completed? Is there a time line for that?

Mr TOLLNER: No, negotiations are occurring in good faith.

Ms LAWRIE: Okay. Would there be a public statement when they are finalised with the details?

Mr TOLLNER: Absolutely.

Ms LAWRIE: Excellent. Minister, my question is in relation to the proposal to allow for dual occupancy of lots of 1000 m² and above. Information provided by government into the public arena says there are some 2500 lots that would be affected Territory-wide. I believe that was in a press release. If that figure is wrong I would be happy to get the actual figure of lots across the Territory of 1000 m² and above.

Mr TOLLNER: I would have thought after the last beat up you copped in the parliament from not knowing this you would have taken the effort to read what is publicly available out there.

In the greater Darwin area there are some 2967 lots; in Alice Springs there are 1512 lots; in Katherine there are 294 lots; and in Tennant Creek there are 204 lots.

Ms LAWRIE: Could you provide the suburbs in the greater Darwin area where those 2967 lots exist please.

Mr TOLLNER: No, I do not have that breakdown.

Ms LAWRIE: Could you take the question on notice?

Madam CHAIR: Could you restate that question, member for Karama.

Ms LAWRIE: Please provide the list of suburbs in which the 2967 lots in greater Darwin of 1000 m² or more exist.

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: No.

Ms LAWRIE: Why not?

Mr TOLLNER: Because my job is not to do your job for you. This document has been out for discussion since March this year. There are very detailed pictures of where these lots are, scattered throughout Darwin and the regions. It is beyond belief that the member for Karama cannot get this information publicly. The member for Karama wrote to the Northern Territory Planning Commission regarding a matter of public importance, dual occupancy ...

Ms LAWRIE: Madam Chair, he has already said he will not provide the information so can I move on with a question?

Mr TOLLNER: Can I please finish my answer?

Madam CHAIR: You cannot interrupt the minister, sorry, member for Karama.

Mr TOLLNER: ... and the Litchfield Subregional Land Use Plan. This is a letter from the Chair of the Planning Commission.

Your matter of public importance, recently debated in the Northern Territory Legislative Assembly, has been brought to my attention and a subsequent interview on commercial radio. The subject of the matter of public importance was dual occupancy in the Litchfield Subregional Land Use Plan. You may be aware that many of the claims you made in both your parliamentary contribution and on radio about the proposed dual occupancy policy were incorrect. To assist you to better understand what was proposed, please find enclosed the NT Planning Commission's discussion paper released in March.

So you do have a copy of it:

Please take particular note of assessment process on page six and lot size on page four. It is very disappointing for the professional planners working with the Department of Lands, Planning and the Environment that you did not avail yourself of this public information prior to proposing the matter of public importance in the parliament. Similarly, I encourage you to read the draft Litchfield Subregional Land Use Plan that was the culmination of many, many months of community engagement and diligent work by our Planning staff. I sincerely trust that any future comments on these planning documents will be factually well-informed, but please do not hesitate to contact the Planning Commissioner.

A very nice letter.

Ms LAWRIE: Thank you, minister. On to questions?

Mr TOLLNER: Clearly you have availed yourself of this information, but you do not want to know it.

Ms LAWRIE: Thank you, minister. In relation to the 2967 lots that exist as 1000 m² and above in the greater Darwin region, could you please provide each suburb and the number of lots per suburb?

Mr TOLLNER: I have explained to you where you will get that information. I will table this, Madam Chair. It has all the information that the member requests.

Ms LAWRIE: Thank you, minister. Have you signed off on the instrument to enable dual occupancy?

Mr TOLLNER: No. A reporting body hearing has to be held prior to that occurring.

Ms LAWRIE: When do you anticipate having the report from the reporting body to sign off to give effect to dual occupancy?

Mr TOLLNER: The hearing is scheduled for 28 June, so it would be some time shortly after that.

Ms LAWRIE: Minister, thank you for the tabled document. The Darwin mid and northern suburbs and the Darwin inner suburbs, appear as graphics on page four, and on page five are images of Palmerston, Alice Springs, Katherine and Tennant Creek. These are a description; the legend is SD lots 800 m² to 900 m², 900 m² to 1000 m² and 1000 m² and above. The blue images are 1000 m² and above. Minister, can you provide a map of each of these that just have the SD lots 1000 m² and above?

Mr TOLLNER: I fail to see how that is relevant.

Ms FYLES: Minister, you will not provide the detail the community wants to see on this. You will not provide a list or a detailed map.

Mr TOLLNER: The detail is sitting there staring the member for Karama in the face.

Ms FYLES: It is not. It is an overview.

Mr TOLLNER: Have you read it?

Ms FYLES: Yes, I have read it, minister, and I have some questions too, so look forward to them.

Ms LAWRIE: Minister, this is very relevant to what the community is interested in. This is the scrutiny of what is occurring. We are just asking for factual information, so I ask again, can you provide the SD lots 1000 m² and above for Darwin mid and northern suburbs, and Darwin inner suburbs?

Mr TOLLNER: I think you will find them in the maps sitting in that document.

Ms LAWRIE: Minister, this is not unreasonable.

Mr TOLLNER: I think it is completely unreasonable. You have to understand that taxpayers' money is involved every time you want to gallivant off on some little flight of fancy, trying to misrepresent government.

Ms FYLES: Minister, these are significant changes to our suburbs. All we are asking for is the detail.

Mr TOLLNER: There are no significant changes to our suburbs. Again, this is misrepresentation of exactly what is going on. There is no significant change to any suburb.

Ms FYLES: Territorians want to know how many blocks you are carving up and the impact on our suburbs.

Mr TOLLNER: We are not carving up any blocks. There is not a single block that government is carving up. Let us get this straight; all this dual occupancy law will change is to allow people, if they so desire, to make application to divide their block. They have to go through a process of community consultation – all the processes you need in any subdivision application. This is in no way known ...

Mr WOOD: Except Stow Road.

Mr TOLLNER: ... a green light to allow that to happen.

Ms FYLES: Considering that introducing changes to the Planning Scheme to provide for dual occupancy was not one of the department's strategic priorities for 2015-16, according to the department's annual report, can you advise why at this late stage it has been introduced well after the Planning Commission has undertaken its consultations around development of land use plans across Darwin, the rural area and Alice Springs? Why is it so difficult for you to provide detail here today?

Mr TOLLNER: This is a policy position going back to the previous government. You may recall – maybe you do not – the previous government asked exactly the same question with no result.

Ms FYLES: We are asking the questions of you and you are refusing to answer them.

Mr TOLLNER: That is right. As I have said, the Planning Commission has done very detailed public consultation. It has been very proactive in the way it has managed this issue. This is not carte blanche rights for everybody to chop their blocks up.

Ms FYLES: That is how the community feels.

Mr TOLLNER: People still have to go through a very detailed and difficult process, and in the vast majority of cases people will not be doing it. Again, opposition and the Independent member for Karama want to fear-monger, suggesting that government will chop these blocks in half. Government is not doing anything; people have to apply and go through a process. The suggestion that government is doing something is completely wrong.

Mr WOOD: There might be special circumstances. Special circumstances come into it sometimes.

Mr TOLLNER: In limited circumstances that happens.

Mr WOOD: Yes, yes.

Ms LAWRIE: It is pretty special for a member of parliament, I am sure. Minister, in the document you tabled it says 'larger versions of the above plus other maps indicating lot sizes are available on the Planning Commission website'. I am specifically asking for not these maps with the pink, green and blue, but just the blue, the single dwelling lots of 1000 m² and above. Is that map available?

Ms LAWRIE: Go on to the Planning Commission website. As they say in that document, there is greater detail on the Planning Commission website. Member for Karama, I find it distasteful that you are expecting everybody else ...

Ms FYLES: We do not really care about your tastes. We are asking questions and you are refusing to answer them.

Mr TOLLNER: My taste is the fact that I have a department that has a job to do, not running around on a folly of the member for Karama when that information is publicly available.

Ms FYLES: These are questions the community want answered and you will not answer them here today.

Mr TOLLNER: The answers to those questions are publicly available.

Ms FYLES: Why will you not answer it now?

Mr TOLLNER: Why does the member for Karama ...

Ms FYLES: It is nothing to do with the member for Karama.

Mr TOLLNER: ... run an MPI without asking or discussing with the Planning Commission first? Why does the member for Karama ...

Ms LAWRIE: You are kidding me, aren't you? I have to get the Liberal lackey's permission to run an MPI?

Mr TOLLNER: That is offensive.

Ms LAWRIE: You are joking!

Mr TOLLNER: That is absolutely offensive.

Madam CHAIR: Can we stop interjecting. The minister has the call.

Mr TOLLNER: What you might want to do is seriously think about getting on to the Planning Commission's website, getting a full understanding of what that site says, and then asking your inane questions. But you do not even do the most initial bit of exploratory work. It is not my job to get department officials running around tidying up after you because you cannot be bothered visiting a website.

Ms LAWRIE: Minister, between the recommendation from the authority and prior to you signing off on dual occupancy, will you be consulting with the residents affected by your decision? Will you do another round of consultation?

Mr TOLLNER: Explain to me which residents are affected.

Ms LAWRIE: Anyone sitting on a single dwelling lot of 1000 m² above and their neighbours. Will you write to them in a final round of consultation to say, 'This is what I am considering doing, can I have your views?', before you decide to do that?

Mr TOLLNER: That has been done already.

Ms LAWRIE: No, by you, minister? You are the minister.

Mr TOLLNER: We have a Planning Commission for these things.

Ms LAWRIE: It is a simple question. Will you consult?

Mr TOLLNER: No.

Ms LAWRIE: Thank you.

Mr TOLLNER: It is the Planning Commissioner's job to consult.

Ms LAWRIE: So you will not consult. No have said no.

Mr TOLLNER: It has been very proactive about this. I am not writing to everybody every time a decision has to be made. We have institutions in this government and that is their role. They are out there ...

Ms LAWRIE: Minister, clearly you will not consult.

Mr TOLLNER: ... constantly consulting.

Ms LAWRIE: You have made it clear you will not consult.

Mr TOLLNER: Unlike the member for Karama, who cannot seem to do the most menial basic work ...

Ms LAWRIE: All right, you will not consult. You have already said no.

Mr TOLLNER: ...to help her own case.

Ms FYLES: Minister, in terms of consultation, you stated in a response to a written question that consultations did occur in various regions. Can you confirm that this was part of the development of the land use plans and not specifically about dual occupancy?

Mr TOLLNER: There has been an enormous amount of consultation done by the Planning Commission. The Planning Commission is proactive when it comes to consulting, so before any plans are made it is out ...

Ms FYLES: Minister, it was a very specific question ...

Mr TOLLNER: I am answering your question.

Ms FYLES: ...was there consultation specifically on dual occupancy?

Mr TOLLNER: Absolutely there was. The Planning Commission consults deeply. The major part of its job is to understand community expectations and work within the community that we all live in. It has gone out of its way to consult. The document the member for Karama is now holding is a part of that consultation process; it is evidence of the work the Planning Commissioner has done in that regard.

Ms FYLES: Minister, you confirm that the consultation was part of the development of the land use plans and not specifically about dual occupancy? It is a specific question.

Mr TOLLNER: The Planning Commission specifically consulted on dual occupancy and it has specifically consulted on land use plans. It is not one or the other; it has done both.

Ms FYLES: Minister, we are seeing the potential to change our cities and towns significantly. We, not that long ago, had the land use area plans, which were developed with no mention of dual occupancy in them.

It is not in the department's own strategic priorities. It is a very interesting way it has been brought onto the community in a fairly short time frame. I think the first inkling of this was in March ...

Mr TOLLNER: No.

Ms FYLES: The first time the public heard about it was right before Easter, in the school holidays. There was a month of the Planning Commission and then there has been the last month, so this is a significant policy shift. It is not even in your own department's strategic priorities for 2015-16. We saw area plans which - I know community members; I got involved in those area plans and developed them in detail, but they are now different because dual occupancy comes in over the top. It changes the nature of our suburbs. We know you do not understand that and you are not listening to residents' concerns, but these questions today are important.

We want to see which suburbs, which areas, will be impacted by these changes. The Planning Commission – the information I have seen is quite broad. They are maps; they show my suburb and they have bits that are painted pink and bits that are painted green. It does not have the detail, and that is why we are questioning you today: to, one, see the detail, and two, around the consultations.

Mr TOLLNER: No one will be impacted until someone makes application to subdivide their block. Do you understand that?

Ms LAWRIE: Potential impact.

Mr TOLLNER: Now we are talking about potential impact.

Ms LAWRIE: It is significant. It is transforming the Territory.

Mr WOOD: Like Stow Road – potential impact. More people will go and get special provisions when you are finished. You should have done rezoning.

Ms LAWRIE: There are 2967 lots in greater Darwin; that is a significant impact, and 1512 lots in Alice Springs is a significant impact, yet you will not even provide the maps.

Mr TOLLNER: You seem to think that tomorrow ...

Madam CHAIR: Is that a question member for Karama?

Mr TOLLNER: No it is not; it is just a rant.

Ms FYLES: One final time, minister, all we are asking is for the maps of Darwin, Katherine and Alice Springs so people can understand – 1000 m² maps.

Mr TOLLNER: I do not know if you can see this; this is an iPad. That is what is on the website.

Ms FYLES: They are banned in my house.

Mr TOLLNER: They are very detailed. You can look at them in as much detail as you can. You can see your street where you live, and you can see the block where you live.

Ms FYLES: With the 1000 m², not 800 m²

Mr TOLLNER: Absolutely; it is all sitting on the website. All you have to do is go into the Planning Commission website. It is sitting there, all of the explanation is there; you seem to think this is the only ...

Ms LAWRIE: But, minister, we are asking for a map with only the lots potentially affected. Just the 1000 m². The maps you have indicate three different options ...

Mr TOLLNER: They are on the website.

Ms FYLES: They are not; they are different.

Mr TOLLNER: That is right, but they show you the 1000 m² blocks.

Ms LAWRIE: Strip the other two out and give us the facts that are currently under consideration.

Mr TOLLNER: You cannot tell the difference between green, blue and red?

Ms FYLES: Minister, what we are talking about is a significant shift. It is not in your strategic plans and you will not give the community the full information.

Mr TOLLNER: It is not a significant shift. How many people, as a percentage, do you possibly imagine of that 2900 across the Territory are going to run out and subdivide tomorrow?

Ms LAWRIE: How many?

Ms FYLES: That is the information you should be sharing.

Mr TOLLNER: Very few indeed.

Ms LAWRIE: Have you done a survey?

Mr TOLLNER: All this says is that if you have a large block we will consider allowing it to be subdivided. There still has to be a community consultation process. There still has to be a whole range of things. You have to make sure that the sewerage, water and electricity infrastructure is up to scratch to do this.

Mr WOOD: Special provisions are available. There are little blocks over the road. There is a caravan park down the road. Make it up as you go along.

Mr TOLLNER: All these things need to be taken into account. They go to the Development Consent Authority or, hopefully, the Planning Commission to look at these things.

Ms FYLES: The next change we are going to move onto.

Mr WOOD: That is the next change.

Madam CHAIR: Any more questions about Output 9.1?

Ms FYLES: Lots but he is refusing to answer.

Mr TOLLNER: I am not refusing to answer anything. I am just not being silly like some people in this room who are trying to whip up a storm of fear when none exists. You can flog it as hard as you like but this is a very low-impact policy indeed. It is completely nuts that you would be running around whipping up fear ...

Ms LAWRIE: There are 2967 lots across Darwin.

Mr TOLLNER: ... given that you tried to do it when you were Lands and Planning minister, member for Karama.

Ms LAWRIE: Rubbish.

Madam CHAIR: That concludes consideration of Output 9.1.

Output 9.2 – Development Assessment Services

Madam CHAIR: The committee will now consider Output 9.2, Development Assessment Services. Are there any questions? That concludes consideration of Output 9.2.

Output 9.3 – Crown Land Estate Management

Madam CHAIR: We will now consider output 9.3, Crown Land Estate Management. Are there any questions?

Mr WOOD: Minister, I was asked this question by a constituent. I can give you the details if you want. There was land granted to Fandango Pty Ltd – a Crown lease – Australia New Zealand Resources and the Trustee for the Crisp Family, and I think another portion. The description of land is that it is a grant of land of which there is no purchase price for Section 8 and 158 Hundred of Milne, Section 2882 Hundred of

Glyde – purchase price is nil – and sections 10, 11 and 20 Hundred of Milne and NT Portion 3193 – purchase price is nil. I gather these are a lease of Crown land, as of 26 October 2015, determined by you – obviously by someone delegated by you. Could you tell us why land was leased free of charge to any developers in, I presume, the Dundee area?

Mr TOLLNER: All those leases that you talk about are 10-year leases. This will be the third time they have been renewed. Those leases were paid for some 30 years ago and they go through a process every ten years of renewing the leases, hence there is no charge because that was levied.

Mr WOOD: I know they are all developers so that makes sense. My other question is, you have \$1.5m in your budget for weed control and managing fire control. I would like to make the question a lot broader. Anyone who travels around the rural area and the outskirts of Palmerston, and probably Darwin, would note not only are there a lot of weeds, especially gamba grass, there is a lot of rubbish being dumped.

Mr TOLLNER: Who spread that?

Mr WOOD: Would it be ex-Honourable Barry Coulter, who used it on Mount Bundy, by any chance?

Mr TOLLNER: It was some bloke driving their slasher around the joint who refused to clean it.

Mr WOOD: The problem is it is a serious weed, amongst other weeds, and there is a large amount of rubbish being dumped on Crown land. I think it is a little bit like graffiti. If you do not keep on top of it, it will continue to grow. In areas in my electorate along Thorngate Road in the pine forest we have large amounts of rubbish being dumped there illegally. Do you think \$1.5m is enough to combat this problem or are we just going to throw a small amount of money at it each year to look like we are doing something? Or do you think the government should be getting in, cleaning up the land and then keeping on top of it on a regular basis to try to stop not only the weeds, but the spread of rubbish all over the place?

Mr TOLLNER: I am with you, member for Nelson; it is a big issue. Without a doubt, it is an area I have always been sensitive to, and \$1.5m is a significant amount of money. Is it enough? I am not certain. I tend to think you are possibly right that there is more you could spend on it – worthwhile money. I suppose the question is about what capability and capacity we have to do more work. I think the allocation of \$1.5m is probably the right amount, given the resources the department has at hand.

Mr WOOD: There are two other questions in this area. I am looking at page 34 of the annual report where it says priority for 2015-16 is management of development agreements for new residential and commercial land at Humpty Doo. Can you explain what that means? It is a line item in there and I am not sure what it means.

Mr TOLLNER: That would be the new metropolis, would it not?

Mr WOOD: No, this is before we had the suburb of Humpty Doo. This is while it is still a village. I do not know what it means, so what are the development agreements for new residential and commercial land at Humpty Doo? It is in your annual report page 34.

Mr TOLLNER: Could I take that on notice?

Question on Notice No 2.13

Madam CHAIR: Can you restate the question please, member for Nelson?

Mr WOOD: Minister, could you explain what the item on page 34 of your annual report means where it states the priority for 2015-16 is the management of development agreements for new residential and commercial land at Humpty Doo?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: Of course I do.

Madam CHAIR: The question asked by the member for Nelson of the minister has been allocated number 2.13.

Mr WOOD: I hope I have not mucked up there and whether that should be page 34 of the budget, because it says 2015-16. You might check that. My other question, which does relate to the annual report – I do not understand this one entirely; it says:

... launch market sounding to gauge market interest in future development of the Gobi Desert and Frances Bay Mooring Basin.

I know where the Gobi Desert is, but I did not realise it came under the department of Lands and Planning. What is the Gobi Desert?

Mr TOLLNER: There is the mooring basin, or the Duck Pond, and it is that piece of land immediately beside it.

Mr WOOD: Where the hovercraft used to come in? They use to go to the Berry Springs wildlife park.

Mr TOLLNER: Yes. Last year we requested a market sounding, which I suppose is a way of trying to assess whether there is private sector interest in that land. There are some concerns about what is underneath there.

Mr WOOD: Half of Darwin.

Mr TOLLNER: They say it is half of Darwin and it would require a lot of work. We got a couple of responses back from that market sounding. Both responses saw major development not only of that area but the entire area, including a lot of the commercial land already owned by other people. One of them was very interested in the work this side of Dinah Beach Road, so neither of them you could progress to an expression of interest stage. Government has a desire to see that land developed at some stage in the future and, given that the land is so constrained, with half of Darwin, as you put it, it might take a considerable contribution from government before there is some real interest in developing that land.

Mr WOOD: You just mentioned developing land, and I know we will disagree on these issues – you wrote me a letter which I am not overly happy with but you spoke ...

Mr TOLLNER: You selectively quoted the last paragraph only.

Mr WOOD: Just for the record I will read it, 'Gerry, it is incumbent on you as an elected representative of part of the rural area to present the facts accurately ...'. Do I tell fibs? '... rather than scaremongering ...

Mr TOLLNER: Read the first part of the letter.

Mr WOOD: No. You put that in that I am not telling the truth. You are saying I am scaremongering. I am happy to have a debate about that ...

Mr TOLLNER: You are.

Mr WOOD: No, I am not. The question refers to you saying people want a choice of lot sizes. Minister, we are talking about the Crown land estate, and I have never said there should not be smaller lot sizes, ever, but they should be within the district centres. My argument with you and the Planning Commission is the size of the district centres. But we have been calling out – and you have been part of the debate this morning – about people leaving. I know in my area people are packing up and either going to Pearl or Tiwi, if there is a spot, or going south. People of my age are going. Why are they going? Because they cannot get a place to stay in the community.

Why do you not call for expressions of interest in either Humpty Doo or Freds Pass district centre for someone to build a retirement village? I also asked the last government. Why can you not at least call for some form of expression of interest, because people want to stay? It is not an excuse to have 3100 one-acre blocks. You are not developing your own land, and this really annoys me. You have land to develop and you will not do it. Why can you not call for expressions of interest for someone to build a retirement village in either of those two district centres?

Mr TOLLNER: It is a complex question. There is a reasonable call for a retirement village in the rural area. I have no issue with that. There are a couple of proposals.

Mr WOOD: Yes, I have seen one of them.

Mr TOLLNER: A couple of them are probably sitting in developments that you do not want to see go ahead.

Mr WOOD: I have seen one of them on your land.

Mr TOLLNER: Does it have to occur on government land? This is my point.

Mr WOOD: If you are going to have a retirement village you need to be relatively close to services. People want the services as well.

Mr TOLLNER: This is the point, though, is it not?

Mr WOOD: But you own land.

Mr TOLLNER: Yes, but we are not the only developer of lands. The point is ...

Mr WOOD: It has sat there for 20 years. Norbuilt were the last people to build.

Mr TOLLNER: The point is, member for Nelson, we can go on the way we have always gone on. We saw the owner of Koolpinyah Station subdivide another 100 five-acre blocks ...

Mr WOOD: That is all right. That is rural development.

Mr TOLLNER: You have that rural area sprawl, and eventually once you get to a certain population of people they start to demand services and the like ...

Mr WOOD: You can put in another village.

Mr TOLLNER: ... then the government has to buy a parcel of land to fill that up. What we have tried to do is be a little proactive and have the Planning Commission get out there so we can plan for those rural land releases and the like.

Mr WOOD: Urban land releases; there are not many rural land releases.

Mr TOLLNER: The thing is anybody can go out there – well, not anybody ...

Mr WOOD: Minister, we are moving off the question.

Mr TOLLNER: We are moving off the question.

Mr WOOD: We can argue that later.

Mr TOLLNER: The point is, yes, we want a retirement village out there and ...

Mr WOOD: So, why can you not use your land in Humpty Doo, which has been sitting there for 20 years?

Mr TOLLNER: We could use our land for a whole range of different things.

Mr WOOD: Why can you not offer it up for expressions of interest? Some of it?

Mr TOLLNER: I am of the view that there are proponents out there keen to develop a retirement village of some nature in the rural area. They should be given the ability to do that if the demand is there. I am not opposed to what you are suggesting, I just think these things have to occur in an ordered, structured way, which is why I am so keen to continue the work of the Planning Commission and see what it does, because all those things need to be planned for further out so we can have a planned rural environment ...

Mr WOOD: It is not as though we do not have a plan. We have a plan.

Mr TOLLNER: We do not have a plan ...

Mr WOOD: What was the Litchfield land use objectives?

Mr TOLLNER: If your plan is to let Koolpinyah Station chop off 100-acre blocks and chop them up into five-acre blocks, that is hardly a plan.

Mr WOOD: The Litchfield land use objectives plan is that you have villages which serve the rural development, and the rural development is that you do chop up land.

Mr TOLLNER: Where are those villages going and how do you get services to those villages? If you do it in a planned and structured way you improved the amenity of the area where people live. Your calls that you do not want to urbanise the rural area have been heard loud and clear, and no one is making an effort to urbanise the rural area.

Mr WOOD: I do not agree with that at all. The activity centre total population - if you took all the blocks that could be in there, and that is working on four people per block, 2.1 children per family - it works out at around 20 000 people, in the activity centres. That does not take into account the urban and peri-urban areas you have put down.

Mr TOLLNER: That may well be the case, member for Nelson ...

Mr WOOD: It is the case. It is called maths.

Mr TOLLNER: ... in 50 or 100 years' time when every person has subdivided their block down to as small as possible. The point is we know that ...

Mr WOOD: No, no, no.

Mr TOLLNER: We know that is not going to happen.

Mr WOOD: Madam Chair, I need to correct the minister. That is not the case. The case is, the present plans for the activity centres – and you only have to look in the documents – show what the number of blocks will be. You add all those blocks up and they will give you around 20 000 people at four people per house, without chopping it up.

Mr TOLLNER: It will be in 50 or 100 years' time, member for Nelson.

Madam CHAIR: Member for Nelson, we are not here to debate with the minister. We are here to ask the minister questions.

Mr TOLLNER: No, we are not here for debate and I am trying to make a point, member for Nelson, that this is not going to happen in the blink of an eye or at the click of your fingers. These are long-term plans that the Planning Commission has being put in place. What we have at the moment in the Litchfield area is a subregional plan, which is very much a skeleton type of document, almost a concept document. There will be much greater detail put into these areas around activity centres, or villages as you like to call the, as time progresses, but we saw the Northern Territory land use plan, where we had a big picture view of where things might go and the like – subregional plans are a much more concentrated effort. There are plans that sit underneath that which will be a lot more detailed.

My worry is that our planning process and the desire to live in a planned, well-thought-out community can be undermined by the sort of talk were you say there will be 40 000 people living in the rural area, which if you took everything - it is sort of like the member for Karama and the 2900 blocks over 1000 m²; everybody is going to subdivide them tomorrow. We know that is not going to happen. We know that for an absolute fact, but the point is you do not live in a planned community unless you put some parameters around planning into the future. The plans the Planning Commission is currently doing are there for the next 50 to 100 years. This is what we are trying to develop, a concept as to how Darwin and the greater Darwin area will develop and grow, including the rural area.

Mr WOOD: Madam Speaker, the reason we are in this debate is because the minister refuses to deal with the issue of Weddell.

Mr TOLLNER: No, listen; about this issue of Weddell, I am sick to death of this dead horse.

Mr WOOD: Here we are. That is your friend Peter Harris's designs and work.

Mr TOLLNER: We have absolutely been committed to Weddell for goodness knows how long.

Mr WOOD: No, you are not.

Mr TOLLNER: Ultimately, services have to ...

Mr WOOD: There is your 40- or 50-year plan which you will not do. If you did that as your 40- or 50-year plan we would not have to have large-scale activity centres, we could have moderate villages through the rural area.

Madam CHAIR: Is there a question, member for Nelson?

Mr WOOD: He did not answer the question. He started to go on to ...

Mr TOLLNER: You are not letting me answer the question.

Mr WOOD: You went on with a five-minute answer.

Mr TOLLNER: As soon as I get a couple of words out you interrupt. I am saying that Weddell, the plan we put in place – Weddell was a beautiful town ...

Ms FYLES: You never planned for Weddell; you scrapped it.

Mr TOLLNER: Hush!

Madam CHAIR: No, we are not going to debate the issue, so let the minister speak.

Mr TOLLNER: We put a plan together that we took to the election campaign that saw Weddell being built around Lake Elizabeth. We were going to put ...

Mr WOOD: Then you went to the Blain by-election and scrapped it.

Mr TOLLNER: Do I get a chance to respond?

Mr WOOD: I am just using your technique.

Mr TOLLNER: We put a plan out there to say we are going to have Weddell planned around Lake Elizabeth. That was absolutely not on and government changed its plans. We said, all right, we will not dam the Elizabeth; we will not put the lake in. Fundamentally, you cannot have people living around a whole lot of mosquitoes and biting insects and the like, so Weddell has to move.

Mr WOOD: Rubbish.

Mr TOLLNER: That is fine. Weddell is certainly in the future plans for the Northern Territory, but the member for Nelson is suggesting ...

Ms FYLES: It is not in the CLP's plans.

Mr TOLLNER: ... that we spend \$1bn tomorrow to build Weddell ...

Mr WOOD: Show us.

Mr TOLLNER: ... which is fundamentally ...

Mr WOOD: A point of order, Madam Chair!

Mr TOLLNER: Let me finish my answer.

Mr WOOD: No, you are not telling the truth. I have never said you would spend \$1bn to start Weddell.

Mr TOLLNER: I am telling you it costs \$1bn.

Mr WOOD: Rome was not built in a day. Palmerston did not cost you \$1bn straight away.

Mr TOLLNER: No, because we waited for services to get there, and that is exactly what is happening ...

Mr WOOD: Where were the services in Palmerston?

Mr TOLLNER: What do you mean 'where were the services?' Palmerston started out as a little nub basically in the CBD area where Palmerston is.

Mr WOOD: I know.

Mr TOLLNER: It has grown because the services were put out there. We do not have a \$1bn in spare change to do all the augmentation work pipelines to power lines, all of that sort of stuff. It is \$1bn, member for Nelson, to do it.

Mr WOOD: Show us how you come up with those figures.

Mr TOLLNER: Absolutely, I will take that on notice I will give him the figures for Weddell.

Question on Notice No 2.14

Madam CHAIR: Could you please restate the question for the record, member for Nelson.

Mr WOOD: Minister, you quoted that it will cost \$1bn, I presume, the way you have said it, upfront to build Weddell. Please show us some detailed figures to back up that statement.

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: Yes, thank you.

Madam CHAIR: The question asked by the member for Nelson of the minister has been allocated the number 2.14.

Madam CHAIR: We have one hour and 55 minutes to complete Lands and Planning, and Mines and Energy, so I think we need to move on. Member for Nelson, do you have any burning questions in this output group?

Mr WOOD: Minister, just following on from that question, have you done a detailed study of the amount of money that would be returned from sale of land within Weddell to offset the infrastructure costs?

Mr TOLLNER: There is certainly no doubt we could do that, member for Nelson. Part of managing governments finances, which I have been acutely involved in for the last four years, is working on ways to turn off developments without costing government an arm and a leg up front.

When we first came to government we had this housing crisis. I looked at the forward estimates and there are these big chunks of money way out into the future. I asked the question, what are these? That is money for headworks for land release. The view at the time was, 'We need to get land release happening a whole lot quicker; let us do englobo developments.' The way the system worked, government would pay the headworks, take a percentage of sales on the development, and 10 to 20 years down the track, collect money it had outlaid on the headworks.

The fact is to outlay \$1bn now for the headworks for Weddell, waiting to collect that in 10, 15 or 20 years' time would just not be possible. Government does not have that sort of money just lying around, and we have no ability – the next government might happily throw a \$1bn towards headworks at Weddell, but this government cannot justify it considering we have enormous amount of take-up to occur at Berrimah Farm; we have Muirhead still to happen and the developments in Zuccoli and others in Palmerston that have to happen. We are a long way from having to worry about building another urban township out in the sticks.

Mr WOOD: Oh good. So we do not need Noonamah Ridge; we do not need those peri-urban areas?

Madam CHAIR: We might move on.

Mr TOLLNER: They are being assessed at this point in time, and part of that is getting involved with the public, understanding some of the environmental impacts, understanding the cost of roads, headworks and

all that sort of stuff where government is actually being asked to foot the bill. We do not have money to be providing developers at Noonamah Ridge and other areas for headworks.

Mr WOOD: Then do not plan for them to go there.

Mr TOLLNER: If they want those things they will have to factor those costs in themselves.

Madam CHAIR: Thank you, minister. That concludes consideration of Output 9.3.

Output 9.4 – Aboriginal Land

Madam CHAIR: We will now consider Output 9.4, Aboriginal Land. Are there any questions?

Ms FYLES: I have some, but I will do them as written questions to save time.

Mr WOOD: Yes.

Madam CHAIR: Okay. We are going to try to finish Lands and Planning by 4.30 pm.

Mr WOOD: Minister, in relation to Aboriginal land, how much is the government paying for infrastructure such as schools, health clinics, police stations, etcetera on Aboriginal land? What is the total cost of lease payments or rental for that sort of infrastructure, and does the government actually support that policy?

Mr TOLLNER: Member for Nelson, that is a question for the Department of Local Government. But in response to your question, it is my opinion that we are paying too much. I think it is disgraceful that government is called on to build these facilities and then expected to pay rent on facilities we built and own.

Mr WOOD: Would you believe I agree with you, but why is it ...

Mr TOLLNER: I know you agree with me. I cannot understand how we got into a situation where we are called on to develop schools, police stations, public housing and all of that stuff in remote communities, and then we have to pay rates and lease payments for buildings we constructed. It makes absolutely no sense.

Mr WOOD: Why is Local Government the portfolio for this, because there would be police stations and ...

Mr TOLLNER: It is Community Services, sorry – the Department of Local Government and Community Services.

Mr WOOD: That is where the money comes from?

Mr TOLLNER: That is right.

Mr WOOD: I have one other question and you can tell me if it is the wrong area. I have always been concerned that government spends money on roads that are not gazetted. My understanding is the Central Arnhem Road – the member for Nhulunbuy will tell me if it is or is not – is used publicly, but is it gazetted or leased and should the government provide money for roads that are not public?

Mr TOLLNER: My personal view is that government should not provide money for roads the public cannot access. I imagine that is a question for the Department of Transport.

Mr WOOD: Even if roads are leased, that be the Department of Transport's concern?

Mr TOLLNER: I do not think we pay leasing costs, but we are paying for a lot of the other costs involved in the construction of roads.

Mr WOOD: You are putting quite a bit of money into roads on Melville Island, as was stated recently.

Mr TOLLNER: Yes.

Mr WOOD: Is that a gazetted road or a private road?

Mr TOLLNER: You are giving the CE of Transport a good heads up on the questions you will be asking him. I cannot respond at this point, member for Nelson.

Madam CHAIR: That concludes consideration of Output 9.4.

Output 9.5 – Lands Planning

Madam CHAIR: We will now proceed to Output 9.5, Lands Planning. Are there any questions?

Ms FYLES: Minister, your department engaged a \$99 000 consultancy to develop an infill infrastructure strategy. What were the terms of reference, what was the advice of this report and has it been made public?

Mr TOLLNER: I will take that one on notice.

Question on Notice No 2.15

Madam CHAIR: Please restate the question, member for Nightcliff.

Ms FYLES: Minister, your department engaged a \$99 000 consultancy to develop an infill infrastructure strategy. What were the terms of reference, what was the advice of the report and has it been made public?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: I certainly do.

Madam CHAIR: The question asked by the member for Nightcliff of the minister is allocated number 2.15.

Mr TOLLNER: I have a couple of answers for the committee.

Answer to Question on Notice No 2.3

Mr TOLLNER: Madam Chair, in relation to the chief executive's corporate credit card, and the total of purchases on that card from 1 July to 31 March, Rod Applegate held a corporate credit card. During this time there was \$777 expenditure on that card and none of the expenditure related to hospitality expenses.

Answer to Question on Notice No 2.4

Mr TOLLNER: Madam Chair, the member for Nightcliff asked, 'In March 2016 a contract for seabed mining was awarded. What were the terms of reference for the consultancy?' The terms of reference were to investigate and report to the NTEPA – that is why I had not heard of it, member for Nightcliff – on the potential impacts of seabed mining in Northern Territory waters on the physical and biological environment, and measures to avoid, mitigate and manage those impacts.

The contract title was the Consultancy on Seabed Mining in the Northern Territory. The contractor was Advisium, which is WorleyParsons, based in Melbourne, Victoria. It was a two-tier procurement with an estimated value of \$90 000. Whilst Tier 2 procurements require at least three written quotes to be sought, seven companies were invited to quote, including four local companies. ICN NT consultation was obtained to invite quotes from the three interstate companies. I hope that answers your question.

Answer to Question on Notice No 2.7

Mr TOLLNER: In relation to the Community Living Area Tribunal – it is a tribunal, which is why it did not show up; it is not a board. The Chair is Hugh Bradley. The members are Paul Walsh and Rowan Sullivan. It met twice, on 31 July and on 2 February. One application was before the tribunal. Total expenditure was \$7768.20, which includes all travel, meeting expenses and remuneration.

Ms FYLES: Minister, the Planning Commission forwarded its report on the old hospital site and Flagstaff Park, including concept plans and recommendations to you in August 2014. Community consultations

occurred in May and June of 2014. What is your plan for this site and when will you release your plans to the public?

Mr TOLLNER: I do not have a plan for the site. The Planning Commission made some recommendations but nothing has progressed since then and no ...

Ms FYLES: So the Planning Commission's concept plan and recommendations to you, or the Minister for Lands and Planning, in August 2014 have been ignored? You have shelved them?

Mr TOLLNER: No, not ignored at all.

Ms FYLES: You either have plans or you do not have plans.

Mr TOLLNER: No, the Planning Commission put out a concept on 30 July last year. It released its summary of the community consultation on its website. Government is considering options for the old Darwin Hospital site. We do not have any options at the moment. It is not a front-of-mind issue.

Paspaley Pearls Properties Ltd is currently undertaking preliminary community consultation on a proposed six-star hotel that includes use of Flagstaff Park as well as the adjoining land that is owned by Paspaley. The proposal is part of a submission into government expressions of interest for the six-star hotel. Sorry, that is nothing to do with the old hospital site.

Ms FYLES: Maybe you should read notes before you read them all out. Thank you, minister.

Mr TOLLNER: Maybe I should.

Ms FYLES: What is the current status of the Bayview development, and when will you listen to the community concerns and halt this development?

Mr TOLLNER: Listening to community concerns – that is an interesting one. That is my local area and I have ...

Ms FYLES: Have you been doorknocking lately, Dave?

Mr TOLLNER: I have doorknocking that area at length, and I can tell you what is being promulgated by you guys ...

Ms FYLES: But you are not recontesting your seat.

Mr TOLLNER: ... is a complete and utter misrepresentation of the facts.

Bayview residents overwhelmingly want the Bayview development completed. That is Stage 3, which is currently being looked and done by AUSTCORP, the group that has been there for 18 years doing that development. I find it rather alarming that an opposition can try to kill a development that is so far progressed, and has been progressing for the last 18 years. If people drive down O'Ferrals Drive and see which direction the houses point, it is a good example of how that development was supposed to go. All the houses face O'Ferrals Drive. The back of those houses are almost solid walls, with maybe a little bathroom window or something in them, that is, they were never built to face out to the mangroves and the harbour, as one would expect if that was to be the end of the development.

Similarly government, as part of the Tiger Brennan road upgrades, has finally put in the lights at the Benison Street intersection, which will lead into the back of Bayview. I can tell you that, having doorknocked that area quite extensively over the last eight years, people are indeed looking forward to seeing that development occur. That might not necessarily mean Margaret Clinch or members of the anti-development Labor Party who do not want to see it go ahead, but I can assure you the vast majority of residents in the Bayview area want to see Bayview finished.

Ms FYLES: You must talk to different residents Dave.

Mr TOLLNER: Well you do not get there, for a start.

Ms FYLES: I was there last week.

Mr TOLLNER: You were there last week? What with the rent-a-crowd mob of hippies that all turned up from Nightcliff to oppose another development?

Ms FYLES: You need to come out to Nightcliff. It is not just ...

Mr TOLLNER: I have seen the people who are protesting Bayview Haven and they are not Bayview residents. Bayview residents overwhelmingly want it completed. They want the traffic problems fixed. They want the second entrance put into Bayview and they want to get on with life. The only people I have ever heard want to kill development in Bayview is the Australian Labor Party, because - I do not think there is any legitimate reason, apart from the fact it is trying to win votes and preferences from the extreme Greens.

Ms FYLES: Thank you minister. I have no more questions in that output, Madam Chair.

Mr TOLLNER: I hope you are not opposed to Bayview, member for Nelson.

Mr WOOD: I know the history of Bayview. I will not go into that here, but I was around when it was being developed.

Madam CHAIR: Do you have a question, member for Nelson?

Mr WOOD: Yes, in relation to the subregional plan. I put a comment in there and the minister wrote back, and I need it on the record. He has said that I have not presented the facts accurately and I have been scaremongering; I would just like the minister to tell me where I have not given the facts accurately? I know I might disagree with the Planning Commissioner, but I have also spent a lot of time working with the community, and I have a different feel of what people think, but you have come up with this letter and said basically I do not tell the truth about the facts in the rural area and I am scaremongering. Can you give me some examples of where I have not given the facts accurately and have been scaremongering?

Mr TOLLNER: Yes, absolutely, without a doubt. The Planning Commission was put in place because of the large number of spot rezonings that have been occurring right across the Territory. This is fundamentally demonstrating that development has overtaken proper planning.

Mr WOOD: No.

Mr TOLLNER: You have asked me to explain where ...

Mr WOOD: But you made a statement there which is incorrect.

Mr TOLLNER: I am telling you the background of where the Planning Commission has come from and why we want the Planning Commission put in place, as a government. Planning Commission is there to develop long-term future plans for the Northern Territory. The Planning Commission has gone out of its way and, unlike the DCA, which is a reactive body, the Planning Commission is a proactive body. It has consulted widely for the future development of Darwin, its rural area and the entire Northern Territory so planning can be done in a considered way for the long-term future development of the Territory.

Where I believe you have misrepresented the Planning Commissioner, member for Nelson, is your talk of urbanising the rural area. The Planning Commission has gone out of its way to make sure the rural areas are not urbanised. They have been very specific in making sure there are some activity centres or expanded villages, but for the majority of people rural living is protected. Similarly, you have misrepresented the Planning Commission ...

Mr WOOD: Where was the misrepresentation?

Mr TOLLNER: You talk about urbanising the rural area, which is a complete misrepresentation. Furthermore, you suggest there will be tens of thousands of people living in the rural area almost tomorrow.

Mr WOOD: No, I have never said that.

Mr TOLLNER: That is the impression that people strongly get from your public utterings.

Mr WOOD: Don't be silly.

Mr TOLLNER: Every time you say; 'Another 40 000 people in the rural area, can you imagine that?' Thirty years ago people would not have imagined the 100 000 people living in Darwin, but we have 100 000 people here.

Mr WOOD: You obviously did not listen to Graham Bailey, did you?

Mr TOLLNER: We could stick our head in the sand and say that Darwin will not grow and we are all caught in a sort of time warp in 1976 and nothing will ever change, but for most of us who live in the real world we want to see planned growth and planned development. That is what the Planning Commission is aiming to do. Undermining the Planning Commission, suggesting there are no town planners and that it is some sort of a dodgy group – I sat here and listened in disgust to the comments that the member for Karama ...

Mr WOOD: There is no town planner on the Planning Commission at the moment.

Mr TOLLNER: What is the Chair?

Mr WOOD: Geographer. Graham Bailey was your only qualified town planner. He was on there for two years and has not been put back on.

Madam CHAIR: Member for Nelson, we are not here to debate with the minister. Would you like to continue, minister?

Mr WOOD: Graham Bailey was the only person. He was the only one.

Mr TOLLNER: The Chair of the Planning Commission, Gary Nairn – you might want to respond to some of this, Gary. This is outrageous.

Mr WOOD: It is not outrageous. Do not be such a sook.

Mr TOLLNER: It is. It is undermining the Planning Commission.

Ms FYLES: Madam Chair, the Planning Commission is coming up in a further output so maybe we can finish that output.

Madam CHAIR: Okay. Do you have any other questions in this output?

Mr WOOD: I realise there was only one inaccuracy which was not inaccurate, so I am happy to finish it there.

Madam CHAIR: Minister, I wrote to you on 27 April. I have not yet received a response to the letter. Over the last six to 12 months there has been a proliferation of complaints coming to me about business activity going on in the rural area of Alice Springs. I just wondered what your approach to this is. At the moment it is a permissive system. You can do what you like until you get caught. It is pitting neighbours against neighbours. It is creating a lot of conflict and a lot of unhappiness when you have people with big trucks living next door to people who live very peacefully and quietly. There are a lot of people that feel very offended about what is going on. I just wondered, what is your approach to dealing with this escalating problem in the rural area of Alice Springs?

Mr TOLLNER: It is a good question, Madam Chair. This is not confined to the rural area of Alice Springs. The member for Nelson will tell you that there is an enormous number of businesses in his electorate operating from blocks that are fundamentally there for rural activities, as opposed to trucks and other business-type activities.

I am informed that it is very difficult to prosecute those people, and in some regard it may well cause a lot of community anxiety to start prosecuting those people. It is something we have to work through. Making available more industrial land and that sort of stuff I think is part of the solution, and encouraging people in residential areas to maintain peace and quiet.

Mr WOOD: You ought to have a look at the price of Spencely Road industrial land. It does not encourage people to move at \$1m a block.

Mr TOLLNER: No. Maybe we should put up the price of rural blocks in the rural area.

Mr WOOD: By the way you have not taken up my offer to have a public debate at the Elizabeth Valley fire brigade.

Mr TOLLNER: I think you should have a public debate with your opponent. Debating someone who is on his last legs in the political world might be fun for you, but ...

Madam CHAIR: That concludes consideration of Output 9.5 and Output Group 9.0.

OUTPUT GROUP 10 – LAND SERVICES **Output 10.1 – Building Advisory Services**

Madam CHAIR: The committee will now move to Output Group 10.0, Land Services, Output 10.1, Building Advisory Services.

Ms FYLES: Minister, there was \$500 000 allocated for the Building Amendment (Occupancy Certification) Bill 2016; what will that funding be allocated towards?

Mr TOLLNER: Letting people know about those changes; you have probably seen the ads on the television already.

Ms FYLES: Yes.

Mr WOOD: I have two questions, but you have answered the first question about energy efficiency of the national construction code, which is from our friend who did the planning for Weddell, Paul Harris. He is a good bloke. But there is another question which speaks about developing options for broader protection for the building and construction supply chain. Do you know what that is about?

Mr TOLLNER: Yes, that is part of the Cureton Review. The *Building Act* is very prescriptive when it comes to protecting home builders, but we are very keen to protect subcontractors and the like, which is one of the things the Cureton Review addressed.

Madam CHAIR: Are there any other questions? That concludes consideration of Output 10.1.

Output 10.2 – Land Information

Madam CHAIR: We will now move to Output 10.2, Land Information. Are there any questions?

Mr WOOD: I have two little questions. Minister, map sales, unfortunately, moved from Mitchell Street to Parap. I notice map sales are down by \$235 000, as per the annual report. Do you know why that has happened?

Mr TOLLNER: I know the member for Karama ain't buying them.

Mr WOOD: That seems to be a big drop off in map sales and I was wondering if it has been caused by them shifting from a publicly accessible place to a place that is out ...

Mr TOLLNER: I think you will find the department is putting more and more online. An example is the dual occupancy maps. That is the other thing I have for the member for Nightcliff. I have taken out the reds and greens so I can table the map of the 1000 m² blocks. If you go onto the Planning Commission website you will find that those maps in a lot more detail.

Mr WOOD: One question I ask fairly regularly – street names that people cannot pronounce. I am all for Aboriginal names being used for street names and place names, but in some parts of the Territory they are not pronounceable because they are written in a ...

Mr TOLLNER: I do not think I have approved any of those non-pronounceable words.

Mr WOOD: I am not worried if they are written that way, but could there be a requirement that if you have a street sign in the local Indigenous language that at least there is in phonetics in brackets of the pronunciation of the sign. No one, I believe, who only speaks English can spell – what is the name for Santa Teresa ...

Mr TOLLNER: Ampilatwatja.

Mr WOOD: Ampilatwatja is a good one. I notice Ali Curung has now changed to a different format. I am not against that as it gives character to our Territory, but is it possible to have a simpler pronunciation put under there? If people cannot pronounce it, those names will be pronounced in so many ways that it will spoil the name. I think there is a place for at least double names, one in phonetics, and one – you might say – linguistically.

Mr TOLLNER: You could probably do the same with Zuccoli.

Mr WOOD: Zuccoli, yes. But Zuccoli is Italian and is phonetic so it is pronounceable, but that is not the case with Ampilatwatja or some of the other ones.

Mr TOLLNER: Point taken, member for Nelson. I have a lot of sympathy for your point of view, which you know already. You know it makes no sense to me that we name streets and places with unpronounceable words.

Madam CHAIR: That concludes consideration of Output 10.2.

Output 10.3 – Heritage Conservation

Madam CHAIR: The committee will now consider Output 10.3, Heritage Conservation. Are there any questions?

Ms FYLES: Yes, thank you. How many places of heritage or heritage declarations have you revoked this financial year? If any, what were they and why were they revoked?

Mr TOLLNER: Member for Nightcliff, in relation to declarations, as soon as someone makes an application it has an interim declaration, which means that, in effect, every one which is not upheld is being rejected. For that reason, the *Heritage Act* needs an overhaul. There should be a mechanism where vexatious and spurious applications can automatically be rejected, but that does not happen at this point in time.

Ms FYLES: You can table the document if you so wish.

Mr TOLLNER: The ones I refused to declare: the *Catalina 2* in Darwin Harbour ...

Ms FYLES: Why were they revoked?

Mr TOLLNER: ... on 30 November 2015 and was gazetted on 2 December 2015. The *Catalina 3*, Darwin Harbour, the same date.

Ms FYLES: They were the ones you revoked?

Mr TOLLNER: The memorial to the visit of the *Kaiwo Maru* – all of this occurred on 30 November 2015 and was gazetted on 22 December 2015.

Since 31 March, I refused to permanently declare the twin gums site in Alice Springs on 6 April, and that was gazetted on 4 May, the Kululuk lease area on 29 April, which was gazetted on 4 May.

Ms FYLES: So they are the five?

Mr TOLLNER: They are the five, yes.

Ms FYLES: Minister, in your information notice you issued regarding the proposed heritage listing of the Kululuk lease area, you referred to a statement of heritage value provided by the Heritage Council. What did the statement of heritage value say, and will you table the council's statement of heritage value?

Mr TOLLNER: I have advice from the department that given that this matter has been appealed to the Supreme Court it is probably not appropriate for me to comment.

Answers to Questions on Notice No 2.5 and 2.7

Mr TOLLNER: I have a couple of responses for you which I can table.

Question on Notice No 2.5 is in relation to Kululuk town camp – how many leases have been provided, for what reason and who are the current beneficiaries?

Question on Notice No 2.7 is, how many development proposals are there for the Kululuk lease area?

I have taken that you are talking about the Gwalwa Daraniki Association lease. I have a list here which I am happy to table. There was another question about the Crown lease in Perpetuity. I have copies of that here for your information.

Madam CHAIR: What question was that, minister?

Mr TOLLNER: I do not know whether we took it on notice. It might have been No 2.6. I am not too sure.

Madam CHAIR: It is 2.5

Mr TOLLNER: I have a whole range of information here, more than you expected you would ever get, member for Nightcliff. I will give you the lot.

Ms FYLES: You are very generous, Treasurer.

Madam CHAIR: If there are no more questions in Output 10.3, that concludes consideration of this Output 10.3.

I note the questions regarding Output Group 11, Environment, will be answered by the Minister for the Environment on Thursday 16 June.

OUTPUT GROUP 12.0 – STATUTORY BODIES

Output 12.2 – NT Planning Commission

Madam CHAIR: The committee will now consider Output Group 12, Statutory Bodies. I note that questions regarding Output 12.1, NT Environment Protection Authority, will also be answered by the Minister for the Environment on Thursday 16 June. The committee will now proceed to Output 12.2, NT Planning Commission. Are there any questions?

Ms FYLES: I have loads of questions, Madam Chair, pages and pages, but in the interest of time I will just ask one question. Are there any projects of significance currently before the Commission?

Mr TOLLNER: That is a good question. I take this opportunity to introduce the Hon Gary Nairn AO, Chair of the Northern Territory Planning Commission. Gary, you might want to respond to that question? If you would be so kind as to also respond to some of the allegations raised in relation to the Planning Commission that you have been around for.

Ms FYLES: We are very limited for time.

Mr NAIRN: The Planning Commission has no significant developments before it at the moment. The only significant development that was ultimately not dealt with by the commission was the proposal for Nightcliff Island. The Commission did not deal with it because it required significantly more information, which ultimately did not come. That has been withdrawn and there are no other developments.

If I could briefly respond to the member for Nelson regarding the Planning Commission and maybe a comment from the member for Karama, but she is not here. The member for Nelson, on a number of occasions, called into question the qualifications of people on the commission, particularly mine, by saying there is nobody with any town planning qualifications. I have informed the member for Nelson on a number of occasions previously that town planning was part of my degree from the University of New South Wales. It was a degree in surveying, but also had town planning.

To become a registered surveyor in New South Wales, which I was originally, required you to complete a town plan as well, and I was examined on that, so you can do planning work. I have had 25 years of private sector experience in both surveying and planning. I do not call myself a town planner, but certainly I believe I have the sort of qualifications that add to the very high levels of qualifications of the planners who really do the planning work.

I am just chairing the commission, and over the last three-and-a-half years have been the face of the commission, with the commission being a new entity, a statutory entity. I think to give the commission credibility it required that work of mine as well as the professional planning work done by the excellent staff within the department. They really do the planning work. I chair the commission.

I probably should not respond. I do not know if it is out of order or not, but there was quite a derogatory remark made by the member for Karama. I am not a member of parliament; I was a member of parliament, but I am not anymore. I would just remind the member for Karama that one of my first roles - post my parliamentary career - which I currently still do now, six years on, was to chair an advisory council for the Tasmanian government, appointed by Bryan Green, who I think might be of the same membership politically. I just make that point on the throwaway line that she made.

Could I say something with respect to dual occupancy, because I know, unless you have a question on that, member for Nightcliff because ...

Ms FYLES: I had questions but we have 15 minutes and I have lots of questions ...

Mr NAIRN: I was just going to briefly add to some of the minister's answers. Dual occupancy has been considered over the last 20-odd years. It came up constantly during the various projects we did, both the Darwin Regional Land Use Plan and particularly the Darwin inner suburbs and the mid-suburbs. I think the member for Nightcliff raised dual occupancy with me personally during a briefing meeting early on in the mid-suburbs. It was very clear that policy needed to be considered, and it was. We had a number of submissions right through those earlier consultations, both the Darwin Regional Land Use Plan and the inner suburbs about dual occupancy, which is how we then developed the very detailed discussion paper we released and went through that process before ultimately going on statutory exhibition under the minister's name. To clarify, all the plans in great detail have been on our website the whole time. Anybody can examine those plans and look exactly at the lots specifically of 1000 m² or more, or 900 m² or 800 m², whichever. They can choose that by looking at the website, and that has been the case all the way alone.

Mr WOOD: Is it not true that once this document is approved, if you approve it – and I have my concerns – that regardless of how long it will take – and I have had some advice on this as well. But once you have set this up it will be impossible to reverse it without having to pay people compensation. In here it says that areas in the activity centres can have blocks of land, for instance, from 1 ha down to 4000 m², even if some of us do not agree with that. Once you have approved this document then that simply cannot be changed unless some other government comes in and says its wants to change it, and that would require compensation for those landowners covered by it.

Mr TOLLNER: That is not the case, but I will ask the chair to explain that. He can give you greater detail than I can in that regard. That is definitely not the case.

Mr NAIRN: No, it is not the case because any of those lots that are shown for a particular land use into the future – and it is land use planning; it is not a zoning plan – would have to go through a rezoning process before they can subdivide in accordance with that. From a government providing compensation – it is part of the reason why when you do things like the area plans we did in the inner suburbs and the mid-suburbs – there are a lot of lots there that are already zoned MD or MR and have been for decades but still have single dwellings on them. You might be tempted at times to say maybe it should be down-zoned. That is where government would be up for compensation, if you down-zone. In the case of the land use plan, it is a high-level planning which talks about the potential uses, the best uses for that land into the future. Without it being rezoned there could be no claim for compensation.

Mr WOOD: Just to be fair, minister, I am not actually against what the ...

Mr TOLLNER: I have no drama with that. I just wish you would not ...

Mr WOOD: My argument is about the lot size, the smallest lot size, which we fought very hard for. Petition after petition said 'minimum lot size 1 ha. This brings that down to 4000 m², possibly. The problem I have with that is it will take out vast areas of bushland, because 4000 m² blocks do not keep many trees. One hectare does; 1 ha gives you water and a rural lifestyle. It is not about the process the Planning Commissioner is looking at – changing to activity centres. It is the size and what the density of development will be.

My concerns are about the peri-urban areas. I cannot work out how they came to be in the first place. Did someone come to the government – Mr Nairn knows that one of these plans matches a plan released in 2007. The other one is the Intrapac development, which did not occur on the first plan but popped up on the second plan.

What is the process? I thought the Planning Commission would not necessarily agree with what people say when they knock on the door, but just looks at it as an independent body. How do those parcels of land come to be on the Darwin Regional Land Use Plan in this case?

Mr TOLLNER: I will ask the chair of the Planning Commission to answer that.

Mr WOOD: Were there approaches from people?

Mr TOLLNER: They are matters for the Planning Commission, and I do not have that detail. I did not stick them on there.

Mr NAIRN: Very simply, the Planning Commission, in the in-between period, was asked to consider the Intrapac development as a significant development. The Planning Commission looked at that under the provisions of the significant development proposal of the *Planning Act* and agreed it could be an appropriate ...

Mr WOOD: Who approached the Planning Commission to get this going?

Mr NAIRN: Significant developments need to be referred to the Planning Commission by the government.

Mr WOOD: Who approached the government?

Mr NAIRN: Presumably Intrapac approached the then minister, minister Chandler, who referred the project to the Planning Commission under the significant development provisions of the *Planning Act*. We considered it under those provisions, acknowledged it and reported back to the minister that if appropriate work was done with respect to environment and other matters, it was an appropriate area for a development incorporating urban, peri-urban, rural-type mixed development, and on that basis it was incorporated into the Darwin Regional Land Use Plan.

Mr WOOD: There was very little discussion out there about that.

Madam CHAIR: Member for Nelson, we have eight minutes left. The member for Nightcliff has many questions.

Mr WOOD: Can I quickly ask the Planning Commissioner – there no discussions about those developments, except by the developers themselves?

Mr NAIRN: It was included when it was put into the plans as part of our consultations, and then again in the statutory consultation period.

Mr WOOD: I have had nearly 100% of people opposed to Intrapac who live down there, not from a distance but who live there.

Mr TOLLNER: Member for Nelson, invariably people say to me, 'Do you know how many people objected to this or that?' I would hate planning to become a show of hands. Proper planning is not just a case of running a straw poll to ask who wants this and that.

Mr WOOD: I tried to do that work and this is what I get knocked on. I actually did work in the community showing the disadvantages and advantages. It is not a straw poll.

Mr TOLLNER: I have no axe to grind with you on the way you consult. I honestly think you are one of the few members in this place who is in touch with their electorate. Where I have issue with you, and this is my view, is you like to beat these things up for your own political gain, which is fine.

Mr WOOD: I do not care whether people ...

Mr TOLLNER: You do care; you are very caring about the whole thing because you get very worked up about it.

Mr WOOD: You question my honesty, saying it is based on politics. I do not base it on politics; I base it on good planning.

Mr TOLLNER: I have questioned your honesty because you have not taken the time to understand how the process works. I have nothing but admiration and respect for the work the Planning Commission has done. It has been very much out there and its job has not been made.

Mr WOOD: Then you say I am dishonest.

Mr TOLLNER: people have whipped up hysteria. I recall, member for Nelson, when you made a suggestion of getting rid of the Planning Commission.

Mr WOOD: That does not whip up hysteria; that is a point of view.

Mr TOLLNER: it does whip up hysteria. That gives the view that there is something going wrong with the Planning Commission, when that is clearly not the case ...

Mr WOOD: Your minder said I ran a very good meeting.

Mr TOLLNER; My minder said there is a world of difference between what Gerry will say in a meeting and what he puts out there publicly. That is my issue.

Madam CHAIR: That concludes consideration of Output 12.2.

Output 12.3 – Darwin Waterfront Corporation

Madam CHAIR: The committee will now go on to Output 12.3, Darwin Waterfront Corporation. Are there any questions?

Ms FYLES: I have a number of questions but in the interests of time I will try to keep them short. Minister, have you had any written ministerial directions issued this financial year to the Darwin Waterfront Corporation?

Mr TOLLNER: No.

Ms FYLES: The annual report last year indicated a deficit of \$4.2m last financial year. What is the projected financial position for 2015-16 financial year?

Mr TOLLNER: It is much the same.

Madam CHAIR: That concludes consideration of Output 12.3, Darwin Waterfront Corporation, and Output Group 12.0.

OUTPUT GROUP 13.0 – CORPORATE AND GOVERNANCE

Output 13.1 – Corporate and Governance

Madam CHAIR: The committee will now move to Output Group 13.0, Corporate and Governance, Output 13.1, Corporate and Governance. Are there any questions?

Ms FYLES: Minister, a \$103 000 anti-bullying consultancy was entered into last year. Why was the decision made to engage a third-party to consult on anti-bullying training in the Department of Lands, Planning and the Environment?

Mr TOLLNER: It is an initiative of the chief executive of the department. He is red hot on the issue of bullying in the workplace. It is something he wants to see stamped out entirely. I am informed he did it in his previous agency, the Department of Land Resource Management, and he is keen to bring the same rigour to the Department of Lands, Planning and the Environment.

Ms FYLES: Who provided that consultancy?

Mr TOLLNER: We will take it on notice. Blythe Rowe is the individual involved. We will get some details on the company.

Question on Notice No 2.16

Madam CHAIR: Member for Nightcliff, can you restate the question?

Ms FYLES: A \$103 000 anti-bullying consultancy was entered into last year. Why was the decision made to engage a third-party consultant? Who was the third-party consultant? Did they go through the normal procurement processes? Were they the same consultant used previously, or did it go out to tender?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: Yes, I accept the question.

Madam CHAIR: The question asked by the member for Nightcliff of the minister has been allocated number 2.16.

Ms FYLES: Minister, I have some question about an audit in relation to the \$100 000 seven-day study tour undertaken by your predecessor and his delegation to the United Kingdom, Canada and the USA. As you are aware, the two travel audits were undertaken by your department in the current financial year in response to requests from the Chief Minister's department. What was the cost of the six-month compliance review conducted by Deloitte? Are you able to table the two audit reports and related correspondence? Why was the six-month compliance conducted by an external provider and the Latitude Travel audit conducted internally?

Mr TOLLNER: Member for Nightcliff, do you have a line of questioning on this front?

Ms FYLES: I have a few questions, yes, minister.

Mr TOLLNER: All right. I cannot answer any of them now. If you would like to give them to me I will take them on notice.

Ms FYLES: Okay. Thank you, minister.

Question on Notice No 2.17

Madam CHAIR: Can you restate the question please, member for Nightcliff?

Ms FYLES: In relation to the \$100 000 17-day study tour undertaken by your predecessor and his delegation to the UK, Canada and USA – the two travel audits undertaken by the department in the current financial year, in response to requests from the Chief Minister's department, what was the cost of the six-month compliance review conducted by Deloitte? Is the minister able to table the two audit reports and related correspondence? Why was the six-month compliance review conducted by an external provider and the Latitude Travel audit conducted internally? In addition, the letter from your CEO to John Coleman states:

The invoices provided by Latitude Travel presented some irregularities which relate to the lack of any itemised breakdown of costs. In spite of requests from the department to provide more detail, Latitude Travel did not provide the requested information. In light of recent convictions against the owner of Latitude Travel involving the issue of fraudulent and overinflated invoices, it must be prudent to refer this particular transaction for further investigation by police.

When did your department first have concerns about the irregularities with Latitude Travel invoices?

There are further questions, should I just ...

Mr TOLLNER: Add them all into the one and I will answer the lot.

Ms FYLES: Thank you, minister, I appreciate that.

Why were the irregular invoices totalling \$33 000 approved for payment by your department, and I draw your attention to comments on page two of the Latitude Travel audit, which states:

In March 2014 the department sought an itemised breakdown of the cost from Latitude Travel in relation to the overseas travel undertaken in September 2013. In e-mail correspondence between the department and Latitude Travel, the owner of Latitude Travel was unable to provide a further breakdown of costs, citing that the wholesaler did not provide a breakdown of costs. Further queries from the department resulted in no additional information being provided and an unusual comment from the owner that, 'The flights were around the world so it is what it is'.

Given that your department had concerns in March 2014 about invoices for minister Chandler's \$100 000 study tour, can you explain to taxpayers why it has taken more than two years to finally undertake an audit of Latitude Travel transactions?

The recent Latitude Travel audit undertaken by your department identified potentially inflated invoices, and your CEO's letter to John Coleman states that it would be prudent to refer the transactions to police. Have the transactions and the audit findings been referred to police, and if so, when? Have you heard back from police around whether they intend to conduct an investigation into the invoices or any related matters?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: I do.

Madam CHAIR: The question asked by the member for Nightcliff of the minister has been allocated the number 2.17.

Madam CHAIR: Are there any more questions?

Ms FYLES: We have lots more questions for the minister, but we will have to pass because I know my colleague, the member for Johnston, Ken Vowles, would like to have a chat to Dave.

Madam CHAIR: That concludes consideration of Output 13.1.

Output 13.2 – Shared Services Provided

Madam CHAIR: The committee will now move to Output 13.2, Shared Services Provided. Are there any questions?

That concludes consideration of Output 13.2 and Output Group 13.

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

That concludes consideration of outputs relating to the Department of Lands, Planning and the Environment. On behalf of the committee I thank the minister for attending today and the officials who provided advice.

Mr TOLLNER: Madam Chair, I put on the record my support for Rod Applegate, the CE of the department, and his team. I have appreciated the support and effort they have gone to to prepare for estimates, and to run the department. Particularly, I also thank Gary Nairn, who has done a power of work, irrespective of how controversial. He has certainly gone above and beyond what was ever asked of him. I take this time to acknowledge the work that he has done and thank him for turning up today.

The committee suspended.

DEPARTMENT OF MINES AND ENERGY

Madam CHAIR: Treasurer, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement.

Mr TOLLNER: I would like to introduce Ron Kelly, the Chief Executive of the Department of Mines and Energy, and also Karen Simpson, the Chief Finance Officer of that department.

The Department of Mines and Energy is responsible for administering the mining and petroleum industries. These are the biggest contributors to the Northern Territory economy. The department has two primary roles: to promote knowledge of the Territory's mineral and petroleum resources, and seek sustainable development of these resources; and to ensure appropriate standards of regulation in allowing for ecologically sustainable development.

In relation to the CORE initiative, that is, the Creating Opportunities for Resource Exploration initiative, the Territory competes nationally and internationally to attract exploration investment, which is critical to growing the minerals and petroleum industries. In 2014, in the Territory budget \$23.8m was allocated over four years for a major initiative to stimulate and grow the minerals and petroleum exploration industry. This includes an additional \$2m a year over four years to assess the Territory's shale gas potential.

The CORE initiative is now nearing its halfway point. Vast areas of the Territory have been covered by new geophysical surveys. New geoscience data has been obtained that highlights the Territory's outstanding potential for commodities such as shale gas, zinc and copper. In the most recent Fraser Institute Annual Survey of Mining Companies, the Territory was ranked fourth out of 109 jurisdictions globally for the quality of its geological data, sixth in the world for perceived mineral potential, and seventh in the world for investment attractiveness.

The ABS says \$105m was spent on mineral exploration in the Territory in 2015. Following a decline in exploration activity in 2012-13, brought on by the global slump in commodities prices, mineral exploration expenditure in the Territory has stabilised and is showing good signs of recovery.

Since 2013 the Territory has significantly increased its share of Australian exploration expenditure and has not experienced the ongoing falls in exploration activity seen in other jurisdictions. The Territory is also continuing to benefit from discoveries made during the recent exploration boom, and the pipeline of emerging projects in the Territory is arguably stronger than it has ever been in the past.

In relation to energy, in the 2015 calendar year petroleum exploration expenditure onshore in the NT was \$121m. This reflects the industry's confidence in the Territory's oil and gas potential, despite the fall in the global oil price. The scale of shale gas potential of the greater McArthur Basin, which includes the Beetaloo sub-basin, is only now being recognised, and has attracted major investors, with Origin and Pangaea drilling further exploration holes in the 2015 field season.

The mining industry is experiencing difficulty with depressed commodity prices, particularly for iron ore and manganese. The Bootu Creek manganese mine moved into care and maintenance over the past year. In 2014-15 the value of mineral production in the Territory was more than \$3.2bn. In particular, the gold industry in the Territory has remained strong, with Newmont Australia commencing an expansion project at its world-class Tanami operations.

There has also been a substantial increase in gold exploration across the Territory. The completion of a successful definitive feasibility study at TNG Limited's Mount Peak vanadium project in the past year highlights the potential for new greenfields mining operations over the coming years. Australian Abrasive Minerals is close to completion of its garnet mine at Harts Range, and other projects for minerals, including phosphate, gold and base metals, are in the environmental assessment process as we speak.

The government understands that strong, consistent regulation is essential to the Territory obtaining benefits from the mining and petroleum industry. Those industries also need to be aware of their responsibilities to earn their social licence to operate. The government has continued to implement the objectives of the legacy mines fund. Important work has been done to improve legacy sites around Tennant Creek and Hatches Creek in Central Australia. Work is continuing at the former Redbank copper mine near the Queensland border.

The department is also responsible for the regulation of onshore oil and gas. The government's new petroleum environmental regulations are on track to come into effect in the near future. It is bizarre that the Labor Opposition would oppose regulating the onshore gas industry. The regulations are risk-based and focused on delivering ecologically sustainable outcomes. Energy law expert, Dr Tina Hunter, has acknowledged that the approach of the regulation is a quantum step forward from the previous regulatory regime. Again, you have to scratch your head and ask why Labor would oppose regulating this system.

I acknowledge that there will be further work around the introduction of these new regulations, and the department is currently developing detailed guidelines to support the implementation of the regulations.

Following the introduction of the Petroleum (Environment) Regulations, the next stage will be a review of the *Petroleum Act* and also the regulations which govern development of resources. In addition, the department has introduced policies that govern where oil and gas exploration may occur and also allow for agreements between explorers and pastoral lessees about access conditions.

Gone are the days where government allowed gas exploration and drilling applications to 95% of the Northern Territory. It is beyond belief that we have an opposition in the Northern Territory that says it is responsible, but ignores all responsible actions of government to put in place a responsible regulatory regime for this industry.

I am confident these regulations and policies strike the appropriate balance between environmental protection and economic development. I am happy to take questions on any of these matters.

Madam CHAIR: Are there any questions on the minister's statement?

Mr VOWLES: Thank you very much, minister, for that opening statement. I will go straight into it. You mentioned the legacy mines. Can I confirm that there are eight legacy mines in the Territory?

Mr TOLLNER: There are eight projects currently under way. There is more than eight. There are dozens, going back years.

Mr VOWLES: Where are they?

Mr TOLLNER: I can take that question on notice if you like and get you a definitive.

Question on Notice No 2.18

Madam CHAIR: Could you please restate the question please, member for Johnston.

Mr VOWLES: Just confirming the number of legacy mines in the Northern Territory, and where are they?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: I accept the question.

Madam CHAIR: That question asked by the member for Johnston of the minister has been allocated the number 2.18.

Mr VOWLES: Minister, can you provide details of the revenue expected to be collected through the mining remediation levy for 2015-16 and going forward?

Mr TOLLNER: It is 1% of the environmental bond. For commercial-in-confidence reasons we do not make public the environmental bonds we hold.

Mr VOWLES: Is that the Mining Remediation Fund?

Mr TOLLNER: Yes, it is 1% of that bond that goes into that fund.

Mr VOWLES: Thanks, minister. How much funding is provided by the federal government and what mines is the federal government paying for in regard to that Mining Remediation Fund? Is there any Commonwealth funding in that?

Mr TOLLNER: We get very little support from the federal government for legacy mines, outside of the old Rum Jungle mine. We got \$10.2m from the federal government for 2016-17 to start more monitoring of the detailed engineering work and all that sort of stuff that needs to be done to rehabilitate that old mine. The cost of that has been calculated from a few hundred million to close to \$1bn. There is a lot of work being done by the Territory government, or the Department of Mines and Energy, in relation to those rehabilitation costs. As you would be aware, member for Johnston, the Rum Jungle mine was pre-self-

government and is really a responsibility of the Commonwealth government, but the Mines department is actively working with it to see that mine rehabilitated.

Mr VOWLES: How do you calculate the amount of funds put aside for the rehabilitation; is that the 1%? How does that work out?

Mr TOLLNER: No, the 1% is a percentage of the environmental bond, but each mine is treated on a case-by-case basis in determining that calculation. I do not know whether there is much more.

Mr TOLLNER: With the legacy mines, it is the Mines department itself that does the design of the work that is required, and then we put it out to a public tender.

Mr VOWLES: Do any of the legacy mines, have rehabilitation funds from the previous mine owners, and, if so, how much was set aside?

Mr TOLLNER: Fundamentally, the reason they are called legacy mines is because those mining companies never left funds there to do the rehabilitation. They created a legacy and that is something this government has been acutely aware of, which is why we increased environmental bonds and put in place the rehabilitation fund - for just those circumstances, dealing with those legacy mines.

Mr VOWLES: What amount of taxpayers' money has been allocated in rehabilitation and other costs to the listed legacy mines in 2016-17?

Mr TOLLNER: In the 2016-17 year, taxpayer money allocated was \$11.639m, which does include the \$10.04m for the Rum Jungle cleanup.

Mr VOWLES: Is there some federal money in that?

Mr TOLLNER: That is the \$10.04m. The other thing in relation to legacy mines is that I have been thrilled with the work the department has done. It has made an effort, particularly in the Tennant Creek region, to turn a negative into a positive. A lot of these old abandoned mine sites do have some interesting heritage values. They represent an era in history that has long since passed, and the Mines department, looking at the rehabilitation of some of those sites, has also recognised the tourism value, so it is working with the Tourist Commission to develop mining trails and walks, and that sort of stuff where people can view some of that old history of the Territory in a safe way without any fear of falling down some adit or the like.

Mr VOWLES: Redbank Mine, minister – you mentioned it in your opening statement. Can you advise the progress of the rehabilitation of this mine?

Mr TOLLNER: You would be aware that the EPA has had the owners of that resource in court. There is some litigation going on there which will determine, ultimately, the outcome for government and others in relation to the rehabilitation of that site. The Mines department is actively monitoring it. Water quality, dust suppression and all that sort of stuff – the Mines department is keeping a close watch on it whilst the EPA prosecutes the case.

Mr VOWLES: Are you aware of whether or not the water in the Redbank Mine area is unfit for consumption because of the mine site contamination?

Mr TOLLNER: It is contained within the pit. It is probably not fit for human consumption seeing it is sitting there stagnant but, as I say, it is being monitored by the Mines department.

Mr VOWLES: You would be aware that a lot of tourists travel on the Savannah Way. Are there any warning signs or anything about not drinking the contaminated water – or the surrounding areas?

Mr TOLLNER: There is no public access to that site and I am informed there is a sign on Hanrahan's Creek.

Mr VOWLES: Well done, minister.

Mr TOLLNER: I am on the edge of it all, mate.

Mr VOWLES: I have a heap of other questions if you want to go through. I have one more for whole-of-government.

Mr TOLLNER: Just go through them, Ken, and I will answer them as they come. If Gerry wants to chime in he can.

Mr VOWLES: What percentage of identified Aboriginal and Torres Strait Islander employees does the department have?

Mr TOLLNER: It has seven, and four more started late last year through the Indigenous Cadetship program. I will have that confirmed for you.

Mr VOWLES: Excellent to hear. In regard to any consultancies, contracts or tenders over \$100 000, do you have a list of them, if any, and how much did the Dr Hunter Report cost? Does that fall under that?

Mr TOLLNER: I have information about communication consultancies but you are chasing information on more than just communications. I will make an effort to get back to you; we will take that on notice.

Question on Notice No 2.19

Madam CHAIR: Could you restate the question please, member for Johnston.

Mr VOWLES: Minister, could you please provide details of any consultancies over \$100 000?

Madam CHAIR: Minister, do you accept the question?

Mr TOLLNER: I do.

Madam CHAIR: The question asked by the member for Johnston of the minister has been allocated the number 2.19.

Mr WOOD: Minister, in relation to your opening statement, you talked about the regulations. I remember the debate on that night. My concern was I felt those regulations needed to be tighter in relation to bore integrity. The problem I have at the moment is that I have not seen the final regulations. When will they be released so one can look at them? Also, whilst having some discussions with people from your department about my concerns, they said those concerns might be looked at in some other regulations. Are there more regulations to come and when will the environmental regulations be released?

Mr TOLLNER: The environmental regulations are sitting with me, waiting for release. I will have them out as soon as I have had a chance to view them. They will not be greatly different from what was on onshoregas.nt.gov.au. I am informed there are a couple of minor changes, and there will obviously be a couple of minor changes since the debate in parliament where I committed to having a third-party certifier involved.

Mr WOOD: Will there be any other set of regulations? My concern was – part of that concern came from the Environmental Defenders Office, but they were similar concerns to mine. I know Tina Hunter was looking at not having too much prescription, but the concerns I have always had are to make sure the well integrity is as risk free as possible.

Other issues, for instance, were about having a gas commission like in Queensland, which is a community body made up of people who have some knowledge of the region and who are well-established in the community. They inspect wells and look at new processes for developing gas and how the community is relating to the gas companies. They have a very broad spectrum. It is an independent body, but it is working in the community and seeing what is happening on-site.

They are some of my concerns, but I did not know if there was another set of regulations that may be coming which would deal with some of those specific issues.

Mr KELLY: The department is still working on another tranche of regulations. The first lot was the environment regulations – risk-based – which cover off some of the issues pertaining to well construction. In other words, they have to demonstrate how aquifers and surface water will be protected through their construction processes. Following on from that will be some additional guidelines, but also potentially some additional regulations that will go into specific issues of concern. Some of that will be a tightening up of the requirements around well construction as a key point.

That work is still progressing as more modern construction techniques are proposed for how we deal with the Australian circumstances and our Northern Territory geology. That work is still in process.

Mr WOOD: I will take things as they come, but I would like to see those regulations that are out now.

Madam CHAIR: I have a question from the member for Karama. Because of the configuration of the panel she cannot sit in the panel at the moment, so I offered to ask this question for her.

Can you provide the figures on how much money it has cost Territory taxpayers to produce and place the TV, print and online advertising that has been pushing onshore gas development in the Territory over the past 12 months? Why are taxpayers paying for these ads to promote the fracking industry? Why can the industry not afford to pay for its own advertising, as per the other businesses and industries across the Territory? Would you concede that many of the Territory-funded ads pushing shale gas fracking have been misleading as they promote a need for gas, even when we in the Territory already have plentiful conventional gas supplies coming from offshore that do not at all require invasive industrial gasfields with thousands of fracked wells across our water catchments and iconic landscapes? How much have these ads been costing Territory taxpayers?

Mr TOLLNER: I am more than happy to answer that. I will table a document that outlines all those costs. Fundamentally, there is a need to make sure Territorians understand what their government is promoting, and using media to make Territorians aware of that is highly appropriate.

We make no apologies for trying to create new industries and new jobs to bring a brighter future to Territorians. We do that in a way that is environmentally sustainable, hence the great effort we have gone to to investigate this industry through the assistance of Allan Hawke and his review, and the assistance of Dr Tina Hunter in reviewing the work of Dr Allan Hawke, and also gathering information from a myriad of sources that have done a lot of this work in the past. Government is confident there is an industry here for the future development of the Northern Territory, and it is important that Territorians understand that.

Madam Chair, here is a complete detailed breakdown of all advertising, production, market research and design work that has been paid for by the department in relation to this campaign, with a total cost of \$174 626. It is even a breakdown of the ad placements within that whole category.

Ms FYLES: What is the total cost, though, of not just ...

Mr TOLLNER: \$174 626.

Ms FYLES: Is television included?

Mr TOLLNER: There is \$815 for newspaper advertising design ...

Ms FYLES: Pretty cheap ads.

Mr TOLLNER: ... \$41 000 for television, \$97 000 for newspaper advertisement placements, \$5100 for marketing design, \$12 069 for multimedia production, \$11 000 for market research, \$900 for photography and \$6720 for communications planning. As I said, I am happy to table that with a complete breakdown of where that money has been expended.

Ms FYLES: Would there be any other agency that paid for advertising in relation to this campaign?

Mr TOLLNER: No. It has been run from the Department of Mines and Energy.

Madam CHAIR: Any other questions on the statement?

Mr VOWLES: Minister, in regard to the industry reporting section, the geoscience section, they have taken a trim of about \$200 000, most of which comes from the geoscience area. Can you just run me through why it has been cut?

Mr TOLLNER: The variation is due to \$133 000 relating to internal transfers, predominantly within this output group, to better align the budget with the revised outputs – a one-off \$28 000 adjustment to revenue estimates for 2015-16 only; predominantly relating to revenue generated for the AGES conference, the big geological conference in Alice Springs which occurs every year, and there is a \$13 000 net effect of other minor budgeted adjustments. That I think you will find adds up to a \$174 000 decrease plus there is a –

sorry, you were referring to geoscience and industry development services, so that is that decrease; that explains the decrease.

Mr VOWLES: In regard to mining operations management, it went about \$220 000 over budget and just now has been cut by \$300 000. This area is responsible for advancing the Territory's mineral resource and legacy mines management, among other things. Can we understand this section a little bit better? Would it be true to say that in this section people work to develop the industry - the number of mines, markets, etcetera - and why is it being cut? Is that the right area?

Mr TOLLNER: There is \$262 000 relating to revised estimates for the independent monitoring of MRM, the McArthur River Mine; \$50 000 relating to internal transfers, predominantly within this output group, to again better align with the budget with revised outputs; \$10 000 for minor budget adjustments' impact and effect; and \$7000 for revised estimates for the R and M program; that adds up to \$336 000.

Mr VOWLES: Minister, last year, I raised issues relating, in essence, to the processing of titles. Again this year there is a reference in Budget Paper No 3, page 138, to \$350 000 to continue to reduce approval times for mineral titles administration. Can you take me through the issue and the allocation please?

Mr KELLY: The minerals titles management area of the budget receives an \$86 000 increase this financial year. There was \$93 000, which relates to internal transfer of some resources to better align the staff for the functions that they are performing, and there was a reduction of \$7000 that relates to minor budget adjustments in part of that process. Essentially there were some unfunded positions in some areas in the department, primarily to do with the IT upgrade and that IT upgrade project, which have now been accounted for against the actual area they are responsible for – and the additional transfer of resources to try to get the minerals titles area working more efficiently.

Mr WOOD: Have you moved to 15.1?

Madam CHAIR: We are just sticking with the statement. We will not do outputs; we will just ask all the questions in this section.

Mr TOLLNER: Ask questions as you are ready.

Mr WOOD: I have to keep an eye on him, you see.

Mr TOLLNER: Well he is a bit upset about you interrupting all the time, soaking up all his time.

Mr VOWLES: Minister, there has been a lowering in the number of applications granted because of the lower expectation around mining in general, but it also says there are 700 outstanding applications. This is despite the lengthy conversations we had last year. Can you give me a reason why there are still 700 outstanding applications?

Mr TOLLNER: The *Native Title Act* and the Aboriginal Land Rights Act. They are inherently slow processes to deal with.

Mr WOOD: What are the prospects for more offshore gas production? We have heard a lot about onshore, we have developed INPEX, ConocoPhillips, is there anything else – and it is a terrible pun – in the pipeline for offshore gas production?

Mr TOLLNER: Yes, there is. Last week I was at the APPEA conference in Brisbane and met with a range of different companies that are operating in the Northern Territory and are all quite bullish around some of the offshore gas potential we have. Obviously the low market price is holding up some of those projects at this point in time, but there is plenty of talk about tapping into existing pipelines, getting some of those smaller fields operating and doing some more exploration work offshore.

Mr WOOD: It did not sound good when you said they would be tapping into those pipelines. It looks like you are pinching someone else's gas, but I presume you mean you are going to use the pipeline for the transport of new gas.

Mr TOLLNER: The Conoco facility, as most people know it as – Darwin LNG – is a multi-user facility. They are hopeful of attracting more gas into that facility to chill it down and transport it off; there are some opportunities there.

Mr VOWLES: If I can just go back minister, regarding the delays to the 700, in each individual case, have you identified the issues and what is holding them up? You mentioned native title and things like that, but are there other issues that have been identified in that?

Mr TOLLNER: Predominantly member for Johnston, the *Native Title Act* and the Aboriginal Land Rights Act throw up barriers. They are not insurmountable barriers but they certainly require a lot more consultation and negotiation to get them to fruition. Quite often, not always, it is large multinational companies that will sit on those applications, because, fundamentally, they can afford to. The smaller scratchers who want to get a mine happening get frustrated beyond belief. Predominantly, it is negotiation with ALRA and native title that is slowing those projects.

Mr VOWLES: Have any of those delays been caused by the EPA at all?

Mr TOLLNER: Member for Johnston, they are only applications; they are not actually applications for any activity so they do not go to the EPA until there is some activity planned. They are all caught up or stuck with negotiations in relation to native title and ALRA requirements.

Mr VOWLES: Thank you, minister. You have allocated \$1.1m in this budget to improve mining approval times and to monitor water assessment of the high-risk sites. Can you explain that allocation, and what high-risk sites are you talking about? It is Budget Paper No 3, page 138, \$1.1m.

Mr TOLLNER: Approval times is a part of – the government directive to the department is to try to find ways to fast-track, remove red tape and the like.

Fundamentally, water is an issue at every mine site in the tropics. It is a big issue and we want to maintain our clean water supply, so monitoring sites under the *Mining Management Act* for water use is one of the key areas of regulation the department embarks on.

Mr VOWLES: You have not identified any high-risk sites for water?

Mr TOLLNER: Redbank and Mount Todd are obviously high-risk sites, but predominantly all mines in the tropics have risk associated with water, and the department is absolutely red hot on monitoring water use, especially water that leaves the site, to make sure there is no possible way of contamination.

Madam CHAIR: We have 10 minutes left, member for Nelson.

Mr WOOD: An important one for development is extractive mining titles. Are you able to give us a list of all those extractive mining titles that are live? I do not know whether that is possible. Can you give us a list of which ones are not being worked and are being rehabilitated?

You have a note here about revised security arrangements for the extractive industry. I am not sure what that means; it is in the annual report. Does that relate to the future of sand mining in, for example, the Howard Springs region, and have you looked at other areas that could be suitable for sand mining? I have just given you a whole range of extractive mining questions there, but it is really important at the moment.

Mr TOLLNER: I will take the first part on notice. I cannot go through any extensive list right now.

Mr WOOD: You might be able to get us a list.

Mr TOLLNER: If you want to put it as a question on notice I am happy to take that.

Question on Notice No 2.20

Madam CHAIR: Please restate your question, member for Nelson.

Mr WOOD: Can you give us a list of extractive mining titles in the Darwin region, how many have finished their life and how many have been rehabilitated?

Madam CHAIR: Do you accept the question, minister?

Mr TOLLNER: Yes, I accept the question and I will make an effort to get an answer to you.

Madam CHAIR: The question asked by the member for Nelson of the minister has been allocated the number 2.20.

Mr WOOD: The second part is what is the future of sand mining in the Howard Springs sand sheet?

Mr TOLLNER: That is a good question and it is an area where the EPA has been involved, the Department of Mines and Energy, the Extractive Industry Association, all working towards an outcome that is suitable for all of us.

I cannot stress enough the importance of the extractive industries for the development of the Territory. Fundamentally, any development requires a strong and viable extractive industry. We are aware now of the toadlets and the carnivorous plants that live on the Howard sand sheet, and it is probably fair to say that in the past the extractive industry has pretty well done what it wanted. Having said that, it is absolutely responsible and understands that it needs to shake itself up to improve some of the practices, and it has been working to do that over the last couple of years. I can only put on the record my credit – one, for acknowledging that there is a problem, and two, the way it has actively gone out to rectify those circumstances.

I am currently working with the Mines department, the Department of Land Resource Management and the Environment department to see what can be done, particularly on the Howard sand sheet, to maintain some of those extractive industries whilst protecting some of those endangered critters and plants, for want of a better word. I am hopeful we can have an outcome within the next few weeks on that. A lot of work has been happening behind the scenes with that industry. The department has been working closely with the industry body, the EPA and the Department of Land Resource Management. I am hopeful we can have a negotiated way forward within the next few weeks or so.

I cannot stress enough the importance of this industry to Darwin, Palmerston and the rural area. We just cannot push them further and further afield. It is sad that there are people in our community who do not understand that if you want to have nice buildings, nice roads or the like you need an extractive industry. They are only there for a short time. Providing they are doing it right and rehabilitating the areas right, it should not impact too greatly on people's lives. We need to accommodate that industry if we are to have an affordable development in a region.

Mr WOOD: Just get the rehab right.

Mr TOLLNER: Absolutely. We have to get the rehab right. I am dead keen on that which is why we are working so closely with the EPA, the Environment department and the Department of Land Resource Management to make sure we are ticking the box as far as sustainable development is concerned.

Madam CHAIR: Minister, I would like to put a question on notice. It is in regard to the document you tabled, 2.4, the marketing and advertising expenses for onshore gas. It is only to March. Is it possible to provide a document from July to the year to date?

Mr TOLLNER: I will take that question on notice. I do not know, is the honest answer.

Question on Notice No 2.21

Madam CHAIR: Can the minister provide marketing and advertising expenses for onshore gas from July to the year to date?

Do you accept the question?

Mr TOLLNER: I accept the question. We will endeavour to get the information.

Madam CHAIR: The question asked by the member for Araluen of the minister has been allocated number 2.21.

Madam CHAIR: Another question from the member for Karama – in the agency budget highlights in the 2016-17 Territory budget, the Department of Mines and Energy proposes to gift \$2m directly to 'continue an accelerated collaborative program to assess the Territory's shale gas potential and resources'. Who made

the decision to spend \$2m of taxpayers' money to accelerate shale gas fracking in the Territory? Why is the government proposing to sink millions into the work the shale gas fracking industry should pay for itself?

Mr TOLLNER: The fact is that this industry represents an enormous opportunity for the Territory. If we can develop an onshore gas industry not only will it develop jobs and opportunities for Territorians, we can also do a lot to address the greenhouse gas issues of this country if we export that gas interstate. The government has been up front in saying it wants to see this industry developed in a sustainable and environmentally appropriate manner. We have gone to extraordinary lengths to assess where the Territory's shale gas potential is and to make sure landholders and pastoralists are consulted. We have gone to extraordinary lengths to make sure we have environmental regulations that adequately protect our environment. There is a whole range of areas where we have gone to extraordinary lengths.

But it is also to be noted that this is like any other extractive industry. Money will follow opportunity. If we say no, those companies and industries will move somewhere else. We have already seen that occurring with the proposed moratorium. We have seen businesses closed down, companies leave the Territory and jobs lost. It is important to put in place the foundations for future industries, and we have done that in a whole range of different areas. Government spends an enormous amount of money – significantly more money promoting our tourism, education and agricultural industries, for example. To put a couple of million dollars towards an industry that can literally generate billions of dollars in income for the Territory is, I think, a small amount of money for a great opportunity.

Mr VOWLES: Minister, I want to finish on ERA and Ranger 3 Deeps mine – scheduled to end in 2021, a little over four years. Will your agency be involved over the next 12 months in planning for overseeing the rehabilitation of ERA?

Mr TOLLNER: ERA, for every year of its operation, has sent the department its rehabilitation plan, for us to approve and for the federal government to approve. It is part of its licence to operate. It has to have in place a rehabilitation plan and it has been providing that to the government since it commenced operations way back whenever that was.

Madam CHAIR: I just need to clarify the question I just put on notice. It is from March 2015 to the year to date.

Mr TOLLNER: The question where you want to know about the advertising is from March 2016, this year, until wherever we are at now.

Madam CHAIR: I said from 1 July until year to date.

Mr TOLLNER: That is right. The information I gave you was from 1 July 2015 to the 31 March.

Madam CHAIR: The question I have been asked to ask is from March 2015 to March 2016 – a full year.

Mr TOLLNER: I actually think what she wants is the full financial year.

Madam CHAIR: Yes, the full financial year. So, that is what I ask for, from July to July.

Mr TOLLNER: I will endeavour to give all the information on advertising.

Madam CHAIR: I conclude consideration of agency-related whole-of-government questions on budget and fiscal strategies. I conclude consideration of Outputs 14.1 and 14.2, and Output Group 14. I conclude consideration of Outputs 15.1, 15.2 and 15.3, and Output Group 15. I conclude consideration of Output 16.1 and Output Group 16. I conclude consideration of Outputs 17.1 and 17.2, and Output Group 17.

That concludes consideration of outputs relating to the Department of Mines of Energy. On behalf of the committee, I thank the minister for attending today, and the officers who provided assistance to the minister.

Mr TOLLNER: Thank you, Madam Chair. I particularly thank Ron Kelly and his team from the Department of Mines and Energy for the valuable help they have given me through this estimates process, but also for the fine job they have done over the year developing and driving commercial opportunities in mining and oil and gas in the Northern Territory, and the work they do regulating those industries.

Madam CHAIR: Thank you, minister. That concludes proceedings for today. The 2016 Estimates Committee Public Hearings will resume tomorrow morning Wednesday 15 June 2016 at 8.30 am.

The committee suspended.
