

The Estimates Committee convened at 8 30 am.

**Madam CHAIR:** 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 everyone present.

For the benefit of *Hansard*, I will introduce my colleagues sitting on the panel and welcome participating members, Mr Gerry McCarthy MLA, member for Barkly and Deputy Leader of the Opposition, and member for Karama, Ms Delia Lawrie MLA, Opposition Leader. To my right we have Gerry Wood, member for Nelson, who is a member of the Estimates Committee; my colleague, Bess Price MLA, member for Stuart, who is also a member of the Estimates Committee; and my colleague, Larisa Lee, member for Arnhem, also a member of the Estimates Committee.

This is the 12<sup>th</sup> year of the Estimates Committee process. Many procedures adopted throughout previous years have been accepted practice and will be continued this year. There are also some changes to this year's committee, such as having written notice of questions, and proceedings will be adapted accordingly.

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 2013-14. 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 the composition of the committee never exceeds three government members, two opposition members and one independent member, 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 and I will also acknowledge, for the record, when there is a change of membership of the committee throughout the hearings. I also report that at a recent meeting of the committee, the member for Arnhem, Ms Larisa Lee, was appointed Deputy Chair of the Committee.

As in past years, the committee asks that ministers restrict their opening remarks to a maximum of five minutes. Members will be able to question the minister on issues raised within those opening remarks, but 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 questioning has been raised a number of times throughout previous estimates public hearings. I intend to follow the lead of the Senate, which adopted a report of their procedural 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 the strong irrelevance 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 on 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 in which to raise an issue. The schedule giving the order of outputs has been provided to all members and is also available at the back of the room and on the Assembly's website. We will work through this document as the agenda for the committee.

It should be noted that to allow questions to be addressed to ministers with principal administrative responsibility for particular portfolio areas, it has been necessary to set out the schedule so it varies somewhat from the listing of agencies in Budget Paper No 3.

Where a minister will be available for questioning on outputs administered by agencies that sit within other portfolios, these have been clearly identified in the schedule. I will be reinforcing the fact that questions regarding those particular outputs need to be addressed at the time the minister is appearing before the committee as once an output has been completed it will not be revisited.

The previously accepted method of allocating questions throughout public 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 the independent member and then other committee members. Finally, other participating members may address electorate issues.

Subject to the Chair's discretion within that order, the committee has agreed to the flexible approach introduced previously allowing members to join in with a line of questioning pursued by a shadow minister, rather than wait for the end of the shadow's questioning on the output.

Procedures for dealing with questions taken on notice are contained in the Estimates Committee Information Manual 2013. When a question is taken on notice it is vital 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 11 July 2013. The Assembly has given the last date for the publication of answers of 12 July 2013, and the committee cannot receive answers after this time.

I note the timing for each minister's hearing is indicative only. When questioning of an agency has concluded the committee will move on to the next agency within the minister's portfolio immediately. Similarly, when questioning of a portfolio concludes, the committee will immediately call the next scheduled minister to the table.

Changes of minister and agency will be tweeted through the Legislative Assembly Twitter account LegAssemblyNT to let people know where proceedings have reached.

Witnesses should be aware evidence given to the committee is protected by parliamentary privilege. However, I also remind witnesses giving false or misleading evidence to the committee may constitute 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.

All microphones on the tables are normally on, although they do have an off switch if required. The Speaker has approved accredited media filming the hearings and the cameras on the ceiling are providing a video feed which is being webcast and available for broadcast.

The rules for broadcasting are in the Estimates Information Manual 2013, copies of which are available at the back of the room. Hearings will commence at 8 30 am. Lunch is scheduled from 1 pm to 2 pm each day and dinner is scheduled from 6 30 pm to 7 pm. Other breaks will be determined at the Chair's discretion. The timing of meal breaks may vary slightly to fit with the conclusion of a line of questioning. 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 for the efficient recording of the *Hansard*, I request 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 him or herself each time for the *Hansard* record.

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.

**Mr WOOD:** Excuse me, Madam Chair, can I ask a question about your opening statement?

**Madam CHAIR:** I have not finished my opening statement.

**Mr WOOD:** You are going to Madam Speaker and this is a question not related ...

**Madam CHAIR:** Perhaps if I finish my comments and come to you after that.

... commencing with Madam Speaker and consideration of outputs relating to the Department of the Legislative Assembly. Member for Nelson.

**Mr WOOD:** In relation to the strictness of your ruling on different sections of departments, I ask that some flexibility be given. One of the reasons is we have had a change of government, we had changes in departments and, if you have gone through some of the annual reports you will find, in some cases, it is quite difficult to match up outputs with what is in the annual report because they do not match up. I ask that some flexibility be given because of the unique state of this particular Estimates Committee, where one government was part of the last financial year and a new government has taken over.

**Madam CHAIR:** I note your comments, member for Nelson. I refer you to the outputs where much of that matching up has been done. As I said in my opening statement, if in doubt ask the minister immediately. I take your point and there will be latitude.

**Mr WOOD:** I am after some latitude. Can I clarify ...

**Madam CHAIR:** Some.

**Mr WOOD:** It is the estimates process and is about being able to question the government. I understand there are outputs but, in this estimates, they are much harder than previous estimates to match.

**Madam CHAIR:** Mr Wood, we have had this conversation. There will be latitude.

**Mr WOOD:** Did you say answers have to be in by 12 July?

**Madam CHAIR:** 11 July.

**Mr WOOD:** Is that answers to written questions?

**Madam CHAIR:** Questions on Notice.

**Mr WOOD:** The minister said in a media statement yesterday all answers would be in within five days. Am I reading the same thing?

**Ms LAWRIE:** The Attorney-General issued a media release stating all answers will be provided within five days. To be honest, in every estimates I have participated in for the best part of a decade answers are usually provided within the same day, and often within the same session.

**Madam CHAIR:** The Public Accounts Committee and the Estimates Committee have met. That is a bipartisan committee made up of you, member for Nelson, and also members of the opposition. It has been unanimously agreed by all members of that committee that 11 July is suitable.

**Mr WOOD:** I did not agree with that.

**Madam CHAIR:** There has been ample opportunity to oppose that, member for Nelson. I can pull transcripts of meetings you were in if that would suit you. There are no further questions on this point.

**Mr WOOD:** Madam Chair, this is not the High Court; this is the Estimates Committee. I am saying the Attorney-General said ...

**Madam CHAIR:** If the Attorney-General would like to provide his responses within five days that is his prerogative.

**Mr WOOD:** No, he said the government would provide them within five days.

**Madam CHAIR:** They will be no later than 11 July.

**Mr WOOD:** He said five days. You need to be working with your party to check which is right - five days or 11 July.

**Madam CHAIR:** It is 11 July.

**Ms LAWRIE:** It is reasonable, at this stage, for members of the committee to seek clarification. I counsel you to seek further advice from the Leader of Government Business given that ...

**Madam CHAIR:** Thank you for your advice, member for Karama. The Assembly's due date is 11 July, and that will be the due date. If the government decides to provide answers earlier, they will be provided earlier.

**Mr WOOD:** No, we were just saying that is what we thought the government policy was.

**Madam CHAIR:** That is not what you thought, member for Nelson, because you have been in every single meeting.

**Mr WOOD:** I have not been at every single meeting. I left apologies for the last meeting because I was working.

**Ms LAWRIE:** Further to that, discussions within the PAC are subject to privilege. At no stage has the opposition been advised formally, or otherwise, of 11 July. Certainly, we have been advised by the Leader of Government Business of five days. We do not believe that is ideal given estimates questions can be answered within the same day and, indeed, the same question. That being said, there has been no advice to the opposition of an 11 July deadline.

**Madam CHAIR:** The 11 July deadline is in the Assembly's resolution, member for Karama.

### MADAM SPEAKER'S PORTFOLIO

#### DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

**Madam CHAIR:** Madam Speaker, thank you for coming this morning. I note whilst responsibility for the Department of the Legislative Assembly sits with the Chief Minister, Madam Speaker is responsible for parliamentary services and will answer questions relating to such today. Madam Speaker, I welcome you and invite you to introduce the officers accompanying you.

**Madam SPEAKER:** Thank you, Madam Chair and committee members. Accompanying me today, on my right is Mr Ian McNeill, Clerk of the Legislative Assembly, to his right is the Deputy Clerk, Michael Tatham, to my left is the Chief Financial Officer, Diem Tang.

I am pleased to take this opportunity to make an opening statement as the first witness before the Estimates Committee in 2013.

**Madam CHAIR:** Sorry to interrupt you, I might say one more thing before you commence your introduction. Madam Speaker, I invite you to make an opening statement of no more than five minutes and 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 minister to ask questions first, followed by the Independent member and other committee members. Finally, other participating members will address electorate issues.

The committee has agreed other members may join in on a line of questioning pursued by the shadow minister, rather than waiting for the end of the shadows questioning on the output. Madam Speaker, do you wish to make an opening statement?

**Madam SPEAKER:** Yes I do, thank you, Madam Chair.

I advise the committee I have received its request for answers to a total of 40 questions seeking information about the outputs of the Department of the Legislative Assembly, and I have worked with the department to prepare written responses to all questions. As you will see, particularly with generic questions, some are more relevant to the administration of the Assembly than others. I take this opportunity to table the answers in order for the committee administration to assist the Chair and members by making copies to circulate to the committee which will, in turn, assist proceedings run smoothly today.

**Mr WOOD:** Can I ask a question, Madam Chair? Are those questions going to be replied to in public or are they going to be handed in as written answers?

**Madam SPEAKER:** I have tabled the questions that ...

**Mr WOOD:** I am not having a go at you, Madam Speaker. I am asking the Chair. Are these questions going to be read into *Hansard* for the benefit of the media and those listening today?

**Madam CHAIR:** If you would like the questions read and answered I am sure Madam Speaker would read them.

**Mr WOOD:** The fundamental basis of the Estimates Committee is that all questions and answers be heard in public. So, I would prefer answers to the questions be given in public.

**Madam SPEAKER:** Madam Chair, I am happy to read them but that will take more than five minutes.

**Mr WOOD:** That is fine.

**Madam CHAIR:** Madam Speaker, you may continue with your opening statement.

**Madam SPEAKER:** As is usual, the answers I have prepared and the answers given today will relate to the period 1 July 2012 up to and including 31 March this year. This will be the case except where the committee has expressly sought information since 26 August 2012, or where I point out in my answers that data available is for a different time frame. Where the committee seeks supplementary information relating to the period from 31 March to today's date I, and the officer of the department, will do our best to answer those questions today. However, these questions may need to be put on notice to be answered at a later time.

I have introduced the officers of the Assembly. However, Madam Chair, for the benefit of *Hansard*, I would like to point out Mr Ian McNeill is attending his last Estimates Committee hearing prior to his retirement from parliamentary service on 3 July. Mr Michael Tatham, the Deputy Clerk, will succeed the Clerk in the role from 4 July. The department's Chief Financial Officer, Diem Tang, is also with me.

Today's opening statement provides me with the opportunity to remind the committee of the unique status of the Department of the Legislative Assembly within the administration of the government of the Northern Territory. In my role as Speaker I have specific accountability for administering the entitlements under the Remuneration Tribunal's Determination No 1 of 2012, and under the *Public Sector Employment and Management Act* I hold the role of commissioner for all employees of the Assembly.

Executive government accountability includes financial and Cabinet accountability for the Department of the Legislative Assembly because the agency falls under the Administrative Arrangements and responsibilities of the Chief Minister of the Northern Territory. Therefore, similar to a minister, I am responsible for the day-to-day administration of the department. This is a unique arrangement for a parliament in Australia. For the purposes of the day-to-day operations the Clerk of the Assembly, as the Chief Executive, reports directly to me. However, the Chief Executive signs off on the annual report to the Chief Minister.

I do not intend to go into any discussions on the adequacy and appropriateness of these arrangements. I point out the arrangements for the public record and to remind the newer committee members of these facts. It is also worth reminding the committee I have not been the Speaker since the election in August last year. I have been the Speaker of the Legislative Assembly since the commencement of the 12<sup>th</sup> Assembly, which was on 23 October 2012. Under the Northern Territory Self-Government Constitutional Arrangements, my predecessor, Hon Jane Aagaard, remained in the Speaker's role until the Assembly elected me on the first sitting date after the election. Therefore, the administration for the day-to-day arrangements within the department remained under her responsibility for the two month period from August to October 2012.

I will now speak about the administration of the department. The leadership team in the Department of the Legislative Assembly is in the process of generational change. Over the reporting period, a number of experienced and long serving officers have retired and action has been taken to recruit replacements and position the department for the future. The Clerk Assistant, Chamber Support, Mr Graham Gadd, retired after almost 40 years of service to the Assembly following the February sittings this year. The Editor of Debates, Mrs Helen Allmich, also departed in late 2012 after almost 35 years of service and, as I mentioned, the Clerk, who has spent 28 years with us, preceded by almost 20 years in the Senate, will leave us next week. I am confident, however, the Assembly will be well-served by the next generation of Clerks and officers as all positions I have mentioned have been filled. Recruitment activity will take place shortly for a new Deputy Clerk, which will complete the change of senior leadership in the department. I anticipate a new deputy should be in place after the August sittings.

Keen students of previous Estimates Committee hearings may recall that last year, as I sat on the other side as the member for Goyder, I asked the Speaker the following question:

*Madam Chair, I am familiar with education programs, and to understand how successful they can be or have been there is usually qualitative research analysis done. Has the unit considered doing this kind of research to see if the program is successful - it is reaching positive returns? If not, would you consider such research being undertaken by the unit or outsourcing such research?*

The answer I received indicated there was general ongoing internal assessment. Today, however, I am pleased to advise the committee that on becoming Speaker I was able to explore this matter further. On behalf of all members, I initiated a review of the Legislative Assembly's education functions and programs to ascertain what we are doing well, what we might do better, and how best to engage with the education and general community at large to inform them about the Legislative Assembly, and what honourable members do on sitting days and in the electorates between times.

An external consultant with a long and meritorious career in education and industry was engaged and a final report is anticipated by the end of this month. Once received, it is my intention to share the report with members and consult more widely on any recommendations and outcomes.

Part of the reason behind the review of programs is to ensure the parliament, its practices, and the members are better understood by the community and for them to appreciate the word 'democracy' and all it entails.

Whilst not having received the final report, I put all members on notice that I will be expecting more from them, myself included, when it comes to working with the education unit as the outcomes will benefit everyone.

Cost savings: the department remains subject to the cross-government savings measure required by successive governments over many years. In the past, this has been in the form of specific efficiency dividends, and this year, as a consequence of the mini-budget and the current budget process, the department is ensuring it can retain its commitment to existing activities by commencing a baseline budget exercise in July. This process requires each business unit - of which there are six, being: Office of the Clerk; Community Services, Procedural Support and Education Services; Building and Property Services; Security Services; Strategic and Business Support Services and the Committee Office – to commence from scratch and justify every dollar allocated to its requirement rather than just duplicate the previous year's allocation less any savings required.

As a small department with fewer than 40 full-time staff, not including members and electorate officers, which has a role providing statutorily protected entitlements such as those administered under the Remuneration Tribunal's determinations each year there is extremely limited discretionary budget capacity. I envisage this will continue to be the case.

As the committee will be aware, the new government implemented a savings initiative headed by a body known as the Renewal Management Board. The Renewal Management Board sought initiatives from agencies to identify cost savings measures for government. The Legislative Assembly was not exempt from this process and identified a number of measures for modest savings. These include an ongoing saving by no longer administering the Council of Territory Cooperation, a sessional committee which lapsed at the conclusion of the 11<sup>th</sup> Assembly.

Other savings identified included ceasing the paid arrangement with Territory FM for daily broadcasts of Question Time, and renegotiating the security contract with our contracted service provider to reduce resources at the quietest times in the building. These matters were subject to consultation with the House Committee and were endorsed by the House Committee at its meeting on 4 December 2012.

With the focus on identifying areas for savings, I have undertaken an extensive tour and inspection of the areas considered to be the back of the House and sought answers to questions on the equipment used, contracts awarded, and some areas of operational nature, for example, the lights in the Chamber previously were left on all day every day. This has changed to lights being off during non-sitting periods resulting in savings on electricity accounts.

The government's staff freeze has not directly impacted on the department. Both the previous Speaker and I have determined, under our powers as commissioners for the employers of the Assembly, the Assembly was not subject to a staff freeze. This is consistent with the requirement to serve members and, in turn, constituents. From the base of a small agency with so few full-time staff, it also ensures flexibility and continuity of function.

Building usage functions: with regard to the use of the building as a focus of member, government and community interaction and engagement, there have been a number of functions held within the building and its precincts over the year. A total of 292 functions were held between July last year and March this year.

In my role as Speaker I have continued the tradition of maintaining the precinct as open and accessible to as many Territorians and visitors as possible. I am conscious it is a venue of and for the people and, as such, should not be operated as a free or cheap alternative to commercial enterprises and convention centres. Where fees and charges should be applied at commercial rates they are. The department's functions and facilities manual will shortly be re-examined to update the schedule of fees applicable to ensure commercial competitiveness and that those seeking to use the building do so on an equitable basis which is in keeping with the dignity of the building and does not disadvantage prime commercial interest in the Territory.

I have followed the lead of previous Speakers and waived fees where there is a compelling reason to do so, but have insisted on fees being paid where appropriate, including any function which has the involvement of a commercial enterprise or an industry association, regardless of the industry base. Events such as weddings are operated on a cost-recovery basis; the Assembly cannot be in the business of subsidising private functions. I will continue to monitor the use of the building on behalf of all members of the Assembly.

Management: in last year's opening statement the then Speaker mentioned the department's response to the NT Public Sector staff survey results from 2011. The action taken by the department to respond to concerns raised has remained a focus for the management of the department.

One of the initiatives was consultation on professional excellence guidelines which concentrate on:

- (1) professional knowledge
- (2) professional improvement
- (3) professional practice
- (4) professional commitment
- (5) professional respect.

These fit in neatly with the core public services values promulgated by the Commissioner for Public Employment early this year, concentrating on ethics, respect, impartiality and commitment to public service.

To ensure these remain relevant and that consultation remains at the heart of the management focus of the department, there will be a review of the professional excellence guidelines in conjunction with one of the monthly staff forums in the second half of this year.

Member Services: members of this Assembly receive entitlements as per the Remuneration Tribunal determination administered by me and the Department of the Legislative Assembly. The department is required also to rely upon relationships and engagements under a central service model of government. For example, the Legislative Assembly does not have a dedicated information and communications technology support service available for members and their electorate officers. Even though members cannot, and should not, be characterised as employees of government, they are required to use the services offered by the Department of Corporate and Information Services for ICT support and Help Desk assistance just as an employee of government does.

Recently, under the powers available to the Speaker in administering the RTD, I have made a specific determination allowing members to opt out of the central ICT arrangements. However, such an option means members receive no government-provided ICT Help Desk support at all and are required to make their own support arrangements. Speaker's Determination No MO13 of 2013 applies. To date, one member has availed himself of this option.

The issue of the Legislative Assembly not having a dedicated IT officer located specifically in the department has caused issues in the past, and it is a matter I will monitor closely and may make a representation to government in the near future in this regard. This will be done with the sole focus of providing improved and enhanced services to members.

The department also relies upon NT Fleet, the Department of Corporate and Information Services, the Department of Infrastructure, and other agencies as required for things like provision of vehicles, human resource and payroll matters, electorate office fit-outs, alterations, changes and property leasing. These arrangements should be borne in mind when asking questions today, as some matters are not matters within the direct control of the Department of Legislative Assembly.

Each year, member satisfaction is measured through surveys. Due to the general election, no survey was undertaken during late 2012. A survey will be undertaken in the second half of this year. It would have been meaningless to survey eight new members on their level of satisfaction over the past 12 months immediately on arrival in the Assembly. Of course, as mentioned above, members' satisfaction or otherwise will also reflect what is done by the agencies of government we rely upon for the delivery of members' services.

In closing, I assure members of the Public Accounts Committee that the Legislative Assembly and I take our collective responsibilities very seriously given the responsibilities that come with management of the parliamentary precinct which includes Parliament House, the forecourt, the Old Supreme Court gardens, Liberty Square Gardens, and the rear car parking area.

In the mind of some, the parliament is the government. However, we know this is not correct, and I see it as part of my job to ensure the community and, perhaps, some members of the Assembly, understand the difference.

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

**Madam CHAIR:** Thank you, Madam Speaker. Are there any questions relating to Madam Speaker's statement?

**Ms LAWRIE:** I will raise the point raised by the member for Nelson. Madam Speaker has tabled documents - Paper No 1.1 - which are the Assembly's responses to written questions on notice. I believe we had an agreement at the outset that these would be read out. I guess now would be the time to do that.

**Madam CHAIR:** Thank you, member for Karama. Perhaps we will deal with the agency-related whole-of-government questions, then go to reading this out, then proceed with output questions.

**Ms LAWRIE:** No, I would like her to read these on the record first because ...

**Madam CHAIR:** Thank you, member for Karama, she ...

**Ms LAWRIE:** Madam Chair, if you let me finish what I am saying. I am the Leader of the Opposition. This is an estimates process whereby the opposition scrutinises the budget. It is normally ...

**Madam CHAIR:** It is merely procedural. I am not suggesting they will not be read ...

**Ms LAWRIE:** No, no. I am saying the point where we read them. We just received them. Okay?

**Madam CHAIR:** That is right.

**Ms LAWRIE:** There may be answers contained that make some of my questions redundant. Whilst she is reading them, I will be able to check and cross-reference. I will not catch all of it, but will catch most of it, and that will assist with the operation of the committee.

**Madam CHAIR:** I agree they might capture some of your questions. That is why I will decide where we read them out, which will be before output questions.

**Ms LAWRIE:** No, because they go to the whole-of-government questions I may have as well. That is the point I am making. I have some experience in this area.

**Mr WOOD:** Madam Chair, if we read these answers will they be broken up into their output groups?

**Madam CHAIR:** No, member for Nelson, they will be read out as per the tabled document.

**Mr WOOD:** This will come first and then we will answer the questions ...



**Ms LAWRIE:** The whole-of-government.

**Mr WOOD:** ... because if we read these out - what would normally happen is the question would be asked, answer given and, if that question is being answered, other people can also ask questions and piggy-back on that because that is the process. These are not only written questions, they are questions which allow other questions to be asked.

**Madam CHAIR:** Thank you, member for Nelson. Let me take this back. Are there any questions relating to the statement? If there are no questions relating to the statement, Madam Speaker, would you please take the time to read through the tabled documents?

**Madam SPEAKER:** Thank you, Madam Chair. The questions put to the department - there are quite a few.

Question 1:

*Details on progress of all CLP election commitments, including all commitments and policy announcements made to Territorians in CLP election policy documents, summary snapshots, media releases and announcements, 100-day plan, costings and savings documents, media advertisements and other printed material?*

The answer is it does not apply to the Legislative Assembly.

Question 2:

*Explanations of all variances and discrepancies between CLP election commitments and the decisions and policies of governments since 26 August 2012?*

The answer is this does not apply to the Legislative Assembly.

Question 3:

*Progress on all commitments and policy announcements made within government press releases and media statements since 26 August 2012?*

At the May 2013 budget deliberation Cabinet approved \$600 000 per annum for three years from 2013-14 to support the statehood office.

**Mr WOOD:** Can I ask a question on that, Madam Chair?

**Madam CHAIR:** Yes.

**Mr WOOD:** What is that \$600 000 per annum going to be used for? Will the statehood office have staff?

**Madam SPEAKER:** At this stage, member for Nelson, the \$600 000 is most likely going to personnel. However, we are waiting for a decision from the Legal and Constitutional Affairs Standing Committee on where to take the statehood program forward.

**Mr WOOD:** If the government does not yet have a policy on where statehood is going ...

**Madam SPEAKER:** No, it is with the Legal and Constitutional Standing Committee. They are looking at it at the moment and I am waiting for a recommendation from the committee as to how a program can be put together and the costing, which will then be taken through the process into the parliament and to the government.

**Mr WOOD:** You will not be employing anyone until that decision is made?

**Madam SPEAKER:** No.

**Ms LAWRIE:** On the question of statehood, Madam Speaker, have you had any discussions or indication from the Chief Minister as to when he would want to see the statehood staff and action commence?

**Madam SPEAKER:** No, I have not had any direct discussions with the Chief Minister, member for Karama. We have internal discussions within the Department of Legislative Assembly, but if we were to employ personnel in regard to rejuvenating the statehood program, we do not have any funding to implement a program, hold a convention or run any type of election. We are waiting for a revised package to come out of the Legal and Constitutional Standing Committee with revised costings given the tight constraints we are now in. We have allocation of some money to employ people, but there is no allocation at this stage from the government in regard to the program.

**Ms LAWRIE:** In relation to the allocation of funding for the statehood program, did the Legislative Assembly have a bid in the 2012-13 Budget for an allocation to cover the expenses of the commitment for a convention and an election?

**Madam SPEAKER:** No, no we did not.

**Ms LAWRIE:** No bid was put forward? Do you have an estimate of what that would cost?

**Madam SPEAKER:** Based on the last statehood convention, I believe we are talking between \$1m and \$3m. That would be the election, because it was proposed to have an election Territory-wide in regard to the delegates running the convention. However, as we know, the Office of Statehood was abolished during the 11<sup>th</sup> Assembly at the request of the Standing Committee on Legal and Constitutional Affairs and we have earmarked this money for personnel. We need to wait on what comes out of the LCAC then we can start more meaningful discussions with government or through the parliament.

**Ms LAWRIE:** In earmarking \$600 000 for personnel, obviously you would be looking for a fairly senior officer and admin support as has been the case in the past.

**Madam SPEAKER:** Yes. I do not know at what level the person would be employed, but it would be senior because the responsibilities of that person would be similar to the past. Obviously, the director or manager of the office would need to be very senior because they would need some kind of constitutional or legal background, including the admin staff.

**Ms LAWRIE:** That is right. It is a fairly important position to take on. However, that funding became apparent in the May budget and, some months later, we still have no indication as to what will occur with regard to statehood. Given we have bipartisan support for it, I am surprised there has been no discussion about the agenda for statehood between the Chief Minister and yourself, Madam Speaker.

**Madam SPEAKER:** That is correct. We have strong bipartisan support but, as I said previously, I have not had any direct conversations with the Chief Minister. I am waiting for the LCAC, of which I am a member, to come up with some new recommendations which include definite costs and estimates as to how we might be able to move forward on the path to statehood.

**Ms LAWRIE:** I had suggested to the former Chief Minister, the member for Blain, in my role as Leader of the Opposition, that we reconvene at the start of this year. That was a suggestion I put forward in good faith to the former Chief Minister; we reconvene the bipartisan approach to statehood, reconvene the committee, continue with the constitutional legal expertise we had on the previous committee and, as much as possible, continue with the people who have the knowledge and expertise. I look forward to having further discussions with you, Madam Speaker. You have much experience in the pursuit of statehood through your previous roles and, as Speaker of the parliament, have a pivotal and important role to play in the future.

**Madam SPEAKER:** My intention is we need to follow the program we did in the past and the LCAC has discussed that. We have had discussions with some of the expert constitutional people involved in the past and they are more than happy to be involved in the future. We have to look at costings and how we can do it fairly so the community is involved and is a part of the process as we move towards statehood. Yes, I am more than happy to have further discussions with you in your capacity as Opposition Leader and, of course, with the government.

**Ms LAWRIE:** The position of the County Liberal Party in the previous term was to support the legislation passed in the parliament.

**Madam SPEAKER:** Yes, it was.

**Ms LAWRIE:** They had an issue with the timing of the convention - they did not want it preceding a Territory election. The Territory election is out of the way so, the path is well and truly clear to re-engage in the convention and the election for the convention.

**Madam SPEAKER:** Yes, thank you.

Question 4:

*Explanations on all variations and discrepancies between commitment and policy announcements made within government press releases and the actual implementation of government policy and funding decisions.*

The answer is it does not apply to the Legislative Assembly.

Question 5:

*Progress on all commitments, targets and information contained within the December 2012 mini-budget.*

I will read out the answer.

- (1) the Council of Territory Cooperation ceased to exist prior to the Northern Territory August election. As a result, the department proposed saving some \$550 000 in the 2012-13 financial year.

**Madam CHAIR:** Madam Speaker, I hate to interrupt you. I want to acknowledge, for the benefit of *Hansard*, that Gerry McCarthy MLA has left the room and we are joined by Lynne Walker MLA, member for Nhulunbuy.

**Madam SPEAKER:** Thank you.

- (2) Parliament House security. The department renegotiated the Parliament House security contract to reduce security cost by \$12 000 for 2012-13 financial year.
- (3) Territory FM broadcast. The department ceased the broadcast of Question Time to achieve savings of \$59 000 for the 2012 financial year.

**Mr WOOD:** Madam Chair, can I ask some questions on that section, please?

Madam Speaker, does the Legislative Assembly have any say in whether or not we have committees? The Council of Territory Cooperation was a sessional committee. Is it a government responsibility to set up new committees?

**Madam SPEAKER:** That is correct. The Department of the Legislative Assembly manages the committee system and allocates appropriate staff and resources, but the parliament determines whether or not it wishes to set up a sessional standing or select committee.

**Mr WOOD:** If you got rid of one committee to save \$550 000 - which is debatable because that was a sessional committee and finished at the end of the previous government's time - if a new committee is to be set up, how do you get the funds to run that committee?

**Madam SPEAKER:** It depends what committee it is, what resources are required and whether there is travel required or extra personnel. Some of the items we can manage within existing budget, but if there is a requirement for additional resources we would have to make a submission to the government. I will hand over to the Clerk.

**Mr McNEILL:** Member for Nelson, there has been a longstanding arrangement between the Department of the Legislative Assembly and government. In the event a new committee is created by the Assembly or a significant reference is given to an existing standing committee, the arrangements agreed to over the years have been that the committee formulates its program of work and priorities; identifies the resources, staffing, research and logistical support it might need and have them costed; and deals with the Speaker directly in respect of seeking additional funding if it is required from the government. That arrangement has worked reasonably well with both sides to date. That process would be put in place in the event the

Assembly decided to create a new committee, a select committee for instance, or to give a significant reference of weight to one of the existing standing committees which requires additional resources.

**Mr WOOD:** Under Assembly Services where you have committee support, the budget for 2012-13 was six committees. In 2012 the estimate was five, and now you estimate there will be four. When that estimate was made who did you consult with? Does that say you have consulted with the government and it does not intend to have any more committees for this financial year?

**Madam SPEAKER:** Which one, member for Nelson? Where are you referring to?

**Mr WOOD:** On page 38 of the budget under Assembly Services, committee support, it gives figures on committees supported. The estimate for this year is four, which is two fewer than the 2012-13 budget and one less than the estimate. Someone must have come up with the figure of four. Was that done in consultation with the government or has a decision been made there will be no more committees?

**Madam SPEAKER:** Member for Nelson, it is based on the committee system we had when this was drafted.

**Mr WOOD:** In relation to the Territory FM broadcast, I was sad to see the radio broadcast of Question Time go. Did you get any feedback about the loss of the radio broadcast considering if you are driving a vehicle or on a tractor somewhere you cannot listen to Question Time via the Internet usually. Has there been a loss of a service to the community by taking Question Time off the radio?

**Madam SPEAKER:** There may well be a loss to the community in some areas, particularly for those people who, as you have mentioned, do not have Internet access. However, the decision was made in light of the fact that a large percentage of the population does access the Internet or has other ways of finding out what is going on in parliament. I know there has been lobbying behind the scenes, but it is a question of finding the money. If it was to be reintroduced I would be seeking support from the Northern Territory government in regard to funding the outside broadcast again.

**Mr WOOD:** Has the ABC been asked whether it would broadcast it? It has ABC FM, ABC radio, ABC News and Radio National.

**Madam SPEAKER:** No, it has not been asked. The Public Affairs channel wants to broadcast Question Time and we negotiated arrangements in regard to that.

**Mr WOOD:** APAC?

**Madam SPEAKER:** APAC, yes.

**Mr WOOD:** I have one of those strange people who has APAC in my office. That was my other question, because they broadcast Question Time from other states.

**Madam SPEAKER:** No, they have asked us. We have given in-principle agreement. We are finalising the arrangements and how it will be done.

**Mr WOOD:** Do you believe it will get a rating such PG, or M+? Those are basically my questions.

**Madam SPEAKER:** Okay.

**Mr WOOD:** I am sad it has gone from the radio.

**Madam SPEAKER:** Question 6:

*Explanations on all variations and discrepancies between details, data and policy contained within the December 2012 mini-budget and the May 2013 budget.*

Below is a list of all variations between the December 2012 mini-budget and the May 2013 budget:

- (1) members and electorate offices termination payments August 2012 general election. Employee expenditure was increased by \$299 000 due to additional employee costs as a result of the 2012 Northern Territory general election. The payments are related to the outgoing members and electorate offices from the result of the election.

(2) DCIS service free of charge adjustment. The budget for the 2012-13 DCIS service free of charge was increased by \$15 000 due to the increased charges from DCIS. The service level agreement between the department and DCIS remains unchanged. The increased expenditure is offset by the increase in revenue of the same amount (goods and services revenue free of charge).

(3) depreciation adjustment. The budget for the 2012-13 depreciation expense was increased by \$83 000 to align the budget with the department's asset depreciation for the year.

Question 7:

*Progress on the implementation of all signed written contracts with Territory communities.*

This is best answered by the Department of Regional Development.

Question 8:

*Details of staff movements and all costs resulting from all Administrative Arrangements changes since 26 August 2012.*

The department has not been affected by the Administrative Arrangement changes since 26 August 2013.

Question 9:

*Details on staff movements and payouts and all costs including ministerial office relocation costs resulting from portfolio reshuffles since 26 August 2012.*

This is a matter for the Department of the Chief Minister.

Question 10:

*Details and costs on all government advertising and communications since 26 August 2012.*

The department's total advertising and communication costs from 26 August to March 2013 were \$7297. A breakdown is as follows: recruitment for personnel in the department was \$2728; marketing and promoting advertisers, \$4569; a total of \$7297.

For the benefit of Hansard and committee members, the \$4569 includes advertisements in the newspaper for bereavements, condolence motions, and also in regard to the department's education program and open days.

**Mr WOOD:** Madam Speaker, in regard to recruitment and advertising, I understand the NT government has a ban on advertising in the *NT News*. Does that apply to you advertising for jobs within the Legislative Assembly?

**Madam SPEAKER:** As Commissioner of the Department of Legislative Assembly in regard to employee recruitment, I can approve advertisements being put in *The Australian*, which we did, and other areas of promotion.

**Mr WOOD:** The *NT News*?

**Madam SPEAKER:** The *NT News* if need be. We tend to go to the higher newspapers because they are senior positions we are trying to attract people to.

**Mr WOOD:** We have a policy of trying to employ locals where possible ...

**Madam SPEAKER:** We do.

**Mr WOOD:** ... and not everyone reads *The Australian*.

**Madam SPEAKER:** No, but we advertise with various avenues: within the department, within the public service sector, with some local press and also national press.

**Mr WOOD:** Was the advertising for recruitment also done in a local paper?

**Madam SPEAKER:** It was not done specifically in the *NT News*, but it was done on the Northern Territory government's website and also *The Australian* for national.

**Mr WOOD:** Was it done on the website because there is a policy not to advertise in the *NT News*?

**Madam SPEAKER:** No, that is just a good avenue to get the information out.

Question 11:

*Full details on all government advertising in breach of the Public Information Act as identified by the Auditor-General since 26 August 2012.*

This is a matter for the Department of the Chief Minister.

Question 12:

*Full breakdown of all ministerial office expenditure since 26 August 2012.*

This is a matter for the Department of the Chief Minister.

Question 13:

*A full list of all forced redundancies across all agencies including an explanation for each redundancy on why it was necessary to breach the CLP's election commitment that no public servant would be sacked.*

There were no forced redundancies in the Department of the Legislative Assembly. This question is best answered by the Office of the Commissioner for Public Employment.

Question 14:

*A full list of all personnel who have since left the Northern Territory Public Sector and then returned since 26 August 2012, including payout and settlement details.*

This is not a matter for the Department of the Legislative Assembly.

Question 15:

*Details on all government tenders, contracts, grants awarded or granted since August 2012, including whether the recipient is a member of the Country Liberal Party. This includes full location details for companies and organisations.*

Contracts awarded since August 2012 include:

- (1) grounds maintenance contract let to KJ's Designer Gardens commenced on 18 April this year for three years. KJ's Designer Gardens is a locally-owned NT business located on Hutchison Road, Herbert.
- (2) the review of the effectiveness of the Parliamentary Education Services, including visitor information, facilities, engagement of schools, education materials, public tours and department structure carried out by external education consultant, Mrs Diane Stuart. The cost of the review was less than \$12 000 ...

**Ms LAWRIE:** On the review of the effectiveness of the Parliamentary Education Services, I note in your opening statement you said you would go through all the programs of the Assembly with a fine tooth comb and I can commend you on that approach. Can you guarantee, post the review, we will continue to have the Parliamentary Education Services? This is not a review to remove but a review to enhance?

**Madam SPEAKER:** Absolutely. No, it is a review to enhance. I specify this was a review of the programs not a review of personnel or the unit. It is a review of the program material, the program activities, where the program and its activities relate or do not relate to the curriculum, and where the program or its activities relate or do not relate to what we are trying to achieve versus what members would want us to achieve. It is definitely not a review of the unit itself.

**Ms LAWRIE:** You do not envisage changing some of the core aspects? For example, the students who visit Parliament House ...

**Madam SPEAKER:** No, not at all.

**Ms LAWRIE:** ... and get the information through the Parliamentary Education Services team around democracy and how parliament works will continue?

**Madam SPEAKER:** That is still the same, if not enhanced. The one Darwin High School students and teachers did recently, Step Up Be Heard, is the kind of program we need to see more of. From talking to the consultant, the Deputy Clerk and other people in the department, I am not concerned, but there is a missed opportunity where we are not engaging as much with the high school sector as we are with the primary school sector. I have not seen the report that might come out of it.

**Ms LAWRIE:** Madam Speaker, you know I have shown an interest in this review because I am a passionate believer in the Parliamentary Education Services, as are my colleagues. I note the member for Nhulunbuy had a great experience getting the education services out to remote communities and explaining and role playing the democratic parliamentary process in remote communities. Do you envisage that aspect will, at the very least, continue and, potentially, be enhanced?

**Madam SPEAKER:** I would like to see it continue. I have not seen the consultant's report, but I know the consultant spoke extensively with people in the Department of Education. I know she had a meeting with you and other members. I would like to ask what we are trying to achieve and then structure the programs. However, we have to include an outreach program of some kind because there is a large population of students in remote communities ...

**Ms LAWRIE:** Exactly.

**Madam SPEAKER:** ... they too are our future parliamentarians, our future clerks at the table, our future researchers, and if we are going to keep people in the Northern Territory we have to enlighten them as to career opportunities here.

**Ms LAWRIE:** Fantastic. Thank you, Madam Speaker.

**Madam SPEAKER:** The third contract – the Department of Infrastructure has arranged procurement of other contracts since 2013 on behalf of the Department of Legislative Assembly including: elevator lifts contract was awarded to KONE Australia for three years; the fire prevention contract was awarded to Custom AV commencing February 2013 for three years.

**Mr WOOD:** Madam Speaker, are they new contracts or do the same people have those contracts as previously?

**Madam SPEAKER:** The same people but they have to put in their tenders and bids like other departments across government. They are specialists in that kind of work.

Question 16:

*Details on the procurement process undertaken and the employment contracts for the employment within the Northern Territory Public Sector since 26 August 2012 of all former CLP Liberal Party candidates and members of parliament at Territory or federal level.*

The answer is this does not apply to the Department of the Legislative Assembly.

Question 17:

*Full details and cost of all ministerial travel including accommodation, hospitality, flight details, including flight travel class since 26 August 2012.*

The answer is this is a matter for the Chief Minister.

Question 18:

*Full details, costs and invitation lists for all ministerial functions and hospitality since 26 August 2012.*

This is a question for the Department of the Chief Minister.

Question 19:

*Full details, costs and invitation lists for all public service hospitality provided since 26 August 2012.*

The department held the following public service hospitality events from August 2012 to March 2013 at a total cost of \$34 840: parliamentary dinners for members, the opening of the 12<sup>th</sup> Assembly, the Somerville annual Christmas function, Geological Society reception, the Speaker's Christmas function, school visits and condolence motions.

Question 20:

*Full details and cost of all interstate or international public service travel including accommodation, hospitality and flight details including flight travel class since 26 August 2012.*

A detailed breakdown of interstate/international travel is below. Departmental staff - all fares for committee members were economy class. One person attended the CPA conference in Raratonga at a total cost of \$5627 which consisted of accommodation \$1838, travel allowance \$256, and airfares \$3533. Two people attended the Australian and New Zealand Association of Clerks-at-the-Table 2013 Conference in January this year in Canberra at a total cost of \$4722. This consisted of accommodation \$2097, travel allowance \$550, and airfares \$2075. One person attended the Australian Pacific Hansard Editors Conference in January this year in Perth at a total cost of \$1623. This consisted of accommodation \$754, travel allowance \$354, and airfares \$514. One person attended the Parliamentary Educators Conference in November last year held in Perth at a total cost of \$1299. This consisted of accommodation \$484, travel allowance \$347, airfares \$468.

Question 21:

*A breakdown of all water and other natural asset allocation granted by the Northern Territory government since 26 August 2012 broken down by those granted being CLP members and others.*

This is a matter for the Department of Land Resource Management.

Question 22:

*Details on all policy items, strategies, actual, estimates, budgets, forecasts, agency outputs and funding decisions contained within the 2013 Budget.*

Information in regard to this is already contained within the May 2013-14 Budget.

Question 23:

*Details on all financial and economic data contained within operating statements, balance sheets, cash flow statements in the May 2013 Budget.*

This information is contained within the May 2013-14 Budget.

Question 24:

*Full details, including impact statements and implementation plans and all agency savings identified within the December 2012 mini-budget and the May 2013-14 Budget.*

The question is addressed in my answers to questions one through to six previously.

Question 25:

*Details on all information and data contained within the fiscal strategy, updated fiscal outlook, risks to the updated financial projections, expenses and capital investment, intergovernmental revenue and Territory taxes and royalties.*

Please see Budget Paper No 2.



Question 26:

*Full details on all information and data contained within the capital works program and estimated capital expenditure across all government agencies and corporations.*

Please refer to Budget Paper No 4.

Question 27:

*Full details of all revenue measures including new taxes and tax increases including levies and charges. Details to include risk impact statements, community and industry consultation plans, economic modelling and revenue projections.*

Please refer to Budget Paper No 2.

Question 28:

*Full details on the operational impacts across all government entities as a result of all government decisions and policies.*

Answer:

- (1) at the May 2013-14 Budget deliberation Cabinet approved \$600 000 per annum for three years from 2013-14 to support the Statehood Office
- (2) 124 decrease in payment to NT Fleet as a result of efficiency and savings measures following implementation of the new vehicle policy framework.

**Mr WOOD:** Madam Speaker, can I ask a question on the NT Fleet efficiency and savings measure? What does that mean in practice? Do you lose vehicles, or are you getting Minis ...

**Madam SPEAKER:** Yes, we had the ability to give back one vehicle which resulted in a saving within the department.

**Mr WOOD:** Does that mean one vehicle cost \$124 000?

**Madam SPEAKER:** The implementation of vehicle life is now three years not two years. The costing is for the three years we have made the saving on.

**Mr WOOD:** I will ask this question of NT Fleet later, but it used to be on kilometres?

**Madam SPEAKER:** Member for Nelson, I will ask the Chief Financial Officer to give full details for you.

**Ms TANG:** Diem Tang, Chief Financial Officer. In regard to the new vehicle policy framework, the rationale is to increase the life of the vehicle from two to three or three to four years and, as a result of that, the lease payment the government agency is required to make to NT Fleet would reduce hence the saving.

**Mr WOOD:** I will ask NT Fleet, but are you saying it is not done on kilometres? It used to be \$40 000 for light vehicles and \$80 000 for four-wheel drives?

**Madam SPEAKER:** It is or - if you have three years or as normal.

**Mr WOOD:** Thank you.

**Ms LAWRIE:** What is the policy on the use of fleet vehicles, Madam Speaker? Are they just for staff or do you, as Madam Speaker, have access to fleet vehicles of the Legislative Assembly.

**Madam SPEAKER:** No, I do not have access to fleet vehicles.

**Ms LAWRIE:** Is that because you do not have an entitlement to them?

**Madam SPEAKER:** I have a vehicle as the member for Goyder. I have my own RTD entitlement, as all members do.

**Ms LAWRIE:** As Speaker you do not have an entitlement to access fleet vehicles within the Legislative Assembly?

**Madam SPEAKER:** No.

**Ms LAWRIE:** Thank you.

**Madam SPEAKER:** Question 29:

*Full details on the operational impacts across all government entities as a result of government's savings measures?*

Saving measures in place for the Department of Legislative Assembly include:

- (1) as mentioned previously, renegotiation of the security contract to reduce security costs
- (2) cessation of the Territory FM Broadcast Question Time
- (3) cessation of the hire of Darwin and Alice Springs Airport car parking spaces ...

**Mr WOOD:** Can I ask a question on that, please? I do not have a problem with saving money by not having reserved car parking spaces, but my one use of long-term car parking resulted in me having no way of getting out of the car park because they did not give us tickets. I had to walk back to the terminal to ask the security officer if I could have a card, which was going to cost me X amount of dollars. I had to show it to him when I came and when I was leaving. He would only take cash not a card. Have you had any other problems, because it took me about an hour to get out of the car park?

**Madam SPEAKER:** Member for Nelson, the first thing I must point out is the provision of car parks at the airports at Darwin and Alice Springs was not an entitlement under the RTD. They were provided and it was considered to be an area where savings could be made. Ministerial personnel can be dropped off at airports. It may inconvenience some members, but it was the view they would be isolated cases and a general saving could be made.

**Mr WOOD:** I do not have a problem with you getting rid of the permanent car parking spaces. However, the option was given to take your car to the long-term car park. I was away for two days, and when I came back it was – I do not know whether this is the normal system - I had to walk back to the terminal after going to my car and finding the gate would not open because the card they gave me when I went in was not the card to let me out. I had to go back to security at the airport and pay cash to get a card to open the gate. I do not know whether that is the normal system or whether it was broken down for that day.

**Madam SPEAKER:** No, it is not. I have used the long-term car park and that has never happened to me. You need to take the issue up with Mr Kew.

**Mr WOOD:** I might, but I thought there may be a different way of doing things.

**Ms LAWRIE:** Madam Speaker, on the removal of access to airport car parking, did you receive any complaints from members of parliament about that?

**Madam SPEAKER:** Yes, some members were not pleased with the decision.

**Ms LAWRIE:** Which members felt most affected and most aggrieved by that?

**Madam SPEAKER:** I cannot recall, but I ...

**Ms LAWRIE:** It would be fair to say some rely on it more than others, do they not, in getting to cities?

**Madam SPEAKER:** Most definitely. Some, for their own personal arrangements, used it more than others. I honestly cannot recall if I received an e-mail. I understand the clerks received some phone calls, but we explained the situation and that was that. Once members understood it was not an entitlement under the RTD and there were other ways of going to and from airports ...

**Ms LAWRIE:** Exactly.

**Madam SPEAKER:**

- (4) decreasing payment to NT Fleet as a result of efficiency and saving measures following the new vehicle framework as mentioned. The department reduced the departmental fleet by one vehicle representing a reduction of 17%.

Question 30.

*Details on operational impacts across non-government agencies as a result of all government funding, decisions and policies.*

Non-government agencies are external to the budget. This question does not apply to the Legislative Assembly.

Question 31.

*Full details on the impacts across all government entities as a result of all increases in government and government corporation charges, prices and tariffs since 26 August 2012.*

The Department of the Legislative Assembly procures its electricity by a three-year contract with QEnergy. Electricity usage at Parliament House has reduced for five consecutive financial years. See table - I will read the table: continued energy reduction initiatives or projects will be undertaken through the 2013 repairs and maintenance program in an endeavour to reduce Parliament House's carbon footprint. The kilowatt for 2012-13 to present is 2583231; 2011-12 was 2615261, and the others are in front of you, members of the committee. Please note the electricity kilowatt usage is from 1 July to 30 April for each year.

**Ms LAWRIE:** Madam Speaker, have you done any calculations on what the cost would have been if you were still with Power and Water and had been subject to the tariff increases?

**Madam SPEAKER:** No, I have not, and the department has not.

**Ms LAWRIE:** Can it be a question on notice?

**Madam SPEAKER:** Okay, I am happy to take it notice.

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#### **Question on Notice No 1.1**

**Madam SPEAKER:** The question is that the Legislative Assembly provides a comparison of what the electricity costs for the building would have increased by if the power prices were ..

**Ms LAWRIE:** Power, water and sewerage tariffs were applied.

**Madam SPEAKER:** Yes, okay.

**Madam CHAIR:** Member for Karama, does that accurately reflect your question?

**Ms LAWRIE:** Power, water and sewerage tariff increases as applied by Power and Water would be applied to the existing contract.

**Madam SPEAKER:** Do you want it for power, water and sewerage?

**Ms LAWRIE:** Yes.

**Madam SPEAKER:** Yes. Okay.

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

**Madam SPEAKER:** Yes, that is fine.

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

**Ms LAWRIE:** I thought the tabled answers were 1.1. Would that be 1.2?

**Mr Keith:** No, it is a different set.

**Mr WOOD:** Minister, in relation to QEnergy taking over the contract, in the physical set of things, where does QE take over from Power and Water? Where is the line?

**Madam SPEAKER:** Member for Nelson, the Deputy Clerk can give you some information.

**Mr TATHAM:** Michael Tatham, Deputy Clerk. Mr Wood, QEnergy is the retailer and Power and Water is the wholesaler.

**Mr WOOD:** I am probably talking in relation to this precinct. Where is the border between ...

**Mr TATHAM:** It applies only to Parliament House. This is a question you asked last year in estimates as well, and the answer was it does not apply to anywhere else in State Square; it only applies to Parliament House.

**Mr WOOD:** It is not the Supreme Court or anywhere else?

**Mr TATHAM:** No.

**Madam SPEAKER:** No.

**Mr WOOD:** Not the Chan Building or anywhere else?

**Madam SPEAKER:** No.

**Ms LAWRIE:** Not our electorate offices?

**Madam SPEAKER:** No.

**Mr WOOD:** The reduction in CO<sub>2</sub> emissions you quote at 5.6%. How is that worked out? Is there a set formula you can apply?

**Madam SPEAKER:** Mr Wood, we would have to take that on notice and come back to you.

**Mr WOOD:** Okay.

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#### Question on Notice No 1.2

**Madam CHAIR:** Member for Nelson, please restate the question for the record.

**Mr WOOD:** Madam Speaker, could you give us details on how you have worked out the 5.6% reduction in CO<sub>2</sub> emissions?

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

**Madam SPEAKER:** That is fine.

**Madam CHAIR:** The question asked by the member for Nelson of Madam Speaker has been allocated number 1.2.

**Mr WOOD:** Can I ask another question, please, through the Chair?

**Madam CHAIR:** Yes.

**Mr WOOD:** Madam Speaker, who guarantees power supply for 24 hours a day?

**Mr TATHAM:** Mr Wood, the requirements are for QEnergy to provide the power through the wholesale arrangement but there is no absolute guarantee. This is also a question you asked last year, and the answer we provided last year was the supply of electricity is available and we need to require the provider to comply with their contract and, if anything goes wrong with the supply, then it is supply for a price and that is taken into account in discussions with the provider.

**Mr WOOD:** If the power goes off the generators come on. Who has responsibility for those generators?

**Mr TATHAM:** Our internal building management people.

**Mr WOOD:** Is there, as part of the contract arrangement, any penalty for not being able to supply power for 24 hours?

**Mr TATHAM:** Not to my understanding. I would have to double check it if you want that.

**Mr WOOD:** No, I will not put that as a question for notice, we can find that out later. That is all the questions I have on that.

**Madam SPEAKER:** Question 32:

*Full details on all information and data contained within the two most recent reports on government services.*

This question does not apply to the Legislative Assembly.

Question 33:

*Full details on all information and data contained within all annual reports produced by all government entities across the last two financial years.*

The Department of the Legislative Assembly's Annual Report for the last two financial years is available on the Internet.

Question 34:

*Full details on all information and data contained within any report produced by a statutory authority of the Northern Territory government within the last five years, and full details on any and all actions of all government entities in response to the report or related to the report.*

This does not apply to the department.

Question 35:

*Full details and all information and data gathered within any report commissioned by the NT government and produced within the last five years, and full details on any and all actions of all government entities in response to the report or related to the report.*

This does not apply to the Legislative Assembly.

Question 36:

*Full details and all information, data and forecasts contained within reports produced in the last two years in relation to the Northern Territory from Deloitte Access Economics, CommSec, Sensis, Australian Property Monitors, Housing Industry Association, Property Council, Master Builders Association and ANZ, including the response from government entities to these reports.*

This question does not apply to the Legislative Assembly.

Question 37:

*Full details and all information and data produced by the Australian Bureau of Statistics in relation to the Northern Territory for the last two years, including the response of government entities to these reports.*

This is not a matter for the Department of the Legislative Assembly.

Question 38:

*Details of all reports and data published on Northern Territory government websites.*

This question is best answered by the Department of the Chief Minister.

Madam Chair, there were then specific questions to me as Speaker of the Department of the Legislative Assembly.

Question 1:

*Full details and all payments and entitlements provided to members of the Legislative Assembly under the Remuneration Tribunal Determination, including travel and fuel card entitlements since 26 August 2012.*

Travel and fuel entitlements for members from 26 August 2012 to 31 March 2013 are provided in the following table. The former member for Arnhem's usage appears because the member made a purchase after the Northern Territory general election in 2012. Do you want me to read the ...

**Ms LAWRIE:** I have several questions on the table, Madam Speaker, because I have perused it while you have been providing us with answers. My first question goes to what appears to be some extraordinary usage. Obviously, members live in different areas of the Territory and some have very large electorates, for example, the member for Barkly. His usage is sitting at \$4800 - that expansive Barkly electorate - but the member for Arnhem has \$14 000 for fuel from the period 26 August to 31 March. It is not a full financial year yet the member for Arnhem has raked up \$14 402.20 in fuel costs. Having looked at the list provided, the closest I can find to that is the member for Daly at \$6200. It is more than double another member of parliament who also holds a bush electorate. Could you explain how there could be such an extraordinary difference?

**Madam SPEAKER:** Opposition Leader, both are large bush electorates and both members have four-wheel drives. A manufacturer's recommended litres per kilometre is used for fuel consumption. However, given the rough nature of some roads some consumption levels may be higher. Also, both those members no doubt travel extensively through their electorates.

**Ms LAWRIE:** I am very aware of the member for Barkly's travel. He is always on the road in the electorate of Barkly and is sitting at \$4800-odd for fuel. Surely, seeing a fuel cost to the Assembly of \$14 400 - more than double the closest fuel cost of another bush member -you would have scrutinised the detail of that.

**Madam SPEAKER:** All members are issued with two fuel cards. One is Ausfuel and one is United. One requires a pin, one does not. One company requires you to give the odometer reading of your car, one does not, but members are asked on a regular basis - monthly the department asks members to give their odometer reading because of fringe benefits implications. There is information within the department but all I have is what I have been asked to table today.

**Ms LAWRIE:** Could you provide all detailed invoices or receipts on the member for Arnhem's fuel usage?

**Madam SPEAKER:** I would have to take that on notice, member for Karama.

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### Question on Notice No 1.3

**Madam CHAIR:** Member for Karama, please repeat the question for the record.

**Ms LAWRIE:** Please provide all detailed receipts and invoices on the member for Arnhem's fuel usage.

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

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.3.

**Ms LAWRIE:** Madam Speaker, \$14 400 is such an extraordinary amount. In looking at this, have you or any member of your staff considered - flags come up every now and again in your accounts and you look for extraordinary expenditure when flags pop up. This is extraordinary expenditure - \$14 400 - more than double the closest other bush member. The member for Barkly travels widely and frequently in his bush electorate and has \$4800 in fuel expenses. So, \$14 400 in less than a year in fuel is extraordinary expenditure. When an extraordinary expenditure pops up like this is there a meeting, are there discussions, do you seek an explanation from the member involved?

**Madam SPEAKER:** Not having seen the documents themselves - they are with the department - I know, and everyone knows, the cost of fuel in remote areas is more expensive than the urban areas. I do not know what those costs are, but I know, for example, at Coolalinga it is \$1.58 per litre when I fill up. The Clerk's office receives regular summaries of members' travel and also receives regular summaries of members' fuel allocation and fuel usage. As for the rest of your question, I do not have any information in regards to what you are asking.

**Ms LAWRIE:** Could the clerk shed some light on the processes within the Assembly when an extraordinary expenditure pops up within the system?

**Madam SPEAKER:** When this question was received within the department we did some analysis but there was an assumption that all members use their fuel cards according to directives I sent out four or five months ago. That memo went out to all members specifying what fuel cards were to be used for, and what they were not to be used for. You will recall that memo, but it was after the question was tabled that I was required to supply this information.

**Ms LAWRIE:** Geographically, the electorate of Arnhem is not a large electorate when you consider it in the context of our other remote electorates. It has a number of islands you cannot drive to. We have had a fairly dry Wet Season, but during the period in question the Goyder River had cut access to the communities of Ramingining and Gapuwiyak so the expanse to travel was limited. You cannot drive to the islands; you require charters or RBT flights. Therefore, in the context of the electorate, you would expect to see lesser fuel expenditure than in the vast dry expanse of the Barkly electorate.

**Madam SPEAKER:** I cannot comment on that, Member for Karama. They are bush electorates, they are four-wheel drives, and prices and distance to travel may be different to urban areas. Perhaps that information may be in the question you have asked for.

**Ms LAWRIE:** It has subsequently come to light, in answers in parliament, that the memo you provided to all members of parliament regarding the use of your cards elicited the misuse of a fuel card by the member for Arnhem in supplying it to someone else. In this case it was provided to the member for Stuart to fuel up another vehicle to which there was no entitlement to do so. Have there been meetings or discussions with the Chief Minister or the member for Arnhem, given you issued a memo in relation to the use of fuel cards, after which there was an extraordinary expenditure of \$14 000 from the member for Arnhem, who had already misused a fuel card?

**Madam SPEAKER:** No. This information was confidential, until it was tabled today, between the Clerk's office and me.

**Ms LAWRIE:** Do you believe extraordinary use of this nature would enquire a specific investigation and a report back?

**Madam SPEAKER:** Opposition Leader, no one has asked the department, or me directly, for any kind of inquiry. That would be entirely a matter for others to request the Speaker to provide information, or to undertake any kind of inquiry about anything to do with any member and their entitlements.

**Ms LAWRIE:** I already have a question on notice. I request a list of the authorised drivers for the member for Arnhem.

**Madam SPEAKER:** There is a list in the Clerk's office, or the department, that can be provided to you.

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**Question on Notice 1.4**

**Madam CHAIR:** Member for Karama, please restate the question for the record.

**Ms LAWRIE:** I request a list of the authorised drivers for the member for Arnhem.

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

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member of Karama of Madam Speaker has been allocated the number 1.4.

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**Ms LAWRIE:** In the previous question on notice where I asked for all receipts to invoices, will I be provided with the odometer reading matching consumption and spend within that information? Should that be a further question on notice?

**Madam SPEAKER:** Where the odometer readings have been provided for any member to the department they can be provided to you if you want it as a separate question.

**Ms LAWRIE:** Sure.

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**Question on Notice 1.5**

**Madam CHAIR:** Member for Karama, please restate the question for the record.

**Ms LAWRIE:** Can I have the odometer reading and consumption and spend matched to the \$14 400 fuel expenditure of the member for Arnhem?

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

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.5.

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**Ms LAWRIE:** Before I close off on this, Madam Speaker, I need to look at additional information you have provided. However, I have to flag I have never seen such extraordinary expenditure on fuel by a member. The member for Arnhem has form in misusing her fuel card. It is on the *Parliamentary Record*. She used more than double the closest spend, yet she has one of the smaller geographical remote electorates. On the basis of further information provided, I may well be seeking further investigations by you and the Legislative Assembly. These are taxpayers' funds.

**Madam SPEAKER:** It is noted, Opposition Leader.

The next part of that question in regard to payments and entitlements, including travel and fuel card entitlements, is before the committee. Details of travel entitlements for members from 26 August 2012 to 31 December 2012 were tabled in March 2013 in the parliament and a copy of this report is available from the Table Office. Details of travel entitlements for members from 1 January 2013 to 31 March 2013 are provided in the table below.

**Ms LAWRIE:** Madam Speaker, again it goes to variations, which is what we all look at in budgets. On page 18 of 23, which is the table for the member for Arnhem's attendance to Assembly meetings, you have 11 to 15 February, which is the first week of sittings, then 15 to 18 February, which is the second week of sittings. In the first week of sittings the expenditure was \$993, which is very reasonable expenditure for attendance at sittings when you compare it to the other expenditures contained here, but in the following week the expenditure was \$1600.



What processes do you have in the Assembly to look at why there could be such a variation - almost double - from one week to the next? When we are in a period of everyone having to look at savings and efficiencies, where you get such variations from one week to the next what process is there to scrutinise that and look at whether there can be a more consistent expenditure by members, and not just this member, but all members?

**Madam SPEAKER:** Member for Karama, I am of the view that the two Darwin sittings - the zero in the first line and then \$1624 - two lots of travel allowance were paid in one payment to the member. I can take that on notice and confirm if it was that.

**Ms LAWRIE:** It seems a larger travel allowance in the second week.

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#### Question on Notice 1.6

**Madam CHAIR:** Member for Karama, please restate the question for the record.

**Ms LAWRIE:** Details as to why the expenditure was \$993 in the first week of the February sittings for the member for Arnhem versus \$1624. In one you have other expenses and in the other you have travel allowance. In trying to understand why you would have these figures and variations, it is very hard to get to the detail. Could you provide additional detail to substantiate this expenditure?

**Madam SPEAKER:** Yes, we will, Opposition Leader, and the information of how much per day. Members receive \$406 per day for TA, but we will get that breakdown of information for you.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.6.

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**Madam SPEAKER:** Back to the question, the travel from January 2013 to March 2013 was for the member for Drysdale, Lia Finocchiaro; the member for Fannie Bay, Michael Gunner; the member for Daly, Gary Higgins; the member for Arafura, Francis Kurrupuwu; the member for Arnhem, Larisa Lee; the member for Wanguri, Nicole Manison; the member for Barkly, Gerry McCarthy; the member for Blain, Terry Mills; the member for Stuart, Bess Price; the member for Goyder, me, Kezia Purick; the member for Sanderson, Peter Styles; the member for Casuarina, Kon Vatskalis; the member for Johnston, Ken Vowles; and the member for Nhulunbuy, Lynne Walker.

That is it.

#### Agency Related Whole-of-Government Questions

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2013-14 as it relates to the Department of Legislative Assembly of the Northern Territory. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

**Ms LAWRIE:** Yes, Madam Chair. Madam Speaker, how many staff are currently employed by the agency?

**Madam SPEAKER:** Just under 38 full-time equivalents.

**Ms LAWRIE:** Part-time, casual?

**Madam SPEAKER:** Full-time equivalents, including members and electorate officers, at 31 March is 91.06. I do not know how we have 0.06 of a person, but that is the way it is done. Department full-time equivalent, excluding members and the electorate officers, as of 31 March is 37.78.

**Ms LAWRIE:** Would you be happy to table that advice?

**Madam SPEAKER:** Yes.

**Ms LAWRIE:** Thank you, Madam Speaker.

**Madam CHAIR:** Does the committee grant leave for the tabling of a paper?

**Ms LAWRIE:** You do not have to grant leave. If a minister or Madam Speaker tables it we just proceed.

What is the breakdown between Parliament House staff and electorate officers? Would that be contained in what you have just tabled? Thank you, I will look at that later.

**Madam SPEAKER:** Yes.

**Ms LAWRIE:** Have you received any requests for additional staff or sought any additional staff for your agency?

**Madam SPEAKER:** For the Department of the Legislative Assembly?

**Ms LAWRIE:** Yes, that is right.

**Madam SPEAKER:** I have not requested any additional staff and we have not received any requests for extra staff.

**Ms LAWRIE:** No requests from members of parliament saying, 'Can I have extra staff, I am pretty busy?'

**Madam SPEAKER:** No, not to me.

**Ms LAWRIE:** The Legislative Assembly has a pretty small budget yet you are required to achieve agency savings of \$856 000 over the coming period according to the Budget Papers. What will be reduced? What will be discontinued? What will be changed to achieve the savings of \$856 000?

**Madam SPEAKER:** Member for Karama, I am not sure where that figure is. We have had an increase of \$833 000 primarily due to the net impact of the following: increase from \$320 000 to \$600 000 in the statehood program; \$694 000 increase in infrastructure programs, specifically for repairs and maintenance; \$124 000 decrease in payment to NT Fleet as a result of the efficiency in saving measures as we have mentioned; \$83 000 decrease in depreciation to reflect the revised asset base; and \$28 000 decrease in parameters and forward estimates CPI reduction.

**Ms LAWRIE:** I am looking at the Budget Strategy and Outlook book for the Department of the Legislative Assembly which shows 'agency savings'. It talks about the \$694 000 for increased repairs and maintenance and \$600 000 for support of the Statehood Office. It then goes on with the 2012-13 estimate of agency savings of \$636 000 and the requirement to find \$856 000 in budget 2013-14. It then goes on to describe administrative efficiency requirements. You had to find savings of \$86 000 in 2012-13, requiring \$132 000 in 2013-14. It then requires further program efficiencies and rationalisation - 2012-13, \$550 000 in savings rising to \$600 000 in savings in 2013-14 and, further, a whole-of-government savings amount of \$124 000.

**Madam SPEAKER:** Opposition Leader, the savings were made, as mentioned previously, when we stopped the Territory FM broadcast. We also renegotiated the security contract. It was originally put in the budget that members' dinners be taken out as suggested by the Renewal Management Board, but I decided that was not acceptable on the grounds of health and safety. That is why members' meals are still included.

Also, we had the savings with the Council of Territory Cooperation not continuing. Does that help?

**Mr WOOD:** Is that a real saving? It was sessional committee and it did not have any ...

**Ms LAWRIE:** It did not have an ongoing budget in 2012-13.

**Mr WOOD:** There was no agreement to go any further.

**Madam SPEAKER:** Member for Nelson, the Chief Financial Officer will give you some details.

**Ms TANG:** Could you please state your question again?

**Mr WOOD:** If the cessation of the CTC is included as a cost saving measure, is that real in the sense there was no guarantee the CTC would continue because it was a sessional committee?

**Ms TANG:** From a budget presentation point of view, the budget for CTC of \$600 000 a year was included in the department budget baseline. To remove that baseline item from the budget results in a reduction in the budget.

**Madam SPEAKER:** It was included in the budget.

**Mr WOOD:** Yes. I am probably being simplistic when it comes to economics. That figure did not necessarily relate to anything but a paper figure because there was no guarantee the CTC would continue as it was a sessional committee.

**Ms LAWRIE:** In your written question response 29, you identified savings measures in the renegotiation of the security contract, cessation of Territory FM broadcast, cessation of car parking at the airport, decreased payments for Northern Territory Fleet, and the department reducing the fleet by one vehicle. That does not give me a figure of which savings were achieved; it gives me a description rather than a figure. Is that the equivalent of \$856 000 or is that the 2012-13 savings of \$636 000 so you still have to find another couple of \$100 000?

**Madam SPEAKER:** Member for Karama, I can provide the figures for the savings areas in line with question 29 but as I mentioned, in the Budget Strategy and Outlook ...

**Ms LAWRIE:** Are you confident these, combined with the CTC, totals the \$856 000 savings with no further cuts, no further savings required. Are you confident of that?

**Madam SPEAKER:** Yes, the Department of the Legislative Assembly's budget is on track. I am very confident of that and it will stay on track.

**Ms LAWRIE:** Can we take, as a question on notice, the cost breakdowns of those savings?

**Madam SPEAKER:** Yes.

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#### Question on Notice No 1.7

**Madam CHAIR:** For the purposes of *Hansard*, will you please restate your question.

**Ms LAWRIE:** Can the Department of the Legislative Assembly please provide the cost breakdowns of each of the savings measures achieved as identified in written question 29 and, in addition, the savings achieved through the cessation of the Council of Territory Cooperation and that it fully complies with all savings required for the 2013-14 Budget of \$856 000?

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

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

**Madam CHAIR:** For the purposes of *Hansard*, I allocate that question number 1.7.

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**Ms LAWRIE:** No further whole-of-government for me.

**Mr WOOD:** Madam Speaker, your budget says you are required to have a 1% efficiency dividend. Is that included in the amount of money we are talking about now?

**Ms Lawrie:** No, it is separate.

**Mr WOOD:** Your last annual report said in the previous year you had to provide a 1% efficiency dividend and you state this will mean further - not you personally - reduction in core services. Can you say what core services will be reduced because of the 1% efficiency dividend required?

**Madam SPEAKER:** Member for Nelson, the efficiency dividend is not required because of the savings we have already found in departmental activities, which I listed previously. We are going to find the breakdown of the costs for the committee.

**Mr WOOD:** It was not clear in the budget paper either. We are talking whole-of ...

**Madam CHAIR:** Agency-related whole-of-government questions on budget and fiscal strategies.

**Mr WOOD:** I do not know much about unit business plans, but I gather these plans are put together by ...

**Madam SPEAKER:** The staff.

**Mr WOOD:** Does it take much time out of the staff's core duties to put these together?

**Madam SPEAKER:** Member for Nelson, it is part of the staff's core duties to have a business plan for their unit and area of work. No, it does not take away from their core duties because it is part of their core duties.

**Mr WOOD:** Do they have to review it often?

**Madam SPEAKER:** Yes, it is reviewed on a regular basis.

**Mr WOOD:** How often?

**Madam SPEAKER:** Every two weeks the business heads have a meeting with the Clerk's office and that is where they do the reporting.

**Mr WOOD:** I am unsure if I can put these into specific outputs, but would I put IT support for members and electorate officers in Assembly Services?

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

**Mr WOOD:** In Professional Development in the annual report it said, under the training and development framework, as part of professional improvement one of the sessions involved bullying and harassment prevention. Have there been any cases of bullying and harassment over the past 12 months, and what course of action does the department take to prevent this?

**Madam SPEAKER:** There have been no complaints in regard to bullying or harassment in the last financial or calendar year.

**Madam CHAIR:** Are there any further questions on agency-related whole-of-government questions on budget and fiscal strategies? That concludes consideration of the 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, Output 1.1 Assembly Services. Are there any questions?

**Ms LAWRIE:** Madam Speaker, could you please provide details of all functions conducted at Parliament House by their type, nature, whether they were government sponsored or private, and if any were conducted by ministerial officers or the department? Please advise how many of these functions were hosted by Protocol and whether you have refused any requests for functions at Parliament House?

**Madam SPEAKER:** Opposition Leader, I will table a brief in that helps. From July 2012 to March 2013, 292 functions were held at Parliament House. A total of 95 were ministerial functions or receptions coordinated by the Protocol Unit of the Department of the Chief Minister; 96 were functions, meetings, events or training held by the Department of the Legislative Assembly; 40 functions were held by the Leader of the Opposition; 22 conferences or meetings were hosted by external users, 18 were committee-related; and 13 functions, briefing lunches and training conferences were hosted by Northern Territory government agencies. There were six weddings and two library functions. From July 2012 to March 2013 there were 28 waived functions totalling \$19 000. Former Speaker Agaard waived 12 functions totalling \$9470, and I have waived 16 functions totalling \$10 280. I have a list if you would like it tabled.

**Ms LAWRIE:** It would be great if you could table that, Madam Speaker.

**Madam SPEAKER:** I do not remember any instances when functions have been declined. Some requests are inappropriate - either the audience would be too large for the facilities or the event is too commercial in nature and not appropriate. They should be holding the event in a commercial business.

**Ms LAWRIE:** Could you provide details on whether any additional security has been required for the hosting of functions, including at night?

**Madam SPEAKER:** If security is required for functions at night it is a user pays system. For example, if there are large functions at Liberty Square which require extra security the user pays for that extra security.

**Ms LAWRIE:** Is it booked by the user or through the Assembly?

**Madam SPEAKER:** It comes through the Assembly.

**Ms LAWRIE:** Do you have details of any additional security required?

**Madam SPEAKER:** Yes, that would ...

**Ms LAWRIE:** Could you provide that?

**Madam SPEAKER:** For a time period?

**Ms LAWRIE:** For this financial year?

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#### **Question on Notice No 1.8**

**Madam SPEAKER:** The additional security required for functions held at night and what cost or what functions?

**Ms LAWRIE:** Yes.

**Madam SPEAKER:** Okay.

**Madam CHAIR:** Madam Speaker, are you clear with that question?

**Madam SPEAKER:** Yes.

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

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

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.8.

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**Ms LAWRIE:** Madam Speaker, have there been any security incidents, breaches or concerns in relation to the parliamentary precinct in the last 12 months?

**Madam SPEAKER:** There have been no major security incidents over the past year. There has been no compromise of safety or security to members or any member of the public. Three people are currently excluded from the parliamentary precinct. Security risks are monitored, measured and implemented when - if there needs to be change there is change, but there have been no incidents.

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#### **Question on Notice 1.9**

**Ms LAWRIE:** How many parliamentary committee meetings have been held during the last 12 months? Could we have the number of times they have met by location and the cost?

**Madam SPEAKER:** Opposition Leader, I will take that question on notice in regard to parliamentary committee meetings - which committees and at what cost.

**Ms LAWRIE:** Thank you.

**Madam CHAIR:** Thank you, Madam Speaker, for accepting the question.

The question asked by the member for Karama of Madam Speaker has been allocated number 1.9.

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**Ms LAWRIE:** In relation to the education programs, please provide details of visits by school students and others to Parliament House in the last 12 months. Further, could we have details of the public tours of Parliament House?

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

**Ms LAWRIE:** Also, any outreach program sessions that have been part of these education programs.

**Madam SPEAKER:** Opposition Leader, I can table a document with regard to the outreach programs, the school visits to Parliament House, and the other programs, such as Commonwealth Week, Democracy at Work, and Know your Parliament.

**Ms LAWRIE:** I know these are pretty standard questions, thank you.

What is the budget expenditure that supports schools visiting Parliament House? Is that contained within the information provided?

**Madam SPEAKER:** No, it is not. The operational expense for the Parliamentary Education Services is \$365 284, which is for staff plus any operational expenditure.

**Ms LAWRIE:** \$365 284?

**Madam SPEAKER:** Yes.

**Ms LAWRIE:** Does the agency still receive financial support from the NT Electoral Commission to bus children to Parliament House for these education services?

**Madam SPEAKER:** Yes, as requested. From time to time they can receive support from the NT Electoral Commission.

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#### **Question on Notice 1.10**

**Ms LAWRIE:** In the last financial year, how many times did the Electoral Commission support the bussing of school children to Parliament House?

**Madam SPEAKER:** Opposition Leader, we received \$10 000 to assist with this, but I will take that on notice and come back to you.

**Ms LAWRIE:** Is it a standard amount and not varied from year to year?

**Madam SPEAKER:** That is my understanding.

**Madam CHAIR:** Madam Speaker, do you accept the question on notice?

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

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.10.

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**Ms LAWRIE:** Could you please provide full details on any travel or other entitlement undertaken by members of parliament since 26 August under the Commonwealth Parliamentary Association scheme, the CPA as we refer to it?

**Madam SPEAKER:** Member for Karama, that will be contained in the report tabled in the parliament. That includes CPA travel as well as all other travel for members.

**Ms LAWRIE:** In the most recent report it looks like the member for Arafura missed a flight for an international trip to the Cook Islands.

**Madam SPEAKER:** I believe that to be the case, Opposition Leader.

**Ms LAWRIE:** Was the member paid TA in advance?

**Madam SPEAKER:** Yes, but the TA was recovered.

**Ms LAWRIE:** Do you know where the member was accommodated prior to missing his flight?

**Madam SPEAKER:** No, member for Karama, I do not.

**Ms LAWRIE:** Or the circumstances which led to missing the flight to the Cook Islands?

**Madam SPEAKER:** No.

**Ms LAWRIE:** Is the Assembly out of pocket in any way as a result of the member for Arafura missing the flight to the Cook Islands and the CPA conference? I assume you would have paid his fees for attendance, accommodation etcetera in the Cook Islands?

**Madam SPEAKER:** The cost for the member for Arafura to travel to the Cook Islands from 16 November to 25 November 2012 was \$4027.46. The department has received a refund of \$1585 from the airline companies. I understand there have been discussions in the parliamentary wing in regard to the member for Arafura repaying that money, but I do not have any conclusive details as to that arrangement.

**Ms LAWRIE:** There is still some \$3000-odd outstanding in expenses incurred as a result of the member for Arafura electing to go on the CPA trip but missing the flight and not attending?

**Madam SPEAKER:** The amount is \$2522.

**Ms LAWRIE:** There is \$2522 outstanding?

**Madam SPEAKER:** That needs to be recovered, yes.

**Ms LAWRIE:** Is there a set process for the recovery? Has this occurred before?

**Madam SPEAKER:** The process in regard to any TA or money paid to members which then has to be recovered is departmental staff ask the member how they wish to do it: over a period of time from their pay, or whether they wish to pay it in one lump sum. The department makes arrangements with the individual member how they wish to do that because, sometimes - it has happened to me - I have booked a trip and been paid TA but have not attended or not driven somewhere. You make arrangements to pay it back over a period of time.

**Ms LAWRIE:** Are arrangements in place for the repayment of \$2500 by the member for Arafura?

**Madam SPEAKER:** I would have to take that on notice, member for Karama, because I understand there was some discussions with the parliamentary wing. I do not have any information with me today.

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#### Question on Notice No 1.11

**Madam CHAIR:** Member for Karama, please restate the question for the record.

**Ms LAWRIE:** What repayment arrangements are in place with the member for Arafura for the Legislative Assembly to recover \$2500 for the missed travel to the CPA conference to the Cook Islands? When will the repayment be fully recovered?

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

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.11.

**Mr WOOD:** I am unsure where this question sits. It is in regard to your annual report, page 11, which talks about the separation of the parliamentary service from the executive government. It notes that within the Northern Territory there is no formal separation of parliamentary service from the executive government, thus officers of the Legislative Assembly are considered to be part of the wider public sector, which may place them in position of potential conflict in the conduct of their duties which obliges them to serve all members of Legislative Assembly. Has that issue been moved on at all - whether we should have changes to remove the possibility of that conflict?

**Madam SPEAKER:** Member for Nelson, a very timely question because in the last two weeks I have written to the Chief Minister in regard to this specific matter seeking advice from him on how we can move forward such that there is no scope for potential conflict of interest between the staff of the department and members. It is in hand.

**Mr WOOD:** Is it an ongoing discussion?

**Madam SPEAKER:** Yes, it is.

**Mr WOOD:** Is this the right area for visitors?

**Madam SPEAKER:** Yes, I believe so.

**Mr WOOD:** You quoted in your Fast Facts - I like the Fast Facts - 31 305 visitors to Parliament House. How do you know they were not tradesmen, Toll couriers were not turning up ...

**Madam SPEAKER:** Because, member for Nelson, everyone knows tradesmen use the back entrance.

**Mr WOOD:** Toll use the front gate with their pile of super secretive Get Smart bags they have for the top floor.

**Madam SPEAKER:** No, I do not believe there is a breakdown. When people go through security they are counted and that is how we arrive at that number. Some tradespeople or other personnel may come through the front entrance. If they go through the security check they are counted.

**Mr WOOD:** If you are putting this figure in, is it visitors to Parliament House or people conducting their normal business? How do you work that out?

**Madam SPEAKER:** It will predominately be visitors because, of course ...

**Mr WOOD:** That includes the Parliamentary Library, of course?

**Madam SPEAKER:** Yes, it does. Of course, staff would come and go, and family of staff and members, but they are all considered visitors to the precinct. They are visiting the House so they are included in the numbers.

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#### Question on Notice No 1.12

**Mr WOOD:** Do you know whether that number has gone up or down? Have you a figure for this year?

**Madam SPEAKER:** We can take that on notice, member for Nelson. The number of visitors to Parliament House this year through security versus the number of visitors to Parliament House last year, and if there is a variation?

**Mr WOOD:** That is the question.

**Madam CHAIR:** The question asked by the member for Nelson of Madam Speaker has been allocated number 1.12.



**Madam SPEAKER:** It will, member for Nelson, vary depending on the number of functions held in the parliamentary building as well.

**Mr WOOD:** That appears to be it for that section.

**Madam CHAIR:** Are there any further questions for Output 1.1?

That concludes consideration of Output 1.1

### **Output 1.2 – Members and Client Services**

**Ms LAWRIE:** Have there been any security incidents or concerns in the electorate offices over the past 12 months?

**Madam SPEAKER:** To my knowledge no, Opposition Leader. However, I can get a list of any unusual visitors or issues that may have occurred in the electorate offices in the Territory. For example, not this last financial year, but the year before I asked for a trespass notice to be put on my office to keep an individual away from my electorate officer. To my knowledge, there have been no other issues.

**Ms LAWRIE:** The electorate office of the member for Blain?

**Madam SPEAKER:** No, my electorate officer.

**Ms LAWRIE:** No, in this current financial year, have there been any security incidents at the electorate office of the member for Blain?

**Madam SPEAKER:** Not to my knowledge. I will have to take that on notice, member for Karama, because I am not aware of any issues. I will take it on notice and come back to you today.

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### **Question on Notice 1.13**

**Ms LAWRIE:** In the current financial year, have there been any security incidents at the electorate office of the member for Blain?

**Madam CHAIR:** For the purposes of *Hansard*, I allocate that question number 1.13.

**Ms LAWRIE:** Have any additional cleaning costs been incurred for the member for Blain's electorate office?

**Madam SPEAKER:** The member for Blain may undertake cleaning he pays from his electorate account.

**Ms LAWRIE:** Additional extraordinary ...

**Madam SPEAKER:** Not to my knowledge, but I can ...

**Ms LAWRIE:** ... concerns raised by shopping centre management around cleaning issues to do with the electorate office?

**Madam SPEAKER:** No, not to my department.

**Ms LAWRIE:** Could you check?

**Madam SPEAKER:** Yes, I will take that on notice.

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### **Question on Notice 1.14**

**Madam CHAIR:** For the purposes of *Hansard*, will you please restate your question?

**Ms LAWRIE:** Have there been any additional cleaning costs incurred in the electorate office of the member for Blain, additional cleaning measures sought, requested, or paid for in relation to that office? Further, were there additional security measures required for the Blain electorate office over the last 12 months? Were concerns raised by landlords?

**Madam SPEAKER:** I will take that on notice.

**Madam CHAIR:** For the purposes of *Hansard*, I allocate that question No 1.14.

**Ms LAWRIE:** Following the election, when did the electorate offices of the members for Arnhem and Arafura open?

**Madam SPEAKER:** I do not know. The ...

**Ms LAWRIE:** We know there were delays.

**Madam SPEAKER:** There were some minor works required in the member for Arafura's office in Moil to do with the air-conditioning. That was undertaken, and it is then up to the member when they wish to take up the premises.

**Ms LAWRIE:** The Assembly would be aware of when the premises were taken up. You would know the date of staff going in, keys opening, doors on, air-conditioning running.

**Madam SPEAKER:** Keys were provided to the member for Arafura and his electorate officer and it was over to them to take up occupancy.

**Ms LAWRIE:** Could you provide us with the relevant dates of when keys were provided and the date of occupancy?

**Madam SPEAKER:** Yes, we can provide dates when keys were provide. However, occupancy was entirely up to the member and his electorate officer.

**Ms LAWRIE:** The same for the member for Arnhem, who I understood had location issues as well.

**Madam SPEAKER:** The member for Arnhem put in a request and it was agreed, between my department and the Chief Minister's department, there be a relocation. As a consequence, the lease at the office at Casuarina Village was terminated and arrangements have been made over the last six to seven months to establish an office in the Katherine township. That is under way as we speak.

**Ms LAWRIE:** Is there currently an electorate office for the member for Arnhem?

**Madam SPEAKER:** The member for Arnhem has an arrangement in regard to the member for Stuart's liaison office in the town. That is with the office of the Department of the Chief Minister. It is not under the Department of the Legislative Assembly's management at this point in time. When the member for Arnhem locates into her new electorate office, that will be under the management of the Department of the Legislative Assembly and the member for Stuart's liaison office will be under the management of Department of the Legislative Assembly. However, at this stage that office is still under the management of the Department of the Chief Minister because it was the Chief Minister's department's office.

**Ms LAWRIE:** In Katherine?

**Madam SPEAKER:** Yes.

**Ms LAWRIE:** Are you being charged for that sublease? The Department of the Chief Minister is covering the costs of the member for Stuart's liaison office, which is also the member for Arnhem's temporary electorate office?

**Madam SPEAKER:** That was the arrangement and what was explained to the Chief Minister's office, staff, and the member at the time. My department could not supply particular services because it was not under our management.

**Ms LAWRIE:** Will the member for Arnhem receive an electorate office in the township of Katherine?

**Madam SPEAKER:** That is correct.

**Ms LAWRIE:** Is there a date or arrangement in train?

**Madam SPEAKER:** Yes, there is. I can provide a timetable, details of lease negotiations, the fit-out and then occupancy.

**Ms LAWRIE:** That would be great.

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**Question on Notice 1.15**

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

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated the number 1.15.

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**Ms LAWRIE:** Have any of the leasing arrangements for the electorate offices changed, apart from the one for the member for Arnhem, in regard to the term of the lease, renewal, rate of payment and the conditions?

**Madam SPEAKER:** For some electorate offices the lease is coming up for renewal. There are some where we are waiting to hear from the member whether they wish to stay in that office or relocate. The member for Nhulunbuy's electoral office is being established in a new location to fit in with all types of national requirements and standards, for example wheelchair access, but that is ongoing and money has been allocated for that.

**Ms LAWRIE:** When is that likely to occur? It has been in progress for many years. There has been a lack of disabled access and pram access for years. What is the time frame for that to happen?

**Madam SPEAKER:** Before the end of the year.

**Ms LAWRIE:** Is that the calendar year or financial year?

**Madam SPEAKER:** Before the end of the calendar year.

**Ms LAWRIE:** It is my understanding in Nhulunbuy it is always a case of, 'Can you find somewhere to move to?' Has a site been located?

**Madam SPEAKER:** Yes.

**Ms LAWRIE:** Are lease negotiations for the site happening?

**Madam SPEAKER:** Yes, they are. In the last two weeks I have written to the Chief Minister seeking exemption from tendering as that was not undertaken in the past. Once that occurs, we can finalise the arrangements. I appreciate and accept it has been a long time.

**Ms LAWRIE:** With constituents with MJD and the like, having an accessible office is critical in Nhulunbuy.

**Madam SPEAKER:** Yes, I accept that.

**Ms LAWRIE:** Can you advise the committee of the increase in utilities bills incurred by the Department of the Legislative Assembly at electorate offices since the power and water tariff increases?

**Madam SPEAKER:** Opposition Leader, I will have to take that on notice and provide details. Yes, we can provide the impact of any utility price increase on all electorate offices.

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**Question on Notice 1.16**

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

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.16.

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**Ms LAWRIE:** Could you advise full details of all NT Fleet vehicles provided to members of the Legislative Assembly including periods of use, fuel costs, and mileage since 26 August 2012?

**Madam SPEAKER:** Are you talking about members' vehicles? That is in question 1 ...

**Ms LAWRIE:** That is in the table, thank you. There is no additional provision of vehicles?

**Madam SPEAKER:** No.

**Ms LAWRIE:** Given there are strict rules relating to the use of member's car parks, are you able to have someone else park in your car park? For example, can a member allow a staff member to park in their car park or is it strictly for members?

**Madam SPEAKER:** The car park is allocated to the person who owns the car listed to park there. Some parking spots are allocated to the office of the Chief Minister, some are allocated to CEOs when they visit the building, but a car owned by the member is allowed to park there. Further, there is only one remote control for the security gate for one car park.

**Ms LAWRIE:** A member could not tell someone else they can use their car park?

**Madam SPEAKER:** That should not occur.

**Ms LAWRIE:** To your knowledge, does it occur?

**Madam SPEAKER:** No, I have not received any reports. If there was a report I would need to act on it because the car park is allocated to the member or the staff member.

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#### Question on Notice 1.17

**Ms LAWRIE:** Could you detail any expenses occurred for members' vehicles that may have broken down or been damaged, or needed to be relocated from one site to another?

**Madam SPEAKER:** Member for Karama, I would have to take that on notice. If any repairs have been required we can provide that. For example ...

**Ms LAWRIE:** Or towing services.

**Madam SPEAKER:** For example, I had to replace my windscreen because it had a crack in it. We can take that on notice and provide the information.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.17.

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#### Question on Notice 1.18

**Ms LAWRIE:** Can you advise whether the outstanding reimbursement was received from the member for Brennan for damage sustained to his vehicle by a family member, as sought by the Clerk in 2012?

**Madam SPEAKER:** Yes, Opposition Leader, the money was recovered from the member for Brennan around August last year.

**Ms LAWRIE:** Do you know how much?

**Madam SPEAKER:** It was the full amount. Whatever was required was paid.

**Ms LAWRIE:** Could we be advised?

**Madam SPEAKER:** I need to take that on notice.

**Ms LAWRIE:** The date in August on which it was received?

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

**Ms LAWRIE:** Thank you.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.18.

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**Ms LAWRIE:** You have answered some of these questions; I am flicking through quickly.

Are members entitled to a travel allowance up-front for official travel or do they seek reimbursement after the expenditure and acquittal?

**Madam SPEAKER:** It is given up-front, member for Karama. It is paid into whatever designated account they ask us to put it in.

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#### Question on Notice 1.19

**Ms LAWRIE:** Are you able to provide a breakdown of accommodation costs for members who travel to Darwin to attend parliamentary sittings?

**Madam SPEAKER:** Yes, we can, but I have to take that on notice because some members elect for the department to pay the accommodation and some elect to get the TA to cover it.

**Ms LAWRIE:** Yes, sure. If you could provide the ones you have.

**Madam SPEAKER:** I have to take that on notice.

**Madam CHAIR:** Member for Karama, would you clarify the question so you receive the correct answer?

**Ms LAWRIE:** Could you provide a breakdown of accommodation costs for members attending sittings in Darwin?

**Madam SPEAKER:** For what time period, member for Karama?

**Ms LAWRIE:** For this financial year, and a comparison with the same period last year.

**Madam CHAIR:** Do you accept that, Madam Speaker?

**Madam SPEAKER:** Yes, that is fine.

**Madam CHAIR:** The question asked by the member for Karama of Madam Speaker has been allocated number 1.19.

**Madam SPEAKER:** Madam Chair, can I clarify? Member for Karama, you only want existing members?

**Ms LAWRIE:** Yes.

**Madam SPEAKER:** Okay.

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**Ms LAWRIE:** Do these accommodation costs, if they are not covered by TA but the member seeks reimbursement, cover charges such as mini bar, movies, room service, etcetera?

**Madam SPEAKER:** No, it is just for the hotel room, or whatever room they get.

**Ms LAWRIE:** That is it for me.

**Mr WOOD:** In the annual report for 2011-12, in the Members and Electorate Officer Survey, it is noted there was a score of six out of 10 for IT support and software, telecommunications and OH&S. Can you tell us why the score was so low, and what has the department done to improve the situation?

**Madam SPEAKER:** Which page of the annual report is it, member for Nelson?

**Mr WOOD:** Last year's annual report at the top of page 50.

**Madam SPEAKER:** Why members put six I could only hazard a guess at, particularly some members in the rural area who have issues with ADSL versus the lines of communication we have. We have, as you know, changed the system in regard to how communication lines have gone into electorate offices. I am aware Alice Springs electorate offices, as well as some in the rural area, have presented problems, if not some of the urban areas. However, with the new systems in place from telecommunication providers and IT support providers, I anticipate that figure should be higher.

The provision of efficient and effective telecommunication services is always a challenge, not only for this department, but also others. That is not to say we should not try to get the service restored as quickly as possible. For example, one member in the Palmerston area lost computer access for almost four days, which was unacceptable ...

**Mr WOOD:** We had something similar in our electorate officer's computer.

**Madam SPEAKER:** That is why there is a fairly sound argument to have a dedicated IT person within the department who can service and look after members specifically. At the moment, the peak personnel we have in the department are a secondment arrangement from DCIS.

**Mr WOOD:** I believe that person is leaving soon, is that correct?

**Madam SPEAKER:** I am not aware of that, but if that person is leaving there will be another person to replace him.

**Mr WOOD:** Thank you, Madam Speaker. That is all the questions I have in that output.

**Madam CHAIR:** If there are no further questions in Output 1.2, we will conclude 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 LAWRIE:** Madam Speaker, could you please outline any planned repairs and maintenance in this agency for the coming 12 months? I note you have an increase in your R&M budget so you have some plans?

**Madam SPEAKER:** The electorate office R&M 2012-13 expenditure and 2013-14 program, excluding the cyclical maintenance and unforeseen maintenance - there is only one repairs and maintenance project committed during 2012-13 being the Arafura electorate office air-conditioning replacement, a cost of \$7325. Because all 25 electorate offices are leased from the private sector, in most instances building maintenance is undertaken by the building owner.

The Department of the Legislative Assembly's total repairs and maintenance appropriation for 2012-13 is \$2.443m and R&M appropriation for 2013-14 is \$3.137m. These R&M amounts are not specifically designated for electorate offices as it also includes building maintenance for Parliament House.

**Ms LAWRIE:** You have the list, you have the breakdown. Do you want to table that?

**Madam SPEAKER:** Yes, I have no problem with that. For example, cyclical maintenance, unforeseen maintenance, internal painting and repairs, replacement of chiller No 3, we have timber restoration in the Members' and Guests' Lounge, replacement of Genset No 2, and fan core unit replacement. I am happy to table that.

**Ms LAWRIE:** Lovely, thank you. In the repairs and maintenance have you looked at - the building is not a spring chicken any longer so we are getting into the cycle of R&M being required. Have you considered the time frame and assessment of whether or not there is a need for the external painting of Parliament House?

**Madam SPEAKER:** Yes, we have, member for Karama. The building is 20 years old. It is on our books and the government is aware the outside of the building needs repainting, particularly because we are located on the coast. As I mentioned previously in my statement, I have toured what I call the back of the House and also the roof. There is some salt damage on the external areas of this building which require fixing. In the budget we have a repaint of Parliament House roof because there is some rust erosion. It is definitely on the agenda for the department.

Having said that, painting the outside of the building will be an extensive operation and will have to be undertaken in the Dry Season costing quite a bit of money. We will have to put a separate submission through to government for that to be undertaken.

**Ms LAWRIE:** You have some funding in there to do the roof ...

**Madam SPEAKER:** Yes.

**Ms LAWRIE:** ... in the repairs and maintenance of Parliament House, but you need a further bid to government to deal with the external paint of Parliament House, which is in its cycle of needing to be repainted?

**Madam SPEAKER:** That is correct, we do.

**Ms LAWRIE:** Will that bid go into the next budget round or will you do it before?

**Madam SPEAKER:** Yes, that has been in previous budgets and it will be a two-year project.

**Ms LAWRIE:** Do you have a scope and cost on that?

**Madam SPEAKER:** We have had some estimates from private companies. It varies from \$2m to \$4m to paint the complete exterior of Parliament House.

**Ms LAWRIE:** Have you had any discussions with the Supreme Court? They had some external painting leading up to one of their big anniversaries. Is there any cost amelioration that could be done - a job lot across the square?

**Madam SPEAKER:** No, we have not had any discussions with the Supreme Court or other buildings.

**Ms LAWRIE:** It cost about \$1m to do some painting at the Supreme Court a couple of years ago.

**Madam SPEAKER:** If we could undertake the task in an efficient and effective way I am sure we are happy to look at it but we have not, at this stage, spoken to them.

**Ms LAWRIE:** I would like to be kept abreast of that, Madam Speaker.

**Madam SPEAKER:** Yes, happy to do that.

**Ms LAWRIE:** Thank you.

**Mr WOOD:** Madam Speaker, any change in the colour?

**Madam SPEAKER:** What would you like, member for Nelson?

**Mr WOOD:** Probably yellow and brown as a farewell present to the Clerk, who is leaving soon, from an Essendon supporter. No, white is the most efficient colour.

Madam Speaker, in relation to the upgrading of the sound system, did that fit within budget? Has there being any problem in relation to the sound system since it has been installed?

**Madam SPEAKER:** Yes, the upgrade of the sound system within the Chamber was within budget and there have not been any serious technical issues.

**Mr WOOD:** With the government saying you have to cut costs, are you allowed to retain some of the money you make from the café and the gift shop or is it government revenue?

**Madam SPEAKER:** No, the café is a private lease. It is one of the tenancies of the building, as is the gift shop. Karen Sheldon Catering operates the catering for the building. It is a private concern and nothing comes back to the department other than the lease arrangement. The same goes for the gift shop, which is leased by the Craft Council, another tenant.

**Mr WOOD:** Are payments for the leases retained as income or do they have to go to the Receiver of Public Monies?

**Madam SPEAKER:** They go into consolidated revenue, yes. No, they do not stay in the department.

**Mr WOOD:** Do you believe they should? You are asked to cut costs here and there, but you have no way to be inventive and raise revenue from weddings, parties, or things you can charge for. There is no incentive to raise your own revenue within the Department of the Legislative Assembly?

**Madam SPEAKER:** Member for Nelson, again it is a timely question because I have had some discussions with the Clerks in regard to the tenants of this building. As you know, the government itself is a tenant, the caterers are tenants, the gift shop is a tenant, and the Library and all associated components of the library are tenants. The caterer pays lease arrangements, the gift shop pays lease fees – Parliamentary Counsel is also a tenant. The Library is on a peppercorn rent, and the other Northern Territory government offices associated with that - there is no lease or lease payments, and the same for Parliamentary Counsel.

**Mr WOOD:** They are happy to get some free office space but, at the same time, ask you for a 1% dividend cut?

**Madam SPEAKER:** Yes. We are very limited in what we can do in regard to generating revenue to offset costs or anything else. However, it is on my mind given we are in constraint times. There are some tenants who pay and there are tenants with other arrangements.

**Mr WOOD:** Is the Parliamentary Library a Legislative Assembly responsibility or is it part of the bigger library picture?

**Madam SPEAKER:** The arrangement for the Northern Territory Library to be there was the Parliamentary Library component be maintained.

**Mr WOOD:** Do we fund that component?

**Madam SPEAKER:** No, it is part of the Northern Territory Library's budget.

**Mr WOOD:** Are we charged by the Library for that service? We, as parliamentarians, are able to ask for research to be done.

**Madam SPEAKER:** I will ask Mr Clerk to provide some details.

**Mr McNIELL:** When the building was nearing completion the government of the day initially took the policy decision to amalgamate the libraries of the Department of the Chief Minister, the Department of Law and the Parliamentary Library as it existed then and move the Northern Territory Library into the building. The Law library separated itself from that equation. However, the Chief Minister's library and Parliamentary Library were incorporated into what is the current Northern Territory Library. There have since been a series of informal and formal arrangements and memorandums of understanding about what level of services the Parliamentary Library provides for members and committees. However, the trade-off was they took our books, we gave them the space, and they provided a library and research service from time to time. That has been a reasonably workable relationship from both sides for the period of time we have been in the building.

**Mr WOOD:** That is the most important part for people who have limited research capabilities. That is all the questions I have on that output, Madam Chair.

**Madam CHAIR:** That concludes consideration of Output 1.3 and output group 1.0.



### Non-Output Specific Budget-Related Questions

**Madam CHAIR:** Are there any non-output specific budget related questions.

**Mr WOOD:** I have one in relation to page 50 of the annual report, which indicates there was a Northern Territory public service employee survey relating to professional excellence guidelines and nine recommendations came from that. They are printed on pages 50 and 51. Have all those recommendations been accepted by the Legislative Assembly?

**Madam SPEAKER:** Yes, I believe so.

**Mr WOOD:** Okay, thank you.

**Madam CHAIR:** Opposition Leader, nothing?

That concludes consideration of all outputs relating to the Department of the Legislative Assembly. On behalf of the committee, I would like to thank Madam Speaker for attending. I also thank the departmental officers who provided their advice today. Before we meet with the Treasurer we will have a 15-minute recess and I ask all members strictly adhere to that time limit. We will recommence at 11.00 am. Thank you.

**Ms LAWRIE:** I add my thanks to Madam Speaker and the staff of the Assembly for their work and preparation.

**Mr WOOD:** This is the last chance to thank the Clerk, Ian McNeill, for the hard work he has done over many years. I wish him well. We will be writing to the Essendon Football Club to grant him life membership so he leaves here satisfied. On behalf of others as well, thank you for all the hard work you have done and the support you have given us personally.

**Members:** Hear! Hear!

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The committee suspended.

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### MINISTER TOLLNER'S PORTFOLIOS

#### DEPARTMENT OF TREASURY AND FINANCE

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

**Mr TOLLNER:** I might start off with an introduction, if you like, and ...

**Ms Lawrie:** Opening statement.

**Mr TOLLNER:** An opening statement, yes.

**Madam CHAIR:** Before that, for the benefit of *Hansard* I will introduce members of the Estimates Committee. I welcome Nicole Manison MLA, member for Wanguri; the Leader of the Opposition; me; Larisa Lee, member for Arnhem; Bess Price, member for Stuart; and Gerry Wood, member for Nelson.

Treasurer, I invite you to make an opening statement of no more than five minutes and then call for questions relating to the statement. The committee will then go through the written answers you might have to any written questions. 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 ministers to ask their questions first, followed by the Independent member then other committee members. Finally, other participating members may address electorate issues.

The committee has agreed that other members may join in on the line of questioning pursued by the shadow minister rather than waiting for the end of the shadow's questions on the output.

Treasurer.

**Mr TOLLNER:** Thank you very much, Madam Chair. Good morning to you and your committee.

I would like to make a brief opening statement in relation to my responsibility as Treasurer. This covers questions relating to the Department of Treasury and Finance, the Central Holding Authority, and the Northern Territory Treasury Corporation.

I have with me my good friends, the Under Treasurer, Mr Alan Tregilgas, as well as Deputy Under Treasurers, Mr Tony Stubbin and Mr David Braines-Mead.

As Treasurer, I will address questions from a whole-of-government perspective. This includes financial and accounting policy issues applying to Budget 2013-14, the requirements of the *Fiscal Integrity and Transparency Act*, including the Territory's consolidated financial statements and fiscal strategy, whole-of-government financial issues, including the debt position which is not inconsequential, revenue, including taxes, royalties and GST, community service obligations, and the Northern Territory economy. I will also address any issues in relation to the Territory's overall infrastructure budget. Details on individual projects and/or individual initiatives and outputs of government are to be addressed by ministers responsible for those portfolios.

As Shareholding Minister for the Power and Water Corporation, I will also address any matters in the budget which affect power and water, including community service obligation payments, dividends and tax equivalent payments and regulated customer revenues.

Operational or other policy questions relating to Power and Water should be discussed at the Government Owned Corporations Scrutiny Committee session held later in this estimates.

Madam Chair, the Country Liberal government inherited a fiscal position from the former government that was simply unsustainable. Nett debt was projected to be \$5.5bn by 2015-16, with interested charges set to soar to in excess of \$1700 for every man, woman and child in the Northern Territory. As soon as a baby was born in the Northern Territory they inherited a debt of \$1700. Accordingly, in formulating Budget 2013-14, we have acted responsibly by dealing with the debt burden bequeathed to us by the former Treasurer in a staged and sustainable manner.

Based on Treasury estimates, we are set to drive debt down by almost \$600m by the end of 2015-16 compared to the position we inherited. This is even after having to fund over \$450m in legacy items left to us by the former fiscally irresponsible government, and \$0.5bn being taken away from us by Canberra in the form of GST through reduced relativities.

Despite this, we are targeting a return to surplus by 2017-18 which will require the next phase of fiscal adjustment to focus on our own belt tightening. This requires a more efficient public sector and enhanced monitoring of agency performance, a key to which is the establishment of the new Budget Management Cabinet Subcommittee which will consistently oversight the budgetary position.

By contrast to the precarious budgetary position we have been forced to address, the Territory economy is going from strength to strength and is forecast to grow by 5% in 2013-14 and 7% in 2014-15. This is, in part, a reflection of the Country Liberals government that the Territory is open for business and we are intending to drive economic growth.

In closing, Madam Chair, I am happy to answer any questions from the committee relating to my responsibilities for the Appropriation Bill and the budget papers, Northern Territory Treasury, the Central Holding Authority and the Northern Territory Treasury Corporation, and I understand, Madam Chair, that you would like to move straight to the written questions.

**Madam CHAIR:** Thank you, Treasurer. Do you have written responses to questions?

**Mr TOLLNER:** I would like to provide responses now, if I can.

**Madam CHAIR:** Yes, that would be perfect timing.

**Mr WOOD:** Madam Chair, are those questions going to be handed out?

**Madam CHAIR:** Do you not want them read, member for Nelson?

**Mr WOOD:** Yes, but we handed them out as copies, so we can ...

**Ms LAWRIE:** The same process as with Madam Speaker, where they were tabled and handed out.

**Madam CHAIR:** So they are tabled and read for the benefit of members of the public, absolutely.

**Ms LAWRIE:** So we can go through them as well.

**Mr TOLLNER:** The ...

**Ms LAWRIE:** On that, Treasurer, could you provide a copy of the answers you are about to read from ...

**Mr TOLLNER:** I imagine *Hansard* will show the answers to those ...

**Mr WOOD:** No.

**Mr TOLLNER:** They will not?

**Mr WOOD:** It is not that. We need to look at those questions because we need to also ...

**Mr TOLLNER:** I will outline the questions asked of me.

**Ms LAWRIE:** Treasurer, it is a process we have already established with Madam Speaker. We establish a process and ...

**Mr TOLLNER:** I am sorry, I do not have written answers at length. I have some dot points, suggestions and the like.

**Ms LAWRIE:** We are happy with the dot points.

**Madam CHAIR:** Sorry, if I can interrupt. There is no requirement to provide physical copies of the written questions, but the Treasurer is going to go through the question and the answer for the benefit of the public, our benefit and *Hansard*.

**Ms LAWRIE:** To clarify that, Treasurer, you have had the written questions on notice for some time now and you have ...

**Mr TOLLNER:** I have come prepared to answer those questions.

**Ms LAWRIE:** Yes, and you have the answers in your folder.

**Mr TOLLNER:** Parts.

**Ms LAWRIE:** You will not actually ...

**Mr TOLLNER:** Parts of the answers.

**Ms LAWRIE:** Parts of answers, but what you have you will not hand over to the Estimates Committee as Madam Speaker did?

**Mr TOLLNER:** No, because they are only part of an answer, that is correct.

**Ms LAWRIE:** You will not hand them over?

**Mr TOLLNER:** No, and they are only part of an answer.

**Ms LAWRIE:** What do you have to hide?

**Mr TOLLNER:** I have nothing to hide.

**Ms LAWRIE:** Then hand over ...

**Mr TOLLNER:** I want to be more forthright with the ...

**Ms LAWRIE:** Hand over the written questions as Madam Speaker did.

**Mr TOLLNER:** I imagine you have the questions there.

**Ms LAWRIE:** Hand over the written answers as Madam Speaker did.

**Mr TOLLNER:** I will provide the answers as we go through them.

**Ms LAWRIE:** You can hand over the written answers as Madam Speaker did, surely. What more do you have to hide than - Madam Speaker was quite forthcoming, open and accountable.

**Madam CHAIR:** Opposition Leader, there is no requirement for the Treasurer to provide the written copy.

**Ms LAWRIE:** I know there is no requirement, but we have already established a process and precedent for it and he is not complying.

**Mr TOLLNER:** The process, as I witnessed it, was Madam Speaker answered them question by question.

**Mr WOOD:** Yes, but we had the answers available and ...

**Ms LAWRIE:** They were provided to us.

**Mr WOOD:** ... with complicated answers it gave us a basis to ask further questions. That is the reason it was a good process.

**Ms Lawrie:** It was a good process.

**Mr WOOD:** So if you give us a very complicated answer ...

**Mr TOLLNER:** Perhaps you can ask questions after each answer. I am happy to do that, if that is the way you want to proceed.

**Mr WOOD:** That is what we intend to do. However, this has given us an idea of some of the details that may be – for instance, if I ask about departmental staff airfares I can look at it quickly. If you give it to us in a ...

**Ms LAWRIE:** In a verbal?

**Mr WOOD:** The Treasurer should give it to us in a verbal, but at least give us time to check the figures and we ask you more questions.

**Mr TOLLNER:** I am sorry, I did not come prepared for that. I came prepared to answer all the questions as you wish.

**Ms LAWRIE:** Treasurer, no one else with you has a copy of the answers?

**Madam CHAIR:** The minister has answered the questions and we will move on.

**Ms LAWRIE:** It is a relevant question.

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

**Ms LAWRIE:** Treasurer, no one else with you has a copy of the answers you are about to read from? No one sitting at the table with you, the advisor, no one else?

**Mr TOLLNER:** That is correct. I am ready to go, I have ...

**Ms LAWRIE:** No one in the estimates hearings with you has a copy you could provide to us?

**Mr TOLLNER:** They can provide additional information to particular answers I give.

**Ms LAWRIE:** No one has a copy of what you are about to read from?

**Mr TOLLNER:** I have told you ...

**Ms LAWRIE:** No one else with you?

**Mr TOLLNER:** I told you I have my copy here and that is what I intend to use.

**Ms LAWRIE:** Yes, but that is not the question I am asking.

**Madam CHAIR:** Opposition Leader, you have stated your position concisely on a number of occasions and the Treasurer has answered.

**Ms LAWRIE:** He is refusing to answer it.

**Madam CHAIR:** No, he has ...

**Ms LAWRIE:** The question was ...

**Madam CHAIR:** Treasurer, will you be providing hard copies of your responses?

**Mr TOLLNER:** No.

**Madam CHAIR:** Thank you.

**Ms LAWRIE:** No one else with you has a copy?

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

**Ms LAWRIE:** No questions relating to the statement. Go on with the written questions.

**Madam CHAIR:** If there are no questions relating to the statement, we will proceed with the questions.

**Mr TOLLNER:** Yes, okay.

Question 1:

*Details on progress of all CLP commitments, including all commitments and policy announcements made to Territorians in CLP election policy documents, summary snapshots, media releases and announcements, 100-day plan, costings and savings documents, media advertisements and other printed material.*

In relation to Treasury, I can report there was an election commitment to review NT finances and government waste which has been completed. The Renewal Management Board has conducted an independent review of the 2012-13 mini-budget, and the 2013-14 budget has incorporated relevant savings and efficiency measures. This will be complemented by a mid-year review of further efficiencies and the reprioritisation of government priorities through the newly established Cabinet Subcommittee.

In relation to the commitment to return the budget to surplus by the end of its first term then repay debt, this is in progress. An update on the progress is incorporated in the 2013-14 Budget Papers. The 2013-14 budget and fiscal strategy has set a new target of returning the budget to surplus by 2017-18. To lobby the federal government in regard to regional tax reform and energy and fuel rebates is an ongoing process. There has been consideration of approaching the Commonwealth to seek additional tax concessions for regions and primary industries. At this stage it would be counterproductive to the current review of GST redistribution. It is proposed to defer the consideration of any such approach until the review of the GST is finalised.

Having said that, there have been discussions with the federal opposition about its North Australia development plan and regional tax reforms. It is too early to outline any of the details of those discussions; needless to say, the federal coalition has made an election commitment to develop North Australia.

**Ms LAWRIE:** On those two matters you raised - going on memory as I do not have the written documents in front of me because you refused to provide the - first, the matter you referred to was the review of Territory finances by the Renewal Management Board. You said that has been completed. Is that the case?

**Mr TOLLNER:** That is correct

**Ms LAWRIE:** Why do we only have a progress report? Why is there not a final report from the Renewal Management Board?

**Mr TOLLNER:** I have spoken at length to the Renewal Management Board, received a number of recommendations from it, and have implemented those recommendations.

**Ms LAWRIE:** We have a progress report, which I am happy to table if you do not have a copy with you. Where is the final report?

**Mr TOLLNER:** The final report is an internal document.

**Ms LAWRIE:** Will you table it?

**Mr TOLLNER:** No. Some recommendations have been acted on, others were considered to be a little difficult to achieve.

**Ms LAWRIE:** Treasurer, you are saying the Renewal Management Board provided you with a final report, which you call an internal document with recommendations in it, is that correct?

**Mr TOLLNER:** Correct.

**Ms LAWRIE:** Treasurer, I remind you at this stage of proceedings that false or misleading evidence may constitute contempt of the Assembly. I will ask you that question again. Are you confirming you have received a final report from the Renewal Management Board with recommendations?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** Will you provide a copy of that?

**Mr TOLLNER:** No.

**Ms LAWRIE:** Why not?

**Mr TOLLNER:** Because it is an internal report.

**Ms LAWRIE:** How is it an internal report when the taxpayers' funded \$1m to the people who compiled it?

**Mr TOLLNER:** Because it is for use by Cabinet. As a Cabinet document, we want to maintain the integrity of that report. We are going through each of the recommendations individually. A number of the recommendations have been implemented. We now understand the entirety of the debt legacy and fiscal irresponsibility of the previous Labor government. The report has been very good in highlighting some of those issues for Cabinet, and it paints a very bleak picture of the way the former government managed the government finances.

**Ms LAWRIE:** You say you have received the Renewal Management Board's final report as opposed to this progress report.

**Mr TOLLNER:** That is correct, yes.

**Ms LAWRIE:** You have received recommendations from it, and you have taken the report to Cabinet and considered the recommendations?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** You have decided which of those recommendations you will adopt and which ones you will not adopt?

**Mr TOLLNER:** That is correct.

**Ms LAWRIE:** However, you will not provide a copy of the report to the estimates hearing?

**Mr TOLLNER:** It is not my position to provide that report; it is a matter for Cabinet.

**Ms LAWRIE:** No, it is your position as Treasurer. It was a report to you as Treasurer.

**Mr TOLLNER:** No, no. It was a report to Cabinet, and Cabinet will make a decision as to whether that report is released. I suggest it will not be.

**Ms LAWRIE:** On the first point of trying to get to the advice upon which you are framing your budget - because the terms of reference to the Renewal Management Board were they would provide advice on the framing of the budget - you will not disclose to taxpayers, who funded the board to provide you with this advice, what those recommendations were?

**Mr TOLLNER:** Let me turn this around, you were in Cabinet in a previous regime ...

**Ms LAWRIE:** If we had an external report like this we would provide it.

**Mr TOLLNER:** ... when taxpayers funded reports. Did you release ever single report to the public? Of course, you did not. We have a list as long as your arm we constantly asked you to release and you never did. Why ...

**Ms LAWRIE:** My question, Treasurer, is to you. I am making a request to you, on behalf of the taxpayers of the Northern Territory, to be open and accountable with the Territory's finances. I am sure you are not trying to hide or cover up anything. If you were not trying to hide or cover up anything you would provide the final report of the Renewal Management Board, members of which were paid \$1m by taxpayers to provide advice to you on the framing of the budget. It is material to the considerations before this committee; it is material to the public to know.

**Mr TOLLNER:** First, I am not aware whether your facts are right in relation to what the Renewal Management Board was paid or the arrangements. That is not a matter for me; that is a matter for the Chief Minister's department. Perhaps you can take that up with them. In relation to Cabinet documents and what you want released to the public, this is a matter for Cabinet.

**Ms LAWRIE:** You are on the record as saying there is a Renewal Management Board final report. Whilst you made their progress report public, you will not make their final report public because it has gone to Cabinet.

**Mr TOLLNER:** It is not me; it is Cabinet.

**Ms LAWRIE:** You have to request Cabinet for a copy of it?

**Mr TOLLNER:** The Cabinet makes those decisions.

**Ms LAWRIE:** You do not believe Cabinet will give us a copy of it?

**Mr TOLLNER:** I would be surprised, but that is not a matter for me to determine; that is a matter for the Cabinet.

**Ms LAWRIE:** Was there any information in the Renewal Management Board final report that is materially different to the information contained within the progress report?

**Mr TOLLNER:** That is not a matter for me to comment on.

**Ms LAWRIE:** You say in your comments that you did not know the state of the Territory finances and you needed the report from the Renewal Management Board to know the true state of the Territory's finances.

**Mr TOLLNER:** Absolutely! The previous government was not very forthcoming with information. It took much time and effort to collate the exact financial situation the new government found itself in. The people on the Renewal Management Board were expert in a range of different economic fields and provided a very detailed overview of government spending, debt, and a range of other things we were not completely across. A whole range of unfunded legacy items never appeared in any budget.

**Ms LAWRIE:** Treasurer, the pre-election fiscal outlook was released two weeks prior to the election. Do you agree the pre-election fiscal outlook was an accurate account of the financial state of the Northern Territory?

**Mr TOLLNER:** No, because there was a whole range of unfunded legacy items in that pre-election fiscal outlook we have since uncovered.

**Ms LAWRIE:** Could you point to anything in the pre-election fiscal outlook which is inaccurate? Anything?

**Mr TOLLNER:** I just said there was a whole range of unfunded legacy items not accounted for in any of the previous budgets.

**Ms LAWRIE:** This is a document of Treasury compiled by the Under Treasurer, Treasurer. This document covers and refers to the estimated debt position you refer to.

**Mr TOLLNER:** Absolutely, yes!

**Ms LAWRIE:** You referred to the \$5.5bn debt and you accept the PEFO refers to it. However, you say you did not know what the debt position was. Surely, that is contradictory?

**Mr TOLLNER:** No. As I said, that was outlined. You outlined that yourself in your budget in the PEFO. I do not believe there is any hiding from the fact, and you would not disagree, that the Territory's debt was set to escalate to \$5.54bn; an almost 100% revenue to debt ratio ...

**Ms LAWRIE:** You accept you were aware of that as represented in the pre-election fiscal outlook. You knew the debt situation ...

**Mr TOLLNER:** We knew that debt situation. As I say, there was ...

**Ms LAWRIE:** ... but you promised to cut the cost of living. During the election campaign you promised to cut the cost of living ...

**Mr TOLLNER:** Absolutely.

**Ms LAWRIE:** ... fully aware there was a predicted - in the 15 or 16 years ...

**Mr TOLLNER:** Absolutely, but there was a range of other things not contained in the pre-election fiscal outlook such as unfunded liabilities which we have made up ...

**Ms LAWRIE:** You have made up the unfunded liabilities?

**Mr TOLLNER:** Absolutely. Everything is now accounted for in Budget 2013-14. There was more than \$100m in the 2013-14 year of unfunded liabilities that had to be funded. These were commitments the previous fiscally irresponsible government made but never budgeted for ...

**Ms LAWRIE:** Going to the ...

**Mr TOLLNER:** ... so that has been covered off ...

**Ms LAWRIE:** On that point Treasurer, you are saying it is covered off, but the Renewal Management Board progress report - we have that public, even though you will not make the final report public - says legacy funding identified, which you say is now covered off in the budget, includes the requirement for an additional \$35m in child protection, an additional \$25m in Corrections, an additional \$35m to cover off youth justice, and \$48m in police repairs and maintenance, without specifying additional road funding. You say that is covered off ...

**Mr TOLLNER:** You have missed a range of things there, of course. There are the medi-hotels and the demand growth in health. All these things have been budgeted for.

**Ms LAWRIE:** Quite specifically, you are saying child protection received an additional \$35m, but in your own budget papers child protection does not receive an additional \$35m. In your budget papers Corrections does not receive an additional \$25m. In your own budget papers ...



**Mr TOLLNER:** Because there has been a reprioritisation ...

**Ms LAWRIE:** ... police repairs and maintenance does not receive an additional \$48m, yet you say all these items identified are covered off.

**Mr TOLLNER:** There has been a reprioritisation on a range of areas. If you want more information on those things you need to talk to the relevant ministers. An enormous amount of work has been done since the election to uncover these problems left to us by the previous government. Once uncovered, we had to deal with them. We had a goal of returning the budget to fiscal surplus by 2015-16. Clearly, that was very difficult when we found \$141m in unfunded liabilities for 2014 and \$90m for 2012-13. All those things go into the mix and you have to find different ways of doing things.

It is a difficult concept for you to understand, given the fact you are the person who put Territorians into this precarious position ...

**Ms LAWRIE:** Are you saying, through reprioritisation within these agency budgets, you are ...

**Mr TOLLNER:** Reprioritisation, efficiency measures, a range of different tactics have been used to bring our budget into fiscal surplus by 2016-17. That task is not complete ...

**Ms LAWRIE:** The question was around the legacy items and you said they were covered off. Are you now saying within each agency through different methods used – reprioritisation and efficiency dividends, restructures – you have covered off \$35m in child protection, you have covered off ...

**Mr TOLLNER:** That is a matter for ...

**Ms LAWRIE:** ... \$48m in police repairs and maintenance? Treasurer, there is no additional \$48m in police repairs and maintenance in reading your own budget.

**Mr TOLLNER:** I am telling you what the unfunded liabilities were. If you want to go into specifics ...

**Ms LAWRIE:** You said they were covered off ...

**Mr TOLLNER:** ... of particular departments, you need to direct those questions to the relevant ministers.

**Ms LAWRIE:** Treasurer this is a report - you will not make the final report public, but you made the progress report of the Renewal Management Board public. You are maintaining that the pre-election fiscal outlook signed by the Under Treasurer is not accurate. That is what you said in your previous response - the pre-election fiscal outlook signed off by the Under Treasurer is not accurate. That is what you have previously said. Do you stick by that?

**Mr TOLLNER:** Absolutely, look ...

**Ms LAWRIE:** You are saying the Under Treasurer of the Northern Territory breached the FITA ...

**Mr TOLLNER:** Can I refer you to page 331 of ...

**Ms LAWRIE:** ... breached the *Fiscal Integrity and Transparency Act*?

**Mr TOLLNER:** Absolutely, and I am glad you asked that question.

**Ms LAWRIE:** You are saying the Under Treasurer of the Northern Territory breached the FITA?

**Mr TOLLNER:** Madam Chair, can I take some time to respond to that question? That is what I said, Opposition Leader. In 2001, the former Chief Minister and Treasurer Clare Martin and Sid Stirling, enacted the FITA legislation, the *Fiscal Integrity and Transparency Act*, and there is a whole range of requirements under FITA. If I can turn to some of those requirements ...

**Ms LAWRIE:** Treasurer ...

**Mr TOLLNER:** No, let me finish please because I would like to outline exactly how the previous government breached FITA - its own legislation.

**Ms LAWRIE:** You are saying the Under Treasurer ...

**Mr TOLLNER:** I am saying the former Treasurer.

**Ms LAWRIE:** No.

**Mr TOLLNER:** The former Treasurer.

**Ms LAWRIE:** Treasurer, you must be confused because my question was quite specific and I will repeat it.

**Mr TOLLNER:** Please let me answer this question. Please, Madam Chair.

**Ms LAWRIE:** No, you are answering a question that has not been asked and I will repeat it.

**Mr TOLLNER:** No.

**Ms LAWRIE:** It is on the *Hansard* record, Treasurer, and I will repeat the question. Are you saying, and this is ...

**Mr TOLLNER:** Excuse me, do I get a chance to respond here? Please let me respond.

**Madam CHAIR:** Opposition Leader, the Treasurer is part way through responding.

**Ms LAWRIE:** No, he is not. He is not answering the question I asked, Madam Chair, and I will repeat the question so he truly understands the distinction.

Are you saying the Under Treasurer, not the Treasurer of the Northern Territory, signed off on an inaccurate pre-election fiscal outlook? Are you saying that? You have already said it this morning. Do you confirm that is what you are saying - in breach of the FITA? Are you saying the pre-election fiscal outlook signed off by the Under Treasurer is inaccurate?

**Mr TOLLNER:** Let me explain what the Under Treasurer signs off on. The Under Treasurer signs off on incorporating the fiscal implications of all government decisions and circumstances currently known or disclosed to me. I am not suggesting the former Under Treasurer made any breach of the law at all. I am suggesting the former government did.

Let me repeat that: the former government did, because what the former government did not do was ...

**Ms LAWRIE:** That is an extraordinary thing to say because the pre-election fiscal outlook is signed off by the Under Treasurer.

**Mr TOLLNER:** ... inform the Under Treasurer of some of those commitments. That is my allegation.

**Ms LAWRIE:** Election commitments?

**Mr TOLLNER:** If you let me continue ...

**Ms LAWRIE:** Which commitments, Treasurer?

**Mr TOLLNER:** ... in relation to FITA, you raised ...

**Ms LAWRIE:** Treasurer, which commitments did the former government not advise the Under Treasurer of in keeping with the requirements of PEFO? Which commitments?

**Mr TOLLNER:** We have outlined a range of them in the budget books. Page 31 of Budget Paper No 2 explains unfunded legacy items.

**Ms LAWRIE:** If you are talking about items of demand pressures within agencies, the Under Treasurer would be more aware than the Treasurer of any demand pressures within agencies when signing off the FITA.

Are you saying, and I will repeat this because it is a pretty ...

**Mr TOLLNER:** I am telling you there are unfunded legacy items.

**Ms LAWRIE:** ... serious allegation you are making.

**Mr TOLLNER:** I am making some very serious allegations about the former government breaching its own laws to be transparent ...

**Ms LAWRIE:** I invite you, I ...

**Mr TOLLNER:** ... and to operate with fiscal integrity, something the former Treasurer did not have a clue about. If you give me two minutes I will explain a whole raft of areas where the former Treasurer breached a range of her own laws. The former Treasurer ...

**Ms LAWRIE:** I invite you to say outside this House ...

**Mr TOLLNER:** I am saying it right here ...

**Ms LAWRIE:** ... that I broke the law in any way ...

**Mr TOLLNER:** ... and I am prepared to put information behind it to back it.

**Ms LAWRIE:** Will you say, outside this House, what you just said under parliamentary privilege? I, as the former Treasurer ...

**Mr TOLLNER:** I will say it now if you give me a couple of minutes.

**Ms LAWRIE:** ... breached any law, including the FITA?

**Ms LAWRIE:** Will you say that outside?

**Madam CHAIR:** I apologise, Treasurer, for interrupting you. I want to welcome my colleague, Francis Xavier, member for Arafura, who has replaced Ms Lee on the estimates panel. Thank you.

**Mr TOLLNER:** Madam Chair, just to ...

**Ms LAWRIE:** Will you say it outside?

**Mr TOLLNER:** ... go through the FITA ...

**Ms LAWRIE:** ... or will you just do it under parliamentary privilege?

**Mr TOLLNER:** I said this several weeks ago in the parliament and I intend to say it now so you can completely understand where you breached FITA. I will outline it point by point.

**Ms LAWRIE:** There was no breach of FITA by me as Treasurer.

**Mr TOLLNER:** The first of FITA's requirements is you have to take into account the effect on employment, economic prosperity and development. The first principle is spending and taxing policies are to be formulated and applied with consideration to the effect of these policies on employment and the economic prosperity and development of the Northern Territory.

Clearly, putting in place a debt situation of \$5.54bn, 98% of debt to revenue ratio, puts that into somewhat of a precarious position. The second ...

**Ms LAWRIE:** It does not breach the FITA.

**Mr TOLLNER:** That is the first. Let me go through it.

**Ms LAWRIE:** It is open and accountable. It does not breach the FITA at all.

**Mr TOLLNER:** Let me go through these principles please.

**Ms LAWRIE:** On the first point there is no breach of FITA.

**Mr TOLLNER:** That is arguable, but let us say you are right.

**Ms LAWRIE:** No, it is not arguable, it is fact.

**Mr TOLLNER:** Let us say you are right. The second point is the effect on stability and predictability. The second of FITA's current fiscal management principles is spending and taxing policies are to be formulated and applied to give rise to a reasonable degree of stability and predictability. Again, is it wise to put the Territory into such a level of debt where almost the entirety of the debt is equivalent to revenue - 98% debt to revenue ratio? The third point ...

**Ms LAWRIE:** On that point, Treasurer ...

**Mr TOLLNER:** Well ....

**Ms LAWRIE:** No, you are raising serious allegations against me, so let us take these one by one.

**Mr TOLLNER:** The third ...

**Ms LAWRIE:** Just to clarify it. There is no breach of FITA. You inherited a 46% net debt to revenue ratio from the Labor government in the 2011-12 financial year.

**Mr TOLLNER:** That is not ...

**Ms LAWRIE:** Even if you look at your forward estimates, going into the 90s ...

**Mr TOLLNER:** We are looking at the forward estimates. Your own PEFO ...

**Ms LAWRIE:** If you look at the forward estimates going into the 90s they were similar to those that operated under a previous CLP government.

**Mr TOLLNER:** No, they were not. For practically 30 years ...

**Ms LAWRIE:** Net debt to revenue ratios.

**Mr TOLLNER:** ... net debt to revenue ratios sat at around 29%.

**Ms LAWRIE:** So when Mike Reed and Barry Coulter said ...

**Mr TOLLNER:** You were more than tripling that by 2015-16.

**Ms LAWRIE:** ... it is okay to run an interest to revenue ...

**Madam CHAIR:** Opposition Leader, I ask that you desist from interrupting the Treasurer as often as you are.

**Ms LAWRIE:** I have to because he is being somewhat cute with his responses, Madam Chair.

**Madam CHAIR:** Perhaps you can clarify your question once he has provided the response. That is your opportunity to clarify it.

**Ms LAWRIE:** For clarification on that, Treasurer, just for the record, are you saying at no time the previous CLP government ran a net debt to revenue ratio in actual terms in the 90s percentiles?

**Mr TOLLNER:** No, not in the 90 percentiles. It was ...

**Ms LAWRIE:** You might want to seek advice on that.

**Mr TOLLNER:** It possibly reached 80% ...

**Ms LAWRIE:** It was higher than that.

**Mr TOLLNER:** ... but it certainly did not reach 90%.

**Ms LAWRIE:** It got higher than that. You might want to seek advice.

**Mr TOLLNER:** It averaged, over 30-odd years, around 29%. At the change of government it was 67%, but bear in mind when you look at the forward estimates the former government was taking us to 98%.

**Ms LAWRIE:** Estimates - the actual was 46%. In what way is a 46% net debt to revenue ratio a breach of the FITA, which is your allegation?

**Mr TOLLNER:** I am talking about 98% which was only the ...

**Ms LAWRIE:** That is not a breach of the FITA, but you inherited 48%.

**Mr TOLLNER:** ... which was in the government's - we inherited a fiscal situation and budget that constantly grows out to 2015-16. The previous government put that in place; we are trying to reduce that level of debt at that time and bring about a fiscal surplus in 2017-18 when we can start really making efforts to repay that enormous debt legacy left to us by you and the former government.

**Ms LAWRIE:** Do you not understand the difference between actual and estimate?

**Mr TOLLNER:** Of course I understand the difference between actual and estimates. I also understand what a target is about and you set ...

**Ms LAWRIE:** In regard to actual debt ...

**Mr TOLLNER:** ... yourself a target of 98% debt to revenue ratio.

**Ms LAWRIE:** Not at all. That is not a target.

**Mr TOLLNER:** Clearly you did, it was in your pre-election fiscal outlook. Goodness me, come on! You cannot have it both ways. You cannot suggest you were somehow responsible when you predicted you would be completely irresponsible. We are trying to wind back your reckless spending ...

**Ms LAWRIE:** Treasurer, how is an estimate a target?

**Mr TOLLNER:** Of course, it is a target ...

**Ms LAWRIE:** How?

**Mr TOLLNER:** It is how you estimate things out into the future. That is clearly where you see the debt position going.

**Ms LAWRIE:** Do you understand what an estimate is because it certainly is not a target?

**Mr TOLLNER:** You tell me what it is.

**Ms LAWRIE:** You are being questioned here.

**Mr TOLLNER:** Come on. You are the one in the room with the big brain.

**Ms LAWRIE:** There is no need to get a little petty. You are saying an estimate is a target. Can you explain how an estimate - given there are fluctuations between now and 2015-16, you might want to take a guess at what will happen to the GST policy decisions that affect expenditure and the like, given that is noted in your budget books as well. Your assumptions on estimates are on the basis of no policy change and on no revenue change ...

**Mr TOLLNER:** Absolutely.

**Ms LAWRIE:** ... which, of course, are ridiculous assumptions. Anyway, proceed with that assumption if you hold it dear and near to yourself there, Treasurer. How on earth is an estimate a target?

**Mr TOLLNER:** We have a target of returning to fiscal balance by 2017-18. The forward estimates are exactly that. Based on what we know today, this is where we see the financial situation going. We have

looked at what your estimates were about the direction you saw the financial situation going. We have realised that is completely not manageable. As I was saying, you were in breach of FITA ...

**Ms LAWRIE:** Treasurer, you had a target of increasing business taxes ...

**Mr TOLLNER:** Let me talk to you about ...

**Ms LAWRIE:** ... you had a target of hiking up power and water by 30% ...

**Mr TOLLNER:** Let me return to FITA ...

**Madam CHAIR:** Opposition Leader, the Treasurer is finishing his answer to the question.

**Ms LAWRIE:** You had a target of taking the cost of living through the roof ...

**Madam CHAIR:** Opposition Leader! Opposition Leader!

**Ms LAWRIE:** ... to 4.1% and losing 4000 jobs.

**Madam CHAIR:** Opposition Leader, do not make me warn you! The Treasurer is finishing his answer to that question, and then you can ask your question.

**Mr TOLLNER:** Thank you, Madam Chair.

The third principle of FITA relates to the extent to which funding for current services is provided by the current generation. We have to push out our return to fiscal balance by the year 2017-18 to deal with this enormous debt legacy. It is questionable as to whether the current generation can pay for the debt incurred by the previous Labor government. I suggest to the committee ...

**Ms LAWRIE:** Again, Treasurer, your assumptions are wrong because your assumption does not deal with the actual debt, does it?

**Mr TOLLNER:** Now, the fourth ...

**Ms LAWRIE:** Treasurer, on that assumption on the FITA ...

**Mr TOLLNER:** On the fourth of the FITA's ...

**Ms LAWRIE:** Are you going to let me question you on the third of the FITA?

**Mr TOLLNER:** No, I am not; I am going to finish my question.

**Ms LAWRIE:** Because you do not want to be questioned on the third point of the FITA?

**Mr TOLLNER:** The fourth principle of FITA is to take into account the effects on financial risks ...

**Ms LAWRIE:** Madam Chair!

**Madam CHAIR:** Sorry, Treasurer, are you still answering the same question?

**Mr TOLLNER:** Yes, I am.

**Ms LAWRIE:** No, he is not; he is moving from point three to point four.

**Mr TOLLNER:** I am just trying to finish the original ...

**Madam CHAIR:** Are you on point 3, Treasurer?

**Mr TOLLNER:** ... question in relation to FITA.

**Ms LAWRIE:** He is moving from point three to point four, and I want to question him on each of the assertions he has made on each point.

**Mr TOLLNER:** No, I am answering a question of where you breached FITA.

**Madam CHAIR:** Opposition Leader, the Treasurer said he is answering the question on the breach of FITA.

**Mr TOLLNER:** The fourth of FITA's current fiscal management principles ...

**Ms LAWRIE:** In relation to process, Madam Chair - just one moment, Treasurer.

**Mr TOLLNER:** ... is the financial risks faced by the Territory are to be prudently managed ...

**Ms LAWRIE:** Madam Chair, in relation to process – Treasurer, excuse us.

**Madam CHAIR:** Treasurer, I am sorry to interrupt you. Opposition Leader?

**Ms LAWRIE:** In process, what we have done regarding his very serious allegations around the breach of FITA is deal with each point of the FITA one by one. These are serious allegations which I challenge him to say outside.

**Mr TOLLNER:** Well, let me go through it.

**Ms LAWRIE:** He responded to my questioning on each of the first two points, but on point three he will not let me question him and wants to move straight on to point four.

**Madam CHAIR:** Treasurer, are you still answering point three?

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

**Madam CHAIR:** Treasurer, please continue.

**Mr TOLLNER:** Please wait until I have finished answering the question then go through them one by one.

The fourth of FITA's principles is we need to take into account the effects of financial risks faced by the Territory. The financial risks are long and the first is the risk of excessive debt. The risks associated with excessive debt are numerous and not only restrict the fiscal capacity of governments to maintain an appropriate level of service to Territorians due to increased borrowing costs, but also result in a legacy issue for future generations.

Madam Chair, we have been placed on a negative outlook by Moody's directly in relation to excessive debt. We know there may well be a triggering of that next year - the government has an enormous amount of work to head off a downgrade in our credit rating if we are to not see an increase in interest rates in the Northern Territory. Clearly, that risk is there for everyone to see.

There is the risk of the ownership of trading entities. Commercial entities, by their very nature, are meant to be self-supporting and largely autonomous. This is part of the FITA, Madam Chair. Government, in setting its fiscal strategy, needs to be aware of the risks in relation to its continuing ownership of trading entities and ensuring their commercial sustainability. Clearly, the Opposition Leader is not aware of this because in relation to the Power and Water Corporation, the Opposition Leader seems to believe it is a charity not a commercial organisation that should be sustained on taxpayer funds. Clearly, the FITA outlines something different to that.

The point was made last year in the Estimates Committee by the former Under Treasurer when asked a question in relation to the Power and Water Corporation. Her response was:

*The Power and Water debt will be met through Power and Water revenues through their commercial charges. However, the general government debt is the responsibility of taxpayers.*

Clearly, Mrs Prince understood Power and Water Corporation was a commercial entity and should be self-supporting.

**Ms LAWRIE:** Are you attempting to verbal the previous Under Treasurer? I have to pull you up on that. You are verballing the previous Under Treasurer because what the previous Under Treasurer would also go on to point out is there are community service obligations whereby the taxpayer does fund into Power and

Water. There had been debt to equity swaps as well, which is a relationship between Power and Water and the government in its financial situation. To verbal the Under Treasurer is a bit of a stretch, even for you.

**Mr TOLLNER:** It was not just the Under Treasurer. Let me take you to what Moody's said in relation to the Power and Water Corporation:

*The debt accumulation reflected the emergence of consolidated government cash deficits, but more importantly, deterioration in the financial performance of PWC. This development has resulted in the need for operational support from the Territory and, as a result, led to the incorporation of PWC's debt into the Territory's own net direct and indirect debt.*

Moody's can recognise PWC was not trading commercially, the former Under Treasurer recognised it was an obligation for PWC to act as an commercial organisation, but the former Treasurer could not do that, which is a breach of the *Fiscal Integrity and Transparency Act*.

**Ms LAWRIE:** It is not a breach of FITA. The allegation you are making is not a breach of FITA. Make that allegation outside of privilege if you are so game, because I will sue you. Be clear about this.

**Mr TOLLNER:** Dream on.

**Ms LAWRIE:** No it is true, I will sue you. Be clear about this. Are you saying, as Treasurer, you will make Power and Water commercially sustainable.

**Mr TOLLNER:** We are going to make it commercial into the future. That is a commitment of this government.

**Mr WOOD:** Does that include all Power and Water commitments to all the Territory communities?

**Ms LAWRIE:** By when?

**Mr TOLLNER:** Power and Water has a subsidiary organisation called Indigenous Essential Services which does not operate on a commercial basis.

**Mr WOOD:** That is right and it provides power. It is one rule for one and one rule for the other.

**Mr TOLLNER:** It is a subsidiary organisation which understands it costs enormous amounts of money and people could not pay for those essential services in some of the very remote communities, so government support needs to be provided in relation to that.

**Ms LAWRIE:** Yet, you will withdraw government support to the domestic consumers of Power and Water tariffs by making them commercially sustainable tariff levels.

**Mr TOLLNER:** No the ...

**Ms LAWRIE:** You are going to make Power and Water commercially sustainable?

**Mr TOLLNER:** Absolutely. The Power and Water Corporation has to have some commercially sustainable tariff levels. Community service obligations are another question.

**Ms LAWRIE:** Are you proposing to dramatically increase the CSO?

**Mr TOLLNER:** You do not necessarily have to provide ...

**Ms LAWRIE:** ... to make it commercially sustainable?

**Mr TOLLNER:** I am saying every business should be commercially sustainable.

**Ms LAWRIE:** You have a choice to increase the tariff or increase the CSO for commercial sustainability of Power and Water. Which path are you choosing? Will you increase the CSO or increase the tariff to make it commercially sustainable? Will you have a combination of both? When will you advise the public of your time line for this?

**Mr TOLLNER:** Power and Water has to be sustainable into the future.



**Ms LAWRIE:** You said commercially.

**Mr TOLLNER:** This point was clearly lost on the former government. Power and Water was in a dreadful state which, almost inevitably, would have meant it would have had to close doors, shut up shop ...

**Ms LAWRIE:** What rubbish!

**Mr TOLLNER:** ... because they could not operate into the future.

**Ms LAWRIE:** Find me one report which says that. One report!

**Mr TOLLNER:** Utilities right across Australia are expected to be commercially sustainable into the future. In the Northern Territory we want a market-based system to apply. We want to ensure utility providers can set up in the Northern Territory and we do not have a monopoly situation in the middle of the marketplace sustained only through taxpayers' money. There are much smarter ways to do things. Statements will be given to the House in the next few months in relation to that. If you want more information on that you will have to wait. It is the commitment of this government to get Power and Water back onto a sustainable footing to provide essential services in the Northern Territory for the foreseeable future.

**Ms LAWRIE:** So, tariff adjustment, commercial service obligation increase and sale of assets, or a combination of them all?

**Mr TOLLNER:** There is a clear difference between this government and the former government. The former government was quite happy to see Power and Water Corporation rack up debt to such an extent it had an impact on government finances. We, on this side, want to see Power and Water on a sustainable footing into the future.

**Ms LAWRIE:** Are you saying commercially sustainable?

**Mr TOLLNER:** Commercially sustainable; a sustainable footing for the long-term future.

**Ms LAWRIE:** To be commercially sustainable, Treasurer, you would need to do one or all of the combinations. Will you rule out ...

**Mr TOLLNER:** You can speculate as much as you like.

**Ms LAWRIE:** No, you are the one talking about the commercial sustainability of Power and Water. Will you rule out the sale of assets? A Power and Water sale of assets, will you rule it out.

**Mr TOLLNER:** Power and Water has enormous assets right across the Northern Territory.

**Ms LAWRIE:** Sure, it has many assets. Will you rule it out?

**Mr TOLLNER:** We are not ruling out sale of assets, no.

**Ms LAWRIE:** Will you rule out increases in tariffs beyond what you have identified for the next three years? Will you rule out increasing tariffs?

**Mr TOLLNER:** One would expect in the future, after the fixed tariffs cease, - they are not necessarily fixed because the carbon tax has to come into effect ...

**Ms LAWRIE:** You will not rule out tariff increases?

**Mr TOLLNER:** ... there will be an increase due to the carbon tax, but we will not be increasing tariffs beyond what we have already announced until 2015-16. Into the future, somewhere along the line, prices will rise. That is a fact of life. You cannot buy a pair of shoes today for what you paid in 1915. Prices have risen.

**Ms LAWRIE:** Therefore, Treasurer, you will need to dramatically increase the community service obligation to make Power and Water commercially sustainable. If you ruled out tariff increases until 2015 beyond what has been announced but after that prices will rise, are your words ...

**Mr TOLLNER:** You seem to forget there is a range of other things you can do, like efficiency measures. The Power and Water Corporation is extraordinarily inefficient. This is something your previous government never looked. There is some opportunity for structural reform.

**Ms LAWRIE:** Is that job losses?

**Mr TOLLNER:** I am not signalling any of these things. I am saying that ...

**Ms LAWRIE:** Will you rule that out?

**Madam CHAIR:** Opposition Leader, Treasurer, if I may interrupt and remind committee members of Standing Order 112: questions should not be hypothetical or contain arguments, inferences or imputations. If we can stick to the contents of the budget rather than creating hypothetical scenarios that might arise in the future.

**Mr TOLLNER:** I understand, Madam Chair, this is rather uncomfortable for the Opposition Leader. All this is being laid bare and she has to defend her government's inaction in relation to the Power and Water Corporation and her government's breach of its own legislation: the *Fiscal Integrity and Transparency Act 2001*.

**Ms LAWRIE:** There was no breach of the FITA. Say that outside!

**Mr TOLLNER:** You have breached the FITA. Interestingly enough, Madam Chair, the ...

**Ms LAWRIE:** I challenge you to say that outside.

**Mr TOLLNER:** ... penalties for breaching FITA are zero. This is typical of Labor governments. They put in place a law that says you cannot do this and then they breach the law. They breach their own law and, guess what, there is no penalty.

**Ms LAWRIE:** Treasurer, it is a serious allegation you are making.

**Mr TOLLNER:** Very serious. If you thought it was serious you would resign. You would get out, say sorry to Territorians and leave.

**Ms LAWRIE:** I know you are wrong, which is why I want to sue you. Treasurer, will you make the allegation that the previous government and I, as Treasurer, breached the FITA? Will you make that allegation in public outside of privilege?

**Mr TOLLNER:** I have made that allegation in public.

**Ms LAWRIE:** No, you have not.

**Mr TOLLNER:** I made it in parliament the other night and am making it here.

**Ms LAWRIE:** No, parliament is under privilege as well. Will you make that serious allegation outside of the privilege of parliament and this estimates hearing?

**Mr TOLLNER:** I am happy to make that allegation anywhere.

**Ms LAWRIE:** You will step outside and allege ...

**Mr TOLLNER:** I am happy to make that allegation anywhere because the facts speak for themselves on a range of different areas. You know you did; you ignored FITA.

**Ms LAWRIE:** You are misleading to the nth degree. There was no breach of the FITA by the previous Labor government or me as Treasurer. We have stepped through the aspects of the FITA and on none of those where you able to prosecute a breach. You started off by saying the pre-election fiscal outlook was not accurate.

**Mr TOLLNER:** Absolutely, and we have ...

**Ms LAWRIE:** However, that has been signed off by the Under Treasurer. There is an official requirement ...

**Mr TOLLNER:** The Under Treasurer can only comment on things the Under Treasurer is aware of. I make that point again.

**Ms LAWRIE:** You have not pointed out ...

**Mr TOLLNER:** The previous government clearly never made the former Under Treasurer aware of these things. This is my point.

**Ms LAWRIE:** Do you have any examples?

**Mr TOLLNER:** There is more than \$90m of unfunded commitments this financial year.

**Ms LAWRIE:** They are not unfunded commitments. Various demand pressures within agencies occur all the time.

**Mr TOLLNER:** You never budgeted for them.

**Ms LAWRIE:** Governments of the day make decisions based on pressures.

**Mr TOLLNER:** You know there are demand pressures in agencies; you just acknowledged it. Why did you not budget for them?

**Ms LAWRIE:** Are you confirming ..

**Mr TOLLNER:** Because you did it through Treasurer's Advance.

**Ms LAWRIE:** ... you are paying \$48m for repairs and maintenance for police?

**Mr TOLLNER:** Hence, your budgets were not very accountable.

**Ms LAWRIE:** What rubbish, Treasurer.

**Madam CHAIR:** I ask that the committee moves along with the line of questioning. The interrogation on that aspect is becoming rather repetitive.

**Mr WOOD:** Treasurer, who was the minister responsible for setting up the Renewal Management Board?

**Mr TOLLNER:** To my knowledge it was the Chief Minister.

**Mr WOOD:** Should we direct questions about why that document will not be made public there?

**Mr TOLLNER:** Yes, but it is a Cabinet document and will require a decision of Cabinet.

**Mr WOOD:** Where does it say the Renewal Management Board was set up to provide advice to Cabinet? One gets the feeling, if you have already released a progress report but are now saying it is a Cabinet document - I have been around long enough to know that is a good way of cutting off public access to documents, which is what it appears to be. If the whole thing was for Cabinet we would not have seen a progress report. How are we meant to check the validity of the Renewal Management Board as a group, as an Estimates Committee or a Public Accounts Committee, if the report of that Renewal Management Board is not subject to being analysed and questioned to see whether it is accurate or not?

**Mr TOLLNER:** It is a Cabinet report, but I will personally take the matter to Cabinet to see whether we can have it released to the public.

**Mr WOOD:** I appreciate that; it would be good.

**Ms LAWRIE:** Will you recommend it be released publicly?

**Mr TOLLNER:** I will take the matter to Cabinet and have it discussed to see if it can be released to the public.

**Ms LAWRIE:** Would you recommend it be released?

**Mr TOLLNER:** Look ...

**Madam CHAIR:** The minister has answered the question, Opposition Leader.

**Ms LAWRIE:** No he has not. It was a pretty simple question, unless he is trying to hide from it.

**Mr TOLLNER:** I will take it to Cabinet and get a decision. I will report to the public, or anybody who wants information about it, as to whether Cabinet will release that document.

**Ms LAWRIE:** You will recommend that?

**Mr WOOD:** My question is piggy-backing off some questions on Power and Water.

Minister, for many years when your government was in opposition you complained there were no representatives in the Power and Water section of the Estimates Committee. In other words, there were no ministers attending - the Shareholding minister and the Minister for Essential Services. This year we have been told ministers will, basically, not be there - they will be shielded from questioning because no minister is going to attend the Power and Water section of this Estimates Committee. Will you attend the Power and Water section of this Estimates Committee?

**Mr TOLLNER:** That is a good question. I do not know. I am here are the Shareholding minister now. I am quite happy to take questions in relation to PWC as the Shareholding minister. Later in these estimates hearings you will have the opportunity to speak to minister Westra van Holthe, the portfolio minister for PWC.

I thought, as a separate government owned corporation, the committee would be interested in talking to some of the board members, the CEO, or the Managing Director of the Power and Water Corporation. I fail to see what material benefit could be provided by me trying to interfere with questions you may have to the board and Managing Director of PWC as a government owned corporation. It is a private company.

**Mr WOOD:** It is not exactly private ...

**Ms LAWRIE:** On clarification of that ...

**Madam CHAIR:** Opposition Leader, the member for Nelson is halfway through a sentence.

**Mr WOOD:** Minister, when you were in opposition, you did not raise those issues. You wanted, and were determined as an opposition – I heard those discussions - there should be both the Shareholding minister and the Minister for Essential Services at the Power and Water Corporation section of the Estimates Committee.

Now, when you are in government, you have turned it all around and said, 'We do not really see a reason why we should be there', but the argument was exactly the opposite a year ago.

**Mr TOLLNER:** Member for Nelson, I do not recall that. If you say it is true, I am not disputing you. I will take it up with the Board of PWC and the Managing Director. Personally, it does not bother me whether I turn up or not. I am here now as the Treasurer and Shareholding minister for PWC to take on any questions you might have in relation to the Power and Water Corporation ...

**Ms LAWRIE:** In which output would that occur? We follow a process of outputs at the estimates hearing. In your opening statement, you referred the Power and Water questions to the GOC. That was contained in your opening statement. If that is not the case ...

**Mr TOLLNER:** It would be in the Economic Regulation section of the output.

**Ms LAWRIE:** Economic Regulation section?

**Mr WOOD:** We have a section set aside for Power and Water and I thought we could deal with many of these issues in that section and not take up so much time. If ministers turn up on Power and Water day, we can have policy questions and ask questions direct to the people running the businesslike business. I was getting clarification and if you are willing to ask the government for both ministers to attend, I would be happy to support that.

**Mr TOLLNER:** No worries.

**Madam CHAIR:** Treasurer, would you continue?

**Mr TOLLNER:** Madam Chair, would you like me to proceed to Question 2?

**Madam CHAIR:** That would be great. Thank you.

**Mr TOLLNER:** Question 2:

*Explanations on all variations and discrepancies between CLP election commitments and the decisions ...*

**Ms LAWRIE:** I am sorry, before you proceed to Question 2 ...

**Mr TOLLNER:**

*... and policies of government since 26 August 2012 ...*

**Ms LAWRIE:** ... and this is pertaining to Question 1 ...

**Madam CHAIR:** Opposition Leader, I can hear the Treasurer speaking and am sure you can as well. Is it necessary to be interrupting?

**Ms LAWRIE:** This is the problem with not having written answers. I said at the outset in the question I asked ...

**Madam CHAIR:** Opposition Leader! Treasurer, are you reading the question provided to you by the Opposition?

**Mr TOLLNER:** I was reading ...

**Madam CHAIR:** Please continue reading the question.

**Ms LAWRIE:** In response ...

**Madam CHAIR:** Opposition Leader, I will warn you this is your second ...

**Ms LAWRIE:** Could you hear me out because it is a pertinent point to the first question?

**Madam CHAIR:** No, I will not hear you out right now. We have moved on from the first question ...

**Ms LAWRIE:** What about the point where he said ...

**Madam CHAIR:** ... we are going on to the second question ...

**Ms LAWRIE:** ... about the GST review ...

**Madam CHAIR:** You are on a warning, Opposition Leader! One more and you are out for an hour.

**Ms LAWRIE:** I seek a five minute suspension.

**Madam CHAIR:** No! Treasurer.

**Mr TOLLNER:** Thank you, Madam Chair.

**Ms LAWRIE:** You will not answer anything on the GST review which was part of Question 1, is that correct?

**Mr TOLLNER:** There is an enormous section in these estimates where you can ask any questions you like on all of these things. We are getting through the questions ...

**Ms LAWRIE:** Yes, but it was pertaining to Question 1 on notice. It is a pretty simple question; a clarification question.

**Madam CHAIR:** Make it very succinct, Opposition Leader.

**Ms LAWRIE:** Treasurer, in your response to Question 1 - written question on notice - you said you would not be lobbying the federal government in relation to the tax reforms election commitment and would defer that until the review of the GST is finalised. They were your words.

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** The review of the GST has been finalised.

**Mr TOLLNER:** No, that is not correct.

**Ms LAWRIE:** The final report came down late last year.

**Mr TOLLNER:** No, the Commonwealth Grants Commission is looking at how they distribute the GST. There is a re-look at the relativities happening, particularly in relation to Indigency. Various recommendations were made by both the Australian Bureau of Statistics and the Commonwealth Grants Commission to the federal government prior to their making the last decision which still need review. I am meeting with the Commonwealth Grants Commission in August ...

**Ms LAWRIE:** You are not referring to the GST review done by the three esteemed members; you are talking about further Commonwealth Grants Commission relativity resets, are you? There is a distinction between the two.

**Mr TOLLNER:** Yes, but the Grants Commission has been asked to look at those recommendations and provide input to those recommendations. The complete review has not yet been completed.

**Ms LAWRIE:** So, the mining effect, for example?

**Mr TOLLNER:** There is a range of things being looked at by the Commonwealth Grants Commission and they have been asked to provide feedback ...

**Ms LAWRIE:** Have you received any indication of time frame on that?

**Mr TOLLNER:** I am meeting with the Commonwealth Grants Commission in August this year.

**Ms LAWRIE:** There has been no set time frame by the Commonwealth Grants Commission?

**Mr TOLLNER:** I am informed the terms of reference have not been concluded.

**Ms LAWRIE:** Thank you.

**Madam CHAIR:** Thank you, Treasurer. You can proceed with the next question.

**Mr TOLLNER:** I am glad we have clarified that piece of vital information.

Question 2:

*Explanations on all variations and discrepancies between CLP election commitments and the decisions and policies of government since the 26 August 2012 election.*

The return to surplus by the end of this term of government, as an election commitment, has changed. We apologise. We do not apologise to Territorians for that; we make no apologies for that. We looked at the unfunded legacy items. In March this year we were informed of a \$100m-plus reduction in GST due to relativities changes. That put enormous pressure on the budget and a return to surplus by 2015-16 would have put enormous pressure on Territorians and Territory businesses, and may well have led to putting the Northern Territory into recession.

We have taken the responsible decision to defer that election commitment to 2017-18.

Question 3:

*Progress on all commitments and policy announcements made within government press releases and media statements since 26 August 2012.*

The review of Northern Territory finances and government waste is ongoing. The Renewal Management Board conducted an independent review. We have put in place relevant savings and efficiency measures and there is ongoing work in relation to that. It will be complemented by a mid-year review looking for further efficiencies and the reprioritisation of government priorities, along with the constant oversight of the Cabinet Budget Subcommittee to drive efficiencies within the public service.

We are also hoping to put departmental chief executives and chief financial officers on performance-based contracts where they are rewarded for driving efficiencies within their departments without necessarily impacting on services.

The other announcement was the return to budget surplus instead of by 2015-16, by 2017-18.

We are continuing to lobby the federal government in regard to tax reform and energy, and there is a whole range of savings measures and revenue options for the Department of Treasury and Finance that are under way and ongoing. These include: reducing micro-economic and utilities consultancies; limiting the Foreign Investment Revenue Board Proposal Assessments and work on new financial policy; co-locating emerging functions of superannuation and Treasury Corporation, including the transfer management of lost super members to the ATO; and reducing corporate operating costs, including travel consultancies, legal and budget paper printing.

Savings measures and revenue options for the department completed and implemented are as follows: reduced IT consultancies for the integrated revenue-management system; we have ceased grocery price watch surveys and taxation compliance activities. There has been recruitment of ...

**Mr WOOD:** A question there before we get too far away.

**Mr TOLLNER:** Yes.

**Mr WOOD:** The grocery price surveys are an important way of seeing whether the cost of living is going up or down. What budget savings did you make to cut that out of your budget?

**Mr TOLLNER:** The cost of living is generally measured in rough terms by the consumer price index and, in the main, is done by the ABS. We are not interested so much, in these tight financial times, in duplicating services done by other government agencies in other locations. While the grocery price surveys may have had something of value to add for the former wasteful government, we are very much of the view to consolidate some of those things.

**Mr WOOD:** They have grocery surveys throughout Australia. I presume one of the reasons would be to compare the basic cost of living with other states.

**Mr TOLLNER:** The consumer price index is generally the best judge of that. It is done on a basic basket of goods across Australia. We have a CPI rate for Darwin, Palmerston and the rural areas. We have it for other capital cities in the country and you can judge certain cost of living impacts by that. A range of things outside those CPI calculations will impact on the cost of living, but in the main, what people look at to judge the cost of living is the CPI.

**Ms LAWRIE:** The question from the member for Nelson was: how much did you save by axing the grocery basket analysis?

**Mr TOLLNER:** I am led to believe it was around \$20 000 a year.

**Ms LAWRIE:** You are saving \$20 000 to get a less accurate picture of the cost of living impacts in the Territory?

**Mr TOLLNER:** The fundamental difference between this government and the previous government is we look at the fiscal situation of the Territory. There are some things we have considered to be bells and whistles. That is not to suggest they are not important, but when you are tightening your belt you have to look at a range of areas. Some people might consider these things rats and mice issues and they probably

are, but when you add them all up we can make significant savings across government by looking at little things like the grocery price watch component which the former government thought was so important.

**Ms LAWRIE:** An election commitment from the CLP was to put a cost of living analysis on Cabinet submissions so Cabinet is informed of the cost of living impact of proposals coming to Cabinet. I do not know whether you have applied that yet. There was to be a question during estimates; I am happy to ask it now or later. I do not see how removing a cost of living analysis fits with the commitment to increase Cabinet's awareness of cost of living impacts.

**Mr TOLLNER:** First, surveys are backward looking; they look at past things. Cost of living impact analyses are put on Cabinet submissions, but ...

**Ms LAWRIE:** You have introduced them?

**Mr TOLLNER:** ... this government is committed to living within it means. It is committed to ensuring it can pay for the services we require. This is a completely different tack than that taken by the previous government, which was quite prepared to put ...

**Ms LAWRIE:** For clarification, Treasurer ...

**Madam CHAIR:** Opposition Leader, the Treasurer is finishing his comments and then you can interject.

**Mr TOLLNER:** ... costs of services and the like onto future generations.

**Ms LAWRIE:** He is not answering the question. He is talking about what he believes the previous government was thinking.

**Mr TOLLNER:** Clearly, the previous government was quite prepared ...

**Ms LAWRIE:** That is nowhere near fact ...

**Mr TOLLNER:** ... to put the cost of services and those types of things onto future generations.

**Ms LAWRIE:** What a load of rubbish.

**Mr TOLLNER:** We believe very much in paying our way and bringing the Territory back to a balanced budget.

**Ms LAWRIE:** You have not.

**Mr TOLLNER:** We have made that a goal.

**Ms LAWRIE:** You have increased debt by \$1.1bn in this budget period.

**Mr TOLLNER:** That is interesting, because the ...

**Ms LAWRIE:** You have extended the period by which you say you will get back to balance.

**Madam CHAIR:** Opposition Leader, cease interjecting!

**Mr TOLLNER:** Let us look at ...

**Madam CHAIR:** There is to be no interruption of a member, as per Standing Order 69.

**Mr TOLLNER:** We have not increased debt by \$1.1bn. Debt was due to increase this financial year to \$3.471bn under the previous government. This government has reduced that level of debt to \$3.278bn. It might not be much of a ...

**Ms LAWRIE:** It is an increase from the existing by \$1.1bn.

**Mr TOLLNER:** ... decrease, but we have seen those projections decrease by around \$193m.

**Ms LAWRIE:** It is an increase of \$1.1bn from year to year.



**Mr TOLLNER:** Let us be honest about this, Opposition Leader ...

**Ms LAWRIE:** I am looking forward to a bit of honesty, Treasurer.

**Mr TOLLNER:** It was in your forward estimates that debt would increase to \$5.54bn ...

**Ms LAWRIE:** Under your forward estimates ...

**Mr TOLLNER:** How do you sleep at night?

**Ms LAWRIE:** ... which is the scrutiny of this budget – okay? Under your forward estimates, which is the scrutiny of this estimates hearing, debt is increasing ...

**Mr TOLLNER:** Of course, debt is increasing.

**Ms LAWRIE:** ... across financial years by \$1.1bn.

**Mr TOLLNER:** Nowhere near the rate of the previous government. I know this is hard for you to get across, you live in some fairy land where you never ...

**Ms LAWRIE:** Are you saying ...

**Mr TOLLNER:** ... had any debt. However, the numbers speak differently. The fact is someone has to pay ...

**Ms LAWRIE:** Actual debt sits in 2011-12.

**Mr TOLLNER:** ... Opposition Leader, we are deciding this generation will pay for this generation's services, not the next generation. I do not want my kids to have to pay for Labor debt legacies. That is why we are very clear ...

**Ms LAWRIE:** Are you saying that within this generation ...

**Mr TOLLNER:** ... that we are going to bring this budget ...

**Ms LAWRIE:** ... \$5.1bn will be paid off by the taxpayer? That is what you are saying, within this generation ...

**Mr TOLLNER:** I do not even know what you are talking about now.

**Ms LAWRIE:** You just said you believe this generation pays off the existing debt of this generation.

**Mr TOLLNER:** I am talking about living within our means, bringing the budget to fiscal balance by 2017-18.

**Ms LAWRIE:** You said, 'We believe this generation pays off the debt of this generation'. Do you want to define the generation? How long is a generation in your definition so we can get some clarity around this? Is it 10 years, 15 years? Do you want to define when you will pay \$5.1bn off?

**Mr TOLLNER:** Should I finish answering question 3? This is getting ridiculous.

**Madam CHAIR:** At this point we should move along with the answers to the written questions.

**Ms LAWRIE:** He can table them. Does he want to table them?

**Madam CHAIR:** Opposition Leader, you have asked that question on several occasions and the minister has responded on several occasions. You understand the answer. You are on a warning. Let us move this along.

**Mr TOLLNER:** The whole-of-government social and community services equal pay decision is in progress. Agencies have commenced payments to affected organisations. Negotiations with the Commonwealth regarding supplementation funding are ongoing.

In relation to whole-of-government revenue options, most of that has been completed. From 4 December 2012, the stamp duty first home owner concession ceased. On 4 December 2012, the stamp duty Principal Place of Residence Rebate was increased from \$3500 to \$7000. From 1 January 2013, registration fees were increased towards the state average, with the total cost of registering a motor vehicle increasing between 4% and 18%.

The projected revenue increases from those measures by 2015-16: the stamp duty on first home owner concession is expected to be \$18.1m; the target stamp duty Principal Place of Residence Rebate is expected to be \$2.2m; and the motor vehicle registration fee increase is \$11.3m.

As a budget revenue measure, and in accordance with the establishment of practice, there was no consultation on the underlying policy change.

Changes were made in relation to the *Mineral Royalty Act* to streamline administration, reduce red tape, and rationalise the deductions available to royalty pays to reduce the mineral royalty liability.

Transfer pricing ...

**Mr WOOD:** Can I ask a question on mineral royalty?

**Mr TOLLNER:** Yes.

**Mr WOOD:** Is the government going to allow the public to see what royalties are paid?

**Mr TOLLNER:** The answer to that question, member for Nelson, is more than likely no. Showing what royalties are paid gives an insight into the commercial nature of the company. This is the advice I have received. I know there has been much interest. I can understand the public's interest in understanding what royalties are paid by each individual mining company. However, there is commercial conflict with the mining companies, and also some of the royalty receivers, which make it very difficult to outline the exact payments made and received.

**Mr WOOD:** I accept that, but are we allowed to know which companies are paying royalties?

**MR TOLLNER:** Member for Nelson, I am advised it would be a breach of the law to name those companies at this stage. I share your desire for greater transparency; however, these things need to be looked at in detail and, possibly, we should have a debate about that in the parliament. I know there have been many questions in the past about how royalties are paid and who is paying them, but there is certainly some commercial conflict in relation to disclosure and who is paying.

**Mr WOOD:** Is it Commonwealth or Territory law which does not allow disclosure of the names of the companies paying royalties?

**Mr TOLLNER:** It is our *Mineral Royalty Act*.

**Mr WOOD:** What harm does it do to say which companies pay royalties? Not how much, but there have been many questions about McArthur River, which has been operating for a long time. It would be nice to know if it pays royalties.

**MR TOLLNER:** Technically, all of them should be paying but given the fact it is profit-based, there are obviously some companies not paying. Outlining that type of thing might breach some of the commercial sensitivities about the exact ...

**Mr WOOD:** I am not asking figures. As a member of the public, am I allowed to know which companies are making a profit? To pay a royalty they are making a profit or, if I work in reverse, are companies legally required to tell the public they have made a profit for a year which can be taxed for a royalty?

**MR TOLLNER:** Member for Nelson, they are part of ASIC laws and, in some cases, ASX laws. They are required to report those things through an annual report and, obviously, through their shareholders. Those things could be accessed that way but, at this stage, it would be a breach of the *Mineral Royalty Act* to put that information out there.

**Mr WOOD:** It sounds very strange if you can find out the company is paying a profit through its annual report but you are not allowed to ...

**MR TOLLNER:** Perhaps it is required for a much more fulsome debate into the future. I would welcome an opportunity to have such a debate in the parliament. That is probably the place for it, particularly if we have to amend the legislation to make these things a little more transparent.

**Madam CHAIR:** Member for Nelson, you cannot seek legal opinion from the minister. I know what you are saying; however, in relation to that technical legal side ...

**Mr TOLLNER:** What is published in the ASX, ASIC, and the annual reports etcetera, as the Under Treasurer just informed me, is a whole-of-company profit. Some of these companies will have many little divisions and many mines in place. To determine which mine is profitable within that company could be difficult looking through that lens.

**Mr WOOD:** It is not like Apple making computers in Ireland. Anyway, I digress. The other question in regard to minerals, minister - I do not know if it is for you or the mining minister – is the change you are bringing forward. Has another tax been put on mining companies in regard to helping with environmental rehabilitation?

**MR TOLLNER:** That is a question for the Mines minister. As far as the Treasury is concerned, we have two new taxes or charges we are putting in place for mining companies: limiting transfer pricing to 5.5% of the value of the mineral unless the mine uses a transfer pricing methodology approved by the tax office. I can explain that in greater detail if you like. There is also the deduction of head office costs, management fees and labour costs that will now be limited to offices located, costs incurred, or activities performed in the Northern Territory.

**Mr WOOD:** What reaction have you received from the mining industry in relation to those taxes bearing in mind we are open for business?

**Mr TOLLNER:** We are open for business. In relation to both those there has been mixed reaction from several of the mining companies. They already have transfer pricing methodologies in place with the Australian Taxation Office so it does not make any change for them at all.

On the issue of head office costs, management fees etcetera, it is very much our desire to see mining companies and the like locate their offices in the Northern Territory. This is not solely a revenue raising measure, but is also designed to drive economic growth and encourage organisations to set up offices in the Northern Territory.

Whilst no one in this world is happy about a new tax, there is an acknowledgement it makes the regime much more transparent. It also limits the administrative burden in calculating some of these things to the mining company and the Northern Territory tax office. In that regard ...

**Ms LAWRIE:** Treasurer, on the reduction on the burden, would you have a regulatory impact statement? Would you table the RIS?

**Mr TOLLNER:** There has not been a RIS done in relation to that.

**Ms LAWRIE:** No regulatory impact statement on two new mining taxes?

**Mr TOLLNER:** This is about protecting our tax base from companies eroding our tax base through incorrect transfer pricing or incorrect assessments of head office costs, management costs, labour costs that occur in other jurisdictions of the country where we have limited ability to check on those things.

**Ms LAWRIE:** Without a regulatory impact statement, which is common procedure for ...

**Mr TOLLNER:** It is not a regulatory measure, it is a taxation measure.

**Ms LAWRIE:** You have consistently said it reduces the regulatory burden.

**Mr TOLLNER:** No, it reduces the administrative burden. I apologise if I said regulatory burden. It reduces the administrative burden in calculating ...

**Ms LAWRIE:** Reducing the administrative burden, *ipso facto* reduces the regulatory burden. Anyone understanding business operations knows that reducing administrative burden reduces regulatory burden.

Why would you not, if you make a statement around the reduction in burden, have relied on a RIS, a fairly common tool?

**Mr TOLLNER:** It did not seem like we needed a regulatory impact statement for something that seemed self-explanatory.

**Ms LAWRIE:** Yet you rely on a comment to support it by saying it reduces burden but you have no proof of that.

**Mr TOLLNER:** We have proof it reduces burden because ...

**Ms LAWRIE:** Can you table that?

**Mr TOLLNER:** ... transfer pricing – clearly, you do not understand how it works. This is about companies transferring or selling goods to a related company then, generally an overseas company, selling it at an enormously different price. For the company to do those calculations in the first place is extremely cumbersome and difficult. Also, for the Northern Territory taxation office to do all the calculations is incredibly onerous. Putting in place a cap simplifies the entire system. To demand Treasury does another thing for something that is beyond question is another example of how the former government operated: spend money on unnecessary things and waste time writing reports etcetera which will never be actioned. This makes sense ...

**Ms LAWRIE:** Treasurer, you said you relied on information when provided advice that would reduce the burden.

**Mr TOLLNER:** You do not have to be Einstein to understand this.

**Ms LAWRIE:** Will you provide that information?

**Mr TOLLNER:** I have provided it to you.

**Ms LAWRIE:** No, you have given a verbal explanation ...

**Mr TOLLNER:** What more do you want? I explained how much simpler it is administratively.

**Ms LAWRIE:** Is there any written advice from Treasury defining the burden reduction within these measures? Can you provide that advice?

**Mr TOLLNER:** We will take that on notice. The Under Treasurer is more than happy to do it. As I said, it is a no brainer, but if the Opposition Leader is insistent we are more than happy to do that.

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#### Question on Notice No 2.1

**Madam CHAIR:** Member for Karama, can you please restate the question for the record.

**Ms LAWRIE:** Provide, for the purpose of the Estimates Committee, written advice which identifies the burden reduction in the application of the two new mining taxes.

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

**Mr TOLLNER:** I accept the question.

**Madam CHAIR:** The question asked by the member for Karama of the Treasurer has been allocated number 2.1.

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**Mr TOLLNER:** These two new measures are forecast to increase mining royalty revenue by \$10.6m per annum.

**Mr WOOD:** How was the new levy on companies classified if it is not in Treasury? Is it income for the Department of Mines and Energy?

**Mr TOLLNER:** That question needs to be put to the Minister for Mines and Energy, but, fundamentally, it is about environmental rehabilitation.

**Mr WOOD:** I am not querying what it is for, is it a tax applied by Treasury or a levy applied by the department?

**Mr TOLLNER:** It is put in place by the department. As I said, those questions should go to the minister.

**Mr WOOD:** I am happy to ask it. I did not know where it sat.

**Ms LAWRIE:** It is a levy by the Department Mines and Energy?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** We need to ask the relevant minister.

**Mr TOLLNER:** Ask the relevant minister, yes.

**Ms LAWRIE:** Treasurer, you were very clear before saying you would go to Cabinet to see if the final report of the Renewal Management Board could be made public given we raised it and had questions. However, this media release from the previous Chief Minister and the previous Treasurer says the final report is expected to be released in March. I can table the media release if you like.

**Mr TOLLNER:** That is fine. I have given my response. I am happy enough to ...

**Ms LAWRIE:** What has changed? The Treasurer and Chief Minister who initiated the reports issued a media release saying ...

**Mr TOLLNER:** The Chief Minister and Treasurer have changed.

**Ms LAWRIE:** ... they expected it to be released in March. You are now saying there will not be released publicly.

**Mr TOLLNER:** I did not say that at all. I said I would take the matter to Cabinet and see whether we can have it released.

**Ms LAWRIE:** There was a commitment to release it in March, but that no longer exists. Were you unaware of that commitment?

**Mr TOLLNER:** Until you read it I was unaware of that. As I said, it is a Cabinet document. I will take the matter to Cabinet and see whether it can be released.

**Ms LAWRIE:** The previous Chief Minister and Treasurer were happy to be open and accountable with the report but you are not so comfortable.

**Madam CHAIR:** Opposition Leader, ...

**Mr TOLLNER:** You make it up as you go along.

**Madam CHAIR:** ... you are making imputations. The Treasurer has answered the question. He will take it to Cabinet. Is that still your answer, Treasurer?

**Mr TOLLNER:** Yes. Moving along. Question 4 ...

**Ms LAWRIE:** Does it follow that public commitments made by the previous Chief Minister and Treasurer - this is a media release - of the CLP government do not hold because you have a new Chief Minister and Treasurer?

**Mr TOLLNER:** I do not know what you are talking about. I am moving on to Question 4.

**Ms LAWRIE:** It is pretty clear. You said, in response to my query around it being released, what has changed it there is a new Chief Minister and Treasurer ...

**Mr TOLLNER:** I said I will go to Cabinet; I will talk to Cabinet about this ...

**Ms LAWRIE:** You said what has changed is a new Chief Minister and Treasurer. Does it follow that commitments made by the previous Chief Minister and Treasurer do not hold?

**Mr TOLLNER:** I was not aware of those commitments until you read them out. I apologise if I am not aware of every single media release from the government.

**Ms LAWRIE:** Now you are aware, will you release it? You are the Treasurer.

**Mr TOLLNER:** It is not my position to release it; it is a Cabinet document. I will go to Cabinet to see whether the document can be released. Clearly, if the previous Chief Minister thought it was okay to release, perhaps the current Cabinet shares the same opinion. I cannot speak for the current Cabinet. I have to take it to the Cabinet to see if we can release it.

**Ms LAWRIE:** You cannot say if commitments made by the previous Chief Minister and Treasurer hold?

**Mr TOLLNER:** I will take it to Cabinet and see whether it can be released.

**Ms LAWRIE:** Will you recommend release?

**Madam CHAIR:** We have been over this. Opposition Leader, you have asked that question several times. The Treasurer has responded several times and his answer has remained the same. The question has remained the same. Treasurer, are you moving on?

**Mr TOLLNER:** Yes, I am. There are ...

**Ms LAWRIE:** When will you table the release?

**Mr TOLLNER:** ... some things clearly have changed since the previous Chief Minister and Treasurer. First and foremost is we have delayed the date we said we would get to fiscal balance.

**Ms LAWRIE:** Do you want me to table the media release? Does that help?

**Mr TOLLNER:** No, I am sure I can dig it up. Shall we move to Question 4?

**Madam CHAIR:** Yes, thank you, Treasurer.

**Mr TOLLNER:** We have only been here for an hour!

**Ms LAWRIE:** You can provide the written answers. That would speed it up.

**Madam CHAIR:** Opposition Leader, it would not speed it up because you have requested they be read.

**Ms LAWRIE:** Yes, but ...

**Madam CHAIR:** Treasurer.

**Ms LAWRIE:** On that point, if you saw the flow of the previous person before estimates, when you receive the written answers what happens, in a functional sense, is we scan through them very quickly and then we know which ones we will ask questions on or not.

**Madam CHAIR:** Opposition Leader, this is irrelevant and not my recount of things. It is irrelevant to the budget. Treasurer, please continue.

**Mr TOLLNER:** I have been asked for an explanation on all variations and discrepancies between commitments and policy announcements made within government media releases and the implementation of government policy and funding decisions.

Madam Chair, I have adequately answered that in Question 1, Question 2, and Question 3. I can simply go over that again, or I can move to Question 5.

**Madam CHAIR:** There are no questions from the committee, so you can move on.

**Ms LAWRIE:** It is hard to see without the written response.

**Madam CHAIR:** Opposition Leader, there is ample opportunity over the next six days to sit here with the Treasurer. If there is no question on that we can roll to the next one.

**Mr TOLLNER:** Similarly, Madam Chair, Question 5 is:

*Progress on all commitments, targets and information contained within the December 2012 mini-budget.*

I have adequately answered those questions in relation to Question 1, Question 2, and Question 3. I am more than happy to go through all those responses again if it is the wish of the committee.

**Ms LAWRIE:** It is hard to see the variations, Treasurer, without them in writing.

**Madam CHAIR:** Would the committee like the Treasurer to re-read them?

**Mr WOOD:** Normally during estimates if there are detailed tables we have asked for them to be tabled so we can look at them.

**Mr TOLLNER:** I am happy to table any detailed tables I have; however, I can assure you I probably do not. I will go through them again.

There has been a review of NT finances and government waste. We have a Renewal Management Board report. We have put in place a budget management subcommittee of the Cabinet and are constantly belt tightening. This is not a slash and burn budget; this is about belt tightening, driving efficiencies, looking at better ways to do things within government without cutting services ...

**Mr WOOD:** We are losing teachers, which is going to have a dramatic effect on places like Taminmin College.

**Ms Lawrie:** Huge cut back to teachers.

**Mr TOLLNER:** You need to address that to the Education minister.

**Mr WOOD:** No, you said it was not slash and burn and it is.

**Ms Lawrie:** It is slash.

**Mr TOLLNER:** There has been a change in the return to fiscal surplus. Instead of the end of the first term in 2015-16, we have deferred that to 2017-18 and continue to lobby the federal government in regard to regional tax reform and the opposition's north Australia development plan.

We have put in place savings measures and revenue options.

**Ms LAWRIE:** On lobbying for the north Australia development plan, is there any commitment in writing from the federal Opposition Leader around any tax incentives for northern Australia?

**Mr TOLLNER:** The opposition has said they are very much of favour of developing Australia's north and will look favourably on proposals about special economic zones and the like, and other measures to drive economic development in north Australia.

**Ms LAWRIE:** Specifically to changes to the tax zone rebate system or concessions?

**Mr TOLLNER:** There is a whole range of discussion going on in relation to that. However, rather than putting the cart before the horse we should wait for the result of the federal election. I, like most Australians, are hoping for a change of government, but we do not want to pre-empt that and get ahead of ourselves.

**Ms LAWRIE:** Are there any commitments in writing from the federal Opposition Leader?

**Mr TOLLNER:** The federal opposition has put election commitments in writing. You can Google that as well as anybody else.

**Ms LAWRIE:** There have been none on tax changes or incentives for northern Australia.

**Mr TOLLNER:** They are happy to discuss those things. It has been an ongoing debate in the federal parliament not just with the Coalition, but the Labor government as well.

**Ms LAWRIE:** There is discussion but no commitment?

**Mr TOLLNER:** Let us not talk about hypotheticals; let us see what the election throws up and what can be negotiated out. There is certainly a commitment to develop north Australia and look at things like zone tax rebates, special economic zones, and a whole range of other measures to see the fast-tracking of development of the north.

**Ms LAWRIE:** How does wanting to lobby and have discussions with the federal opposition, as well as the government, fit with the publically-stated position of Tony Abbott that he wants to move the GST share to per capita?

**Mr TOLLNER:** That is not his publically-stated position.

**Ms LAWRIE:** He has an agreement with the four big Liberal states ...

**Mr TOLLNER:** No, he has not.

**Ms LAWRIE:** ... to move to per capita.

**Mr TOLLNER:** No, he has not.

**Ms LAWRIE:** He has publically stated it.

**Mr TOLLNER:** No.

**Ms LAWRIE:** Colin Barnett has mentioned it in the Western Australian parliament.

**Mr TOLLNER:** No, you are making it up.

**Ms LAWRIE:** He has never said, 'Yes, I agree we need to move to per capita' and Colin Barnett has never mentioned in the Western Australian parliament that there is an agreement?

**Mr TOLLNER:** No.

**Ms LAWRIE:** That is contrary to public reports, Treasurer.

**Mr TOLLNER:** Check your facts.

**Ms LAWRIE:** Do you have a commitment in writing from the Leader of the Opposition that there will be no change to the GST distribution in regard to a move to per capita and the opposition will continue with the horizontal fiscal equalisation formulae? Do you have that commitment in writing from Tony Abbott?

**Mr TOLLNER:** I do not have any commitment in writing in relation to that.

**Ms LAWRIE:** Have you sought that commitment?

**Mr TOLLNER:** No.

**Ms LAWRIE:** We have \$2bn at stake. Would you seek that commitment?

**Mr TOLLNER:** I do not believe you understand the situation. The situation, nationally, is almost as bad as what we inherited in the Northern Territory. We had one of the worst governments in Australia's history, probably worse than the Whitlam government. Of course there has to be a reprioritisation across the board. It is typical of Labor politicians to say, 'You cannot cut spending, you cannot do this, you cannot do that, our only job in government is to sell the farm'.



**Mr WOOD:** Regardless of the cuts, the question is the methodology. Will you ensure the methodology we have today, whether the revenue drops or not, will remain the same? That is the method of horizontal equalisation as against per capita.

**Mr TOLLNER:** I can, without a doubt, guarantee 100% this government will fight for what is in the best interests of the Northern Territory.

**Ms LAWRIE:** Treasurer, given that guarantee, will you write to the Leader of the Opposition, Tony Abbott, prior to the election seeking a commitment in writing that, should he be elected, there will be no change to the GST funding formula from horizontal fiscal equalisation to per capita?

**Mr TOLLNER:** No.

**Ms LAWRIE:** Why not? There is \$2bn at stake. Why would you not send that letter?

**Mr TOLLNER:** No.

**Ms LAWRIE:** You said you would fight for the Territory. Why would you not send that letter to secure \$2bn in ongoing revenue?

**Mr TOLLNER:** Because we recognise the best thing that can happen for Australia is getting Australia's finances under control. Like the Northern Territory government, the federal government has to have the flexibility to do that. We, in the Territory government, will do everything in our power to ensure we get the best deal for Territorians. However, you need to understand Territorians are Australians, and it is in our interest to see Australia prosper as a nation. We will not do anything to hamper Tony Abbott, Julia Gillard, or the prospects of Australians. We want to see the Territory get its fair share. We want a fair deal for the Territory and will fight tooth and nail to ensure the Territory realises its promises. It is wrong to suggest we will shoehorn someone into a position prior to an election when they know full well Australia's finances are in a totally precarious situation.

**Mr WOOD:** Are there not two different things here? You are talking about not having enough money to run the country and also issues about belt tightening. The issue really is that you support horizontal equalisation versus per capita.

**Mr TOLLNER:** Absolutely.

**Mr WOOD:** Will you convince Tony Abbott ...

**Ms Lawrie:** At least write to the federal ...

**Madam CHAIR:** Opposition Leader, the member for Nelson is speaking.

**Mr WOOD:** ... if he wins the election, to support that philosophy as well?

**Ms Lawrie:** ... keep that commitment

**Mr TOLLNER:** There is more than one way to skin a cat. Horizontal fiscal equalisation is all about people having a fair level of services no matter where they live in Australia. There is recognition in the formula that we are a remote location and have some unique circumstances in the Northern Territory. We need to develop an economy which is not so reliant on federal government money. That is not to say we will not do everything in our power to ensure we get our fair share. There may be ways of calculating what our fair share is other than horizontal fiscal equalisation. I am a supporter of it because I am a Territorian. It gives a damn good deal and it is a fair way of distributing Australia's GST wealth. I do not intend putting Tony Abbott, or Julia Gillard for that matter, into a straightjacket in order to put us at a better level.

Member for Nelson, you were part of a group in the last parliament that opposed the introduction of a carbon tax into the Northern Territory. I believe it was in the interest of Territorians to see the carbon tax not be applied in the Northern Territory. We have not had 200 years of development like the rest of the nation, and it would have been fair to give the Territory the opportunity for development to take place. We need to be on an equal footing with the rest of the country.

The former government did not support that view. It seemed they were more interested in politics than about the good of the Territory. Hence, a carbon tax will add 0.7% to the CPI and will impact on prices across the board in the Northern Territory.

**Ms LAWRIE:** I have not quite finished, member for Nelson.

Treasurer, this is a \$2bn issue for the Northern Territory and something we need to understand your position on as Treasurer of the Northern Territory. Let us be clear, *The Australian* reported on 1 May 2012 that Tony Abbott had thrown his support behind Coalition held states seeking a bigger slice of the GST pie, backing a push for GST revenues to be split on a per capita basis. We are asking you, as Treasurer of the Northern Territory, to write to Tony Abbott, given his publicly-stated position as federal Leader of the Opposition is to move to a per capita basis, seeking confirmation he will not move to a per capita basis thereby threatening \$2bn in revenue to the Territory, but will honour the long held horizontal fiscal equalisation formula which secures about 65% of our revenue base. It is a simple request. Stand up for the Territory! It is a \$2bn letter.

**Mr TOLLNER:** This government will do everything in its power to ensure the Northern Territory population gets its fair share.

**Ms LAWRIE:** Then write the letter. You previously described horizontal fiscal equalisation as being a fair process identifying the cost of delivering services.

**Mr TOLLNER:** It is one process.

**Ms LAWRIE:** What is your alternative? Per capita is not fair.

**Mr TOLLNER:** There is a range of alternatives. Maybe there is a per capita funding measure plus a special deal with the Commonwealth for the Northern Territory to be topped up. There is a myriad of different ways the Northern Territory can get its fair share. It is not about you playing federal politics with an issue.

**Ms LAWRIE:** I am playing Territory politics with this. This is about the Territory GST revenue base.

**Mr TOLLNER:** Let me tell you again, we will do everything in our power to ensure the Northern Territory gets its fair share.

**Ms LAWRIE:** You said, in response to that question, that you could well envisage a fair deal being a move to per capita plus a separate deal to top up the Northern Territory. How on earth would that provide us with the certainty of a revenue base going forward when we would literally be beholden to ...

**Mr TOLLNER:** I am not going to comment on hypotheticals.

**Ms LAWRIE:** ... a federal government's view of what the top up is rather than calculations based on a formula?

**Mr TOLLNER:** Madam Chair, we are speculating. This is all hypothetical. I have answered the question as succinctly as I can saying we will do everything in our power to ensure the Northern Territory gets its fair share.

**Ms LAWRIE:** This is not speculation. I have referred to *The Australian* article from 1 May.

**Mr TOLLNER:** It is hypothetical. We do not even know who will be elected.

**Ms LAWRIE:** Write the letter to Julia Gillard as well. By all means, write to both. The Prime Minister and the Leader ...

**Madam CHAIR:** Treasurer, will you be writing a letter to the Leader of the Opposition or the Prime Minister?

**Mr TOLLNER:** I have told the member for Karama we will not be writing letters. We will wait to see what the federal election throws up. We want to see what happens with the GST review already in place. There is a range of stuff going on. The Opposition Leader seems to be more interested in playing politics about letter writing than ...

**Ms LAWRIE:** No, hang on ...

**Mr TOLLNER:** ... taking a good hard look at how things are.

**Ms LAWRIE:** We are talking about \$2bn in revenue.

**Mr TOLLNER:** I have said up-front that we will do everything we can. We will move heaven and earth to ensure the Northern Territory gets its fair share.

**Ms LAWRIE:** I will quote what Colin Barnett said in the Western Australia Parliament on 8 May:

*Those four states' Premiers and Treasurers have a broad in-principle agreement that the GST should progressively change so that most of the money is allocated on a per capita basis.*

The Western Australia Premier, Colin Barnett, admitted in parliament to a deal between the four Liberal states and Tony Abbott to shift the GST to per capita. Treasurer, that puts at jeopardy \$2bn in Territory revenue. You say you want to fight for the Territory, yet you also say you will not send a letter to Tony Abbott asking him to guarantee horizontal fiscal equalisation: the glue that binds the states in the delivery of services across our great nation. You will not even put pen to paper to guarantee \$2bn worth of revenue into the Territory.

**Madam CHAIR:** Opposition Leader, you have your grab on the news for tonight.

Treasurer, please move on with the questions.

**Ms LAWRIE:** I am asking him to answer it. It is not about the news.

**Madam CHAIR:** He has answered the question.

**Ms LAWRIE:** Madam Chair, there is \$2bn of Territory revenue at stake.

**Madam CHAIR:** Opposition Leader, how many different ways can you ask the same question? You are wasting valuable time. I am sure Territorians would like to hear about the budget rather than the rewording of a tedious question that has been answered. Treasurer, unless you have anything further to add on that?

**Ms LAWRIE:** You heard the comments from the Premier of Western Australia I just quoted on the record for the estimates hearing, Treasurer. You heard the comments from Tony Abbott in *The Australian* on 1 May so it is not speculation. It is \$2bn worth of GST funding at risk to the Northern Territory. Will you, at the very least, write to the leaders of both ...

**Madam CHAIR:** Opposition Leader, you are asking the same question. That is it. Treasurer, please move on.

**Mr TOLLNER:** Thank you very much.

**Ms LAWRIE:** You are refusing to write to them with \$2bn at stake. This is extraordinary.

**Madam CHAIR:** Opposition Leader, if you call out you will be sent out.

**Ms LAWRIE:** You are the one shouting. I am saying it is extraordinary.

**Madam CHAIR:** I said call out.

Treasurer.

**Mr TOLLNER:** Moving right along.

Question 6:

*Explanations on all variations and discrepancies between details, data and policy contained within the December 2012 mini-budget and the May 2013 budget.*

Madam Chair, I answered that in Question 3. If members of the committee want me to go over the response to Question 3 I am more than happy to.

**Madam CHAIR:** Anyone like to go there? Okay. Move on.

**Mr TOLLNER:** Question 7:

*Progress on the implementation of all signed written contracts with Territory communities.*

I am not sure what this question is about. I imagine it is not applicable to the Treasurer. Perhaps the question should go to the Minister for Local Government?

**Madam CHAIR:** That is fine, Treasurer.

**Ms LAWRIE:** I reserve the right to, when I get a rush from *Hansard*, see whether I ask you that question further in the outputs. Seriously, it is a nonsense process to have verbal answers without the information before us. That is all. I need to see the *Hansard* rush.

**Madam CHAIR:** I remind everyone that the proceedings for estimates have been agreed to by the Estimates Committee, which is a bipartisan process.

**Mr TOLLNER:** Question 8:

*Details on staff movements and all costs resulting from Administrative Arrangements changes since 26 August 2012.*

There was no staff movement or cost resulting from changes to Administrative Arrangements for the Department of Treasury and Finance. The Office of the Commissioner of Public Employment will be able to provide much more detail and a whole-of-government response in that regard.

**Mr WOOD:** Could I ask a question?

**Mr TOLLNER:** Yes.

**Mr WOOD:** What happened to the Under Treasurer? Surely that would be a big staff movement?

**Mr TOLLNER:** That is not in relation to Administrative Arrangement changes. The Under Treasurer position remained.

**Mr WOOD:** You removed the Under Treasurer, surely that is a change?

**Ms LAWRIE:** You sacked the Under Treasurer.

**Mr WOOD:** You sacked her.

**Mr TOLLNER:** It is the right of all new governments to put their stamp on things. Whilst I do not have a bad word to say of the former Under Treasurer ...

**Mr Wood:** You re-employed her!

**Mr TOLLNER:** ... I have much time for the former Under Treasurer and, as the member for Nelson pointed out, I employed her when I was Minister for Health to work on structural changes to the Department of Health. I also asked her to fill a role on the Board of the Power and Water Corporation. I have no problems with the former Under Treasurer.

However, I recognise new governments need to put a new stamp on things. I am wholly supportive of the current Under Treasurer, Mr Alan Tregilgas, who has given me first-class service since I became the Treasurer. I suppose there is no better place to put my thanks to him on the record than at the moment.

**Ms Lawrie** interjecting.

**Mr WOOD:** I make no comment on the present Under Treasurer by any means.

**Mr TOLLNER:** The Opposition Leader is about to.

**Madam CHAIR:** If I can interject, the time is now 1 pm.

**Ms LAWRIE:** We have questions on this area ...

**Madam CHAIR:** The Treasurer is coming back after the lunch break if you need to ...

**Mr WOOD:** Yes, that is fine.

**Madam CHAIR:** Is that all right?

**Mr WOOD:** Yes, that is fine.

**Madam CHAIR:** It is 1 pm. We will return at 2 pm sharp. The Treasurer will be returning to continue.

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The committee suspended.

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**Madam CHAIR:** We will resume with the Treasurer. For the benefit of *Hansard*, I would like to welcome Nicole Manison MLA, member for Wanguri. We now have with us Michael Gunner MLA, member for Fannie Bay; myself as Chair; Larisa Lee, member for Arnhem; Francis Xavier, member for Arafura; and Gerry Wood, member for Nelson.

Before you commence, Treasurer, over the lunch break it was brought to my attention that members of parliament have been making public comments which reflect upon the Chair. Such comments are not to be made in or outside this room as they not only offend standing orders, but are referable to the Privileges Committee. Members can take that as a behavioural warning. Treasurer, I will hand back to you.

**Mr TOLLNER:** Thank you, Madam Chair. I ...

**Mr WOOD:** Can I continue on from ...

**Mr TOLLNER:** I was on Written Question No 8 ...

**Mr WOOD:** No, I was talking about the plight of the previous Under Treasurer. Remember we broke off at that important ...

**Mr TOLLNER:** That is right, yes.

**Mr WOOD:** I was going to ask a budget question. What was the cost involved in removing the Under Treasurer?

**Mr TOLLNER:** That is a good question. Member for Nelson, I am not in possession of that information. That is a question better directed to the Chief Minister. All Chief Executive Officers and Under Treasurers in that category are employed by the Chief Minister or his department.

**Mr GUNNER:** You would have some information around the Under Treasurer who works for you; you direct an Under Treasurer and would have information around their employment. For example, welcome Mr Alan Tregilgas. You would know how long the Under Treasurer is going to work for. How long do we have the pleasure of Mr Tregilgas' company as Under Treasurer?

**Mr TOLLNER:** I am sad to say Mr Tregilgas will be leaving the job as Under Treasurer on 28 June.

**Mr WOOD:** He is not leaving because of you is he, Treasurer?

**Mr TOLLNER:** He has not intimated that to me. I am very sad to see Mr Tregilgas leave the job, but he can give explanations as to why he is going. That is not my job. He will be replaced by Jodie Kirkman on a temporary basis and, possibly, into the long term.

**Mr GUNNER:** You know some details around the Under Treasurer's position, but you would not know how much it costs?

**Mr TOLLNER:** I have no idea what an Under Treasurer is paid; whether it is a standard pay or whether these things are negotiated between the Chief Minister's department and the Under Treasurer involved.

My understanding is the former Under Treasurer is still on the government books. As to the arrangements with remuneration and payouts, I cannot answer those questions. It is a matter for the Chief Minister.

**Mr WOOD:** She might get her job back. No offence to the present Under Treasurer.

**Mr GUNNER:** If there is a public advertisement she can reapply for the position of Under Treasurer.

**Mr TOLLNER:** I have a high regard for the former Under Treasurer. I utilised her when I was the Health minister, and am utilising her now as the Shareholding minister for the Power and Water Corporation.

**Mr GUNNER:** Would it be reasonable to suggest, Treasurer, with your decision to re-employ her, you may not necessarily have agreed with the reasons for her dismissal in the first place.

**Mr TOLLNER:** I am not going to comment on that. A new government likes to put a new stamp on things and an Under Treasurer is a very high profile job. I understand the new government may have wanted to see a change at the top.

**Mr GUNNER:** The decision not to comment is yours, but actions speak louder than words and you choose to re-employ her. I take this as an endorsement of the previous Under Treasurer and the work she did, and I agree with you, Treasurer.

**Mr TOLLNER:** I did not employ the previous Under Treasurer.

**Mr WOOD:** The one thing I am missing out on is spiral bound copies of this horrible document which you need two bricks to hold open.

**Mr TOLLNER:** We have attempted to make it as user-friendly as possible.

**Mr WOOD:** It is a hard book to use.

**Madam CHAIR:** Sorry to interrupt. For the benefit of *Hansard*, Michael Gunner, MLA, has now left, and we are joined by Delia Lawrie, MLA, member for Karama.

**Ms LAWRIE:** A final question on the time lines of the permanent filling of the Under Treasurer position, do you have indicative time frames?

**Mr TOLLNER:** No, nothing at this stage. We will move Jodie Kirkman into the job but that does not mean we have stopped looking for a permanent Under Treasurer, and it certainly does not mean Jodie Kirkman is not up to the job. We will see how things pan out into the future. Shall I move on to Question No 9?

**Ms LAWRIE:** In the interests of time, I note we had some indicative time lines on sessions from the Leader of Government Business and the reading out of answers. Obviously, that is going to blow those indicative time lines right out. I wanted to raise that. This is the last time I will ask you to provide the written answers by tabling them, otherwise those time lines are gone.

**Madam CHAIR:** The time lines have always been indicative and we are keeping members of the public informed of that. When Madam Speaker provided hard copies this morning they were read out in full for the benefit of Territorians.

**Mr TOLLNER:** My understanding is the former Treasurer can have me here for five days straight if she likes, and I am more than happy to stay.

**Ms LAWRIE:** I am sure you are looking forward to it. I am relaxed.

**Mr TOLLNER:** I am too. I am glad to see we are all relaxed.

Question 9:

*Details on staff movements and payouts and all costs, including ministerial office relocation costs, resulting from portfolio reshuffles since 26 August 2012.*

Madam Chair, the question is not applicable to the Treasurer. It should be put to the Chief Minister.

Question 10:

**Ms LAWRIE:** You just read out Questions 9, 10 and 11, if that helps.

**Mr TOLLNER:** No.

Question 10:

*Details and costs on all government advertising and communications since 26 August 2012.*

From 26 August 2012 to 31 March 2013, Treasury spent \$155 655 on document production and promotional material.

Official publications include:

- the Treasurer's annual financial report
- the mini-budget
- annual reports for the Territory superannuation schemes
- Northern Territory Treasury Annual Report
- superannuation reports to members, and
- Treasurer's corporate stationery such as letterhead, business cards and file covers.

**Mr WOOD:** Where is the printing done, and is that a reduction in printing costs from previous years?

**Ms Lawrie:** We normally have this in a tabled format.

**Mr TOLLNER:** Member for Nelson, the printing is done through the Government Printing Office.

**Mr WOOD:** The reason I ask about cost is because of the so-called paperless society, which always turns into why someone else prints the piece of paper. Is there a reduction in printing costs from previous years?

**Mr TOLLNER:** I will finish answering the question and some of that might be answered there. From 26 August 2012 to 31 March 2013, Treasury spent \$4256 on advertising, not including recruitment. This is mainly due to notices on electricity, water and sewerage reform. The 2013-14 budget communications campaign runs over May and June and is estimated to cost \$245 000.

You will be happy to know, member for Nelson, I have a table which, whilst it has a header on it, I am happy to table. Expenses for the 2013-14 campaign are still being received. This is significantly less than the \$323 000 spent on the 2012-13 budget communications campaign.

Government is in the business of belt tightening, and whilst previous budgets could be seen to be politically motivated, we are very much of a mind to reduce costs in that area.

**Ms LAWRIE:** Treasurer, will you table that detailed information?

**Mr TOLLNER:** I will table this.

**Ms LAWRIE:** And the breakdown you read prior to it because they go together. One without the other would not be a complete picture. Does that take into account the budget costs for what we call the regional budget road show? My understanding is this year some of those locations did not happen because there would be costs associated with Treasury staff going to Tennant, Nhulunbuy, etcetera.

**Mr TOLLNER:** I am aware a road show occurred in the past. This year we have limited the road show to a number of functions in Darwin: budget breakfasts, lunches and the like. A similar budget lunch took place in Alice Springs through the Chamber of Commerce, which was well-attended.

**Ms LAWRIE:** They always are; they are good.

**Mr TOLLNER:** Fantastic. The decision was made not to extend the road show into the regional areas because anecdotal evidence suggested it would not be as well-attended. As a cost reduction strategy, we produced a budget speech DVD and an explanation was circulated through Chamber of Commerce offices in regional locations. If they still wanted to have budget lunches they would have the explanation there. I was always on the end of the telephone line to answer any specific questions people had in relation to the budget.

**Ms LAWRIE:** Treasurer, if you were invited to attend a session in regional areas after people watched the DVD and wanted a Q and A session with you, would you do that? I have to give you genuine feedback ...

**Mr TOLLNER:** I would make an assessment on that and ...

**Ms LAWRIE:** ...that in Nhulunbuy, Tennant Creek and Katherine you get good turn outs.

**Mr TOLLNER:** ...where there was enough interest I would be happy to follow those things through. I was informed in Tennant Creek last year there were about four or five people.

**Ms LAWRIE:** No.

**Mr TOLLNER:** Perhaps I have been misinformed. We took the view that rather than spending a heap of taxpayers' money ferrying Treasury officials and staff to various ...

**Ms LAWRIE:** As a cost saving measure, Treasury officials, for your information, do not attend the Tennant Creek road show.

**Mr TOLLNER:** They may not have attended with you, but we made the decision that we would not cart Treasury officials and other staff around, spending money on airfares, but would produce a DVD and see what feedback we received.

**Ms LAWRIE:** For your information, on average you get 20 to 30 people in Tennant Creek, similar numbers in Katherine, and larger numbers in Nhulunbuy. Treasury officials have attended the Nhulunbuy road shows in the past, but not in the five years I was Treasurer. It is easier for Tennant Creek and Katherine because it is cheaper to get up the Stuart Highway in a car with the Treasurer and staff only. That means you are available for the Q and A, but are not dragging the cost of Treasury officials. I do not know who gave you that anecdotal feedback about Tennant Creek, but I can assure you Fernanda's is packed out for the lunch. As I said, 20 to 30 people attend.

**Mr TOLLNER:** Yes, all right. We will see what comes of this one.

**Ms LAWRIE:** They are really worthwhile. The regions are really interested in what is in the budget for them. Obviously, the DVD would give out aspects of that presentation, as I know the regional budget booklet does as well. I commend the continuation of that, by the way. This is not being churlish; this is being genuine in the delivery of budget information right across the regions of the Territory.

I trialled remote visits too, across a couple of years - a little hit and miss in the numbers of people, but wherever the Treasurer went with the budget and an opportunity for a face-to-face presentation and questions there was genuine interest.

**Mr TOLLNER:** Lovely. Madam Chair, in relation to a discussion we had prior to lunch in relation to FITA and the breach by the former government of their own act ...

**Ms LAWRIE:** Which we did not.

**Mr TOLLNER:** ... I would like to table a media release I issued on 16 May titled 'Labor finally admits to financial mismanagement' – which they did ...

**Ms LAWRIE:** Which we did not.

**Mr TOLLNER:** That was following discussion on the budget the previous night. Also, an opinion piece I put in the *NT News* on Saturday, 25 May. I thought the Leader of the Opposition would have been across this because she had an opinion piece ...



**Ms LAWRIE:** I have read it.

**Mr TOLLNER:** ... on exactly the same day on the opposite page. I talked about the government breaching its own laws. For the information of the Opposition Leader, I have just done media and again publicly stated the former government breached its own laws.

**Ms LAWRIE:** Treasurer, thank you for that. I look forward to seeing the tabled documents, which I have seen before. There is a world of difference, in a legal aspect, between blaming a former government or Labor generically, to naming the Under Treasurer or the Treasurer regarding a breach.

**Mr TOLLNER:** Hang on.

**Ms LAWRIE:** As long as you are aware of the legal ...

**Mr TOLLNER:** Hang on, hang on.

**Ms LAWRIE:** ... difference between the two.

**Mr TOLLNER:** Hang on. I have never said the former Under Treasurer broke the law.

**Ms LAWRIE:** You did this morning.

**Mr TOLLNER:** I said the former government broke the law. If you need clarification, I will say it again: I have never said the former Under Treasurer broke the law. I said the former Under Treasurer was not aware of many things, which is what the former Treasurer signs off on.

**Ms LAWRIE:** You are saying the Under Treasurer did not give all accurate information within the PEFO and that is a breach of the FITA.

**Mr TOLLNER:** No, it is not. Everything the former Under ...

**Ms LAWRIE:** Yes, it would. If you do not have the full information as required by the FITA in the PEFO you have breached it.

**Mr TOLLNER:** All the information the former Under Treasurer gave had been claimed in PEFO - had been laid out there. There was a whole range of things the former Under Treasurer clearly was not aware of, and the former Treasurer and government ...

**Ms LAWRIE:** What a load of rubbish.

**Mr TOLLNER:** ... breached the FITA.

**Ms LAWRIE:** Absolute rubbish! More to the point, you can be cute on saying the former government and Labor because there is no entity that can sue you outside, and I have pointed that out to the media. However, if there was a skerrick in this for you, if there was even a shred, I would have been before the Public Accounts Committee by now and the Privileges Committee of parliament.

**Mr TOLLNER:** I am stunned you have not been. Your own minister belled the cat when he said you ...

**Ms LAWRIE:** You are wallowing in your muckraking to your own eternal shame!

**Mr TOLLNER:** ... were borrowing money to pay wages, which is a clear breach of FITA.

**Madam CHAIR:** Opposition Leader and Treasurer, perhaps we can save debate for when we are in parliament on Thursday. This is about answering questions on the budget.

**Mr TOLLNER:** I might move on.

Question 11:

*Full details of all government advertising in breach of the Public Information Act as identified by the Auditor-General since 26 August 2012.*

I have a typo here. This is not a question for the Treasurer. It is better answered by the Chief Minister.

Question 12:

*Full breakdown of all ministerial office expenditure since 26 August 2012.*

Again, that is a question for the Chief Minister.

Question 13:

*A full list of all forced redundancies across all agencies including an explanation for each redundancy on why it was necessary to breach the CLP's election commitment that no public servant would be sacked.*

The County Liberal Party never made such an election commitment. We said no frontline public servant would be sacked. Again, this is not a question to the Treasurer; it is a question for the Office of the Commissioner of Public Employment for a whole-of-government response.

Question 14:

*A full list of all personnel who have left the Northern Territory Public Sector and then returned since 26 August 2012 including payout and settlement details.*

Again, not applicable for the Treasurer. This is more a question for the Office of the Commissioner for Public Employment.

Question 15:

*Details on all government tenders, contracts and grants awarded or granted since 26 August 2012 ...*

Tax-related subsidies granted under the home owner incentive programs for the period 26 August 2012 to 21 March 2013 were: 195 BuildBonus grants totalling \$1.95m and 739 First Home Owner Grants totalling \$7.324m. In total, there were 934 totalling \$9.274m.

**Ms LAWRIE:** Could you table that information, Treasurer?

**Mr TOLLNER:** I have just read it onto the record.

**Mr LAWRIE:** If you could table it.

**MR TOLLNER:** There were no payments made under the Buildstart incentive program. The agency spent \$2460 sponsoring annual school awards for academic achievement. The schools supported for the period 26 August 2012 to 31 March 2013 are as follows: Casuarina Senior College Year 12 graduation awards \$600; St Philip's College Year 11 Excellence Award Category \$60; Darwin High School Year 11 and 12 Award Ceremony \$200; Taminmin College Year 11 and 12 Award Ceremony \$350; O'Loughlin Catholic College Award Ceremony \$100; St John's Catholic College Year 12 Award Ceremony \$50; Palmerston College Year 11 and 12 Award Ceremony \$200; Kormilda College Year 12 Award Ceremony \$100; Katherine High School Year 11 Award Ceremony \$100; Nhulunbuy Certificate of Business, \$100; Centralian Senior College Year 12 Award Ceremony \$100; and the Northern Territory Board of Studies Mathematics Award \$500. A total of \$2460.

**Ms LAWRIE:** Treasurer, it is normal to table that full list. If you do not mind tabling it, it would be great.

**Mr TOLLNER:** Question 16:

**Ms LAWRIE:** Treasurer, that was a question. Would you table that list?

**Mr TOLLNER:** I have read it into the *Hansard*.

**Ms LAWRIE:** Would you table the list?

**Mr TOLLNER:** I have read it into the *Hansard*.

**Ms LAWRIE:** What is wrong with tabling it?

**Mr TOLLNER:** Because the information was just given to you.

**MS LAWRIE:** At every estimates I have appeared at and witnessed as a member of the estimates PAC committee, ministers and Treasurers are quite happy to table lists of that very inoffensive, unobtrusive information and you will not.

**Mr TOLLNER:** Shall I move on to question 16?

**Ms LAWRIE:** Unbelievable cover up.

**Mr TOLLNER:** Cover up! I just read it onto the record.

**Ms LAWRIE:** I do not know what you are trying to do! Weird! Table it.

**Mr TOLLNER:** Question 16 was:

*Details on the procurement processes undertaken and the employment contracts for the employment within the Northern Territory public sector since 26 August 2012 of all former CLP and Liberal Party candidates and members of parliament at Territory or federal level.*

First, it is probably not a question for the Treasurer. I do not know whether the executive of government receives lists of party members. Perhaps this is an opportunity for the Opposition Leader to advise whether the Labor Party will be providing its membership list under such a regime to the executive of government and any other political parties. We will certainly ...

**Ms LAWRIE:** Treasurer, you are saying there will be no way of identifying party candidates and former party members of parliament? You have to be joking. We are not asking for a list of party members, we are saying candidates at an election. It is public knowledge.

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

**Ms LAWRIE:** Yes, he was wondering ...

**Madam CHAIR:** Do you have a question? If not, could you let the Treasurer continue through the list of questions?

**Ms LAWRIE:** Treasurer, are you saying you, or anyone in government, would not know who the CLP candidates were at the election or whether or not someone employed was a former CLP or Liberal member of parliament, either Territory or federal? Are you pretending that?

**Mr TOLLNER:** To understand who candidates and members of parliament represent, it is important to understand the membership lists of the relevant parties.

**Ms LAWRIE:** No, it is identified on the ballot paper. You do not have to have the membership list; it is identified on the ballot paper.

**Mr TOLLNER:** My understanding of this question is it is about party members. Perhaps I misread the question and you want to know about members of parliament

**Ms LAWRIE:** No, you are misreading it.

**Mr TOLLNER:** It is not ...

**Ms LAWRIE:** The question says 'party candidates'.

**Mr TOLLNER:** It is not a question applicable to the Treasurer.

**Ms LAWRIE:** Is it applicable to OCPE? Procurement? DCIS? Do you want to have a stab at where it is applicable?

**Mr TOLLNER:** It is up to you to determine where it is applicable.

**Ms LAWRIE:** No, the government provides us with that advice. We seek your advice on where we ask that question.

**Mr TOLLNER:** Perhaps we can get a list of all former Labor Party candidates and members of parliament at Territory level.

**Ms LAWRIE:** It is on the public record; it is not a problem.

**Mr TOLLNER:** Who knows where someone stood? It could have been in Launceston or Perth. Goodness me, the Labor Party is a big organisation. You would probably have to go to head office; you would not hold that detailed information in the Territory.

**Ms LAWRIE:** If we were asked that question we could provide the answer.

**Mr TOLLNER:** You would want to find out where your head office was would you not?

**Ms LAWRIE:** You do not want to provide the answer, you have made that clear.

**Mr TOLLNER:** From a CLP prospective it would be quite easy because we are Territory party ...

**Ms LAWRIE:** Jodeen Carney, Jo Sangster, Gary Nairn ...

**Mr TOLLNER:** ... but the Labor Party would have - you have asked about Liberal Party candidates too.

**Ms LAWRIE:** I am giving you a few tips on ...

**Mr TOLLNER:** I do not know about Liberal Party candidates; I do not know about Labor Party candidates.

**Ms LAWRIE:** ... Jane Johnston. The question was from the opposition to the government.

**Mr TOLLNER:** You have asked for all former CLP and Liberal Party candidates.

**Ms LAWRIE:** Provide the full list.

**Mr TOLLNER:** How do we know who the Liberal Party candidates are?

**Ms LAWRIE:** Ballot papers identified the party.

**Mr TOLLNER:** That is right. Do we scour Australia?

**Ms LAWRIE:** For *Hansard* purposes, whoever wants to answer this question going forward, whether it is DCIS or OCPE, we would be satisfied with, 'having stood as a candidate in the Northern Territory' or 'being a federal or state member of parliament elsewhere'.

**Mr TOLLNER:** Are you going to be magnanimous about this and suggest the Labor Party might want to provide its list of candidates and members from around Australia so we can see what party members we have here?

**Ms LAWRIE:** The question was around the CLP, Dave, and you do not want to answer it.

**Mr TOLLNER:** What is good for the goose is good for the gander, is it not?

**Ms LAWRIE:** You had plenty of chances to ask these questions in opposition.

**Mr TOLLNER:** We did not see an issue ...

**Madam CHAIR:** I have to interrupt. I cannot see how any of this is relevant. Treasurer, keep moving on please.

**Mr TOLLNER:** Question 17:

*Full details and costs of all ministerial travel including accommodation, hospitality and flight details including flight travel class, since 26 August 2012.*

I do not believe this is a question for the Treasurer. The answer should be, and I imagine will be, provided by the Chief Minister.

Question 18:

*Full details, costs and invitation lists for all ministerial hospitality since 26 August 2012, including events hosted by protocol and events hosted by ministerial offices.*

It is not a question applicable to the Treasurer. The answer would, more than likely, be provided by the Chief Minister.

Question 19:

*Full details, costs and invitation lists for all public service hospitality provided since 26 August 2012.*

From 26 August 2012 to 31 March 2013, \$5810 has been spent on entertainment and hospitality by the Department of Treasury and Finance. I will go through the areas where we spent this money: a welcome function for the Under Treasurer, Alan Tregilgas, and a farewell function for Peter Caldwell at the same time costing \$766; corporate sports challenges amounting to \$618; Treasurer's morning tea for former Treasurer, Robyn Lambley, of \$487; heads of Treasury morning tea of \$14; the mental health awareness training morning tea of \$228; the Utilities Commission function of \$97; the Tax Commissioner's conference of \$3269; and the Territory Revenue Office function of \$331. That is a total of \$5810.

**Mr WOOD:** Was there a farewell for the previous Under Treasurer and, if not, why not? She did much good service for the Northern Territory.

**Mr TOLLNER:** I am not aware if there was or not.

**Mr WOOD:** I hope there was, regardless of whether you wanted a change.

**Mr TOLLNER:** There was not a Treasury sponsored function for the former Under Treasurer because it happened very quickly following the election and there was not an opportunity to do so. There were a number of private functions held by people who, in their private capacity, enjoyed working with the former Under Treasurer.

Question 20:

*Full details and costs of all international public service travel including accommodation, hospitality and flight details including flight travel class since 26 August 2012.*

The summary of the costs of official travel, accommodation, hospitality, and flight details for the period 26 August 2012 to 31 March 2013 is as follows. I have flight details and costs in an attachment which I will table, but \$20 000 was spent on accommodation, \$1000 on airfares, \$69 000 on interstate airfares, and \$8000 on allowances. That is a total of \$98 000. The meetings and conferences included the ministerial council meetings, heads of Treasury meetings, royalty audits, Utilities Commission meetings, Commonwealth working group meetings and technical conferences, the Tax Commissioner's conferences and superannuation fund meetings. The other stuff I will table now.

The Under Treasurer has provided me with a document with a much greater level of detail than I have just read. As you can see, where we have the information in a table form we will table it.

**Ms LAWRIE:** You have had the information before, Dave, and not tabled it. I do not know why you are picking and choosing.

**Mr TOLLNER:** Question 21:

*A breakdown of all water and other natural asset allocation granted by the Northern Territory government since 26 August 2012 broken down by those granted to CLP members and others.*

Goodness me, again we want party membership lists.

**Ms LAWRIE:** We know of one – Tina MacFarlane, CLP candidate for Lingjari.

**Mr WOOD:** That is in the wrong portfolio unless you are drilling bores in your front lawn.

**Mr TOLLNER:** Well, asking for lists of CLP members. Perhaps when the Labor Party starts to provide a membership list to the executive of government ...

**Ms LAWRIE:** We know of one – Tina MacFarlane.

**Mr TOLLNER:** That is one.

**Ms LAWRIE:** Yes, so do you want to provide us with those details?

**Mr TOLLNER:** Who else is a member?

**Ms LAWRIE:** Provide us with those details.

**Mr TOLLNER:** Who is a member of the Labor Party?

**Ms LAWRIE:** Will you provide us with those details?

**Mr TOLLNER:** You would be one; Nicole would be another.

**Ms LAWRIE:** Are you going to answer that?

**Mr TOLLNER:** No. This question is not applicable to the Treasurer and should be directed to the Minister for Land Resource Management.

Question 22:

*Details on all policy items, strategies, actual, estimates, budgets, forecasts, agencies outputs and funding decisions contained within the May 2013 budget.*

This is Budget Paper No 3 and all those items are listed there. I suggest a good place to start looking would be from page 99 on. I imagine they will be addressed through this estimates process.

**Ms LAWRIE:** Yes.

**Mr TOLLNER:** Good.

**Ms LAWRIE:** In detail.

**Mr TOLLNER:** In detail – beauty.

Question 23:

*Details of all financial and economic data contained within operating statements, balance sheets, cash flow statements in the May 2013 budget.*

Again, I direct your attention to Budget Paper No 3 where that information is contained.

Question 24:

*Full details, including impact statements and implementation plans, on all agency savings identified within the December 2012-13 mini-budget and the May 2013 budget.*

Refer to the answer I gave to Question 3. I am happy to go through that again if you want. If not ...

**Ms LAWRIE:** No, that is fine.

**Mr TOLLNER:** Question 25:

*Details and all information and data contained within the fiscal strategy, updated fiscal outlook, risks to the updated financial projections, expenses and capital investment, intergovernmental revenue and Territory taxes and royalties.*

A great deal of this information is contained within Budget Paper No 2. Whole-of-government budget strategy outlook is contained within Budget Paper No 2, and it meets the requirements of the *Fiscal Integrity and Transparency Act*. Any changes in revenue and expenditure estimates since the tabling of Budget 2013-14 have occurred as a result of the 2013-14 federal budget. Announcements have not been identified in Budget Paper No 2.

Chapter 1 of Budget Paper No 2 outlines both the fiscal and economic outlook for 2013-14 and the forward estimates period.

Chapter 2 of Budget Paper No 2 contains the fiscal strategy statement providing information on, and analysis of, the government's fiscal strategy, including analysis of the recent historical trends which have led to the government's fiscal strategy and the exposition of the strategy's medium-term fiscal objectives and targets, and an assessment of the strategy against fiscal principles.

Chapter 3 of Budget Paper No 2 contains updated financial projections for the budget year and the following three financial years for both the general government and the non-financial public sector providing an overview of the projections, the key assumptions underlying them, and a comparison with estimates provided in the previous fiscal outlook report, the mini-budget published in December 2012, as well as those published in August 2012. Also included is an assessment of the current fiscal outlook against the government's fiscal strategy.

Chapter 4 of Budget Paper No 2 outlines the potential effects of the risks to the budget due to changes in revenue and expenditure estimates and the likelihood of contingent liabilities becoming actual liabilities.

Chapter 5 contains the fiscal outlook reports prepared in accordance with external reporting standards, being the Australian Accounting Standards and the UPF - Uniform Presentation Framework - including for each sector of government a comprehensive operating statement, balance sheet, cash flow statement and a number of supplementary tables for the general government sector.

Information relating to the key budget components, including expenses and capital investment, intergovernmental revenue and Territory taxes and royalties is outlined in chapters 6, 7 and 8 respectively.

Question 26:

*Full details of all information and data contained within the capital works program and estimated capital expenditure across all government agencies and corporations.*

Details of this can be found in 2013-14 Budget Paper No 4. Specific questions will be addressed through the estimate hearing process, I imagine.

Question 27:

*Full details of all revenue measures, including new taxes and tax increases, including levies and charges. Details to include risk impact statements, community and industry consultation plans, economic modelling and revenue projections.*

I went through that list before as part of a response to question 3 or 4. It was where I explained the changes to the stamp duty in relation to first home owner concessions and Principle Place of Residence Rebates, and outlined the changes to the minerals royalty regime and transfer pricing, also the deduction of head office costs for mining companies and the fact they amounted to an estimated \$10.6m.

**Ms LAWRIE:** Treasurer, the pertinent point is the details in risk impact statements, community and industry consultation plans, and any economic modelling. Obviously we are aware of your revenue projections because they are contained within the budget papers, but in regard to the RIS we have heard, in regard to the mining taxes, there was no RIS on the taxes. In relation to changes to revenue made to stamp duty and home owner concessions, is there any RIS on that? Were there any community and industry consultation plans, and what is the economic modelling for the impact on the housing market around that? If you have done economic modelling, could you confirm you have that economic modelling and could you provide it to us? That is the nature of the question.

**Mr TOLLNER:** No risk impact assessments have been done on those areas. In relation to community and industry consultation plans, we had an almighty one just before that with an election and the community was consulted. They were aware we had some ...

**Ms LAWRIE:** They were not told about the mining taxes and ...

**Madam CHAIR:** Opposition Leader, please do not interrupt the Treasurer while he is answering your question.

**Mr TOLLNER:** We certainly made it known that we would do everything we possibly could to repay Labor debt and rein in senseless spending and all of that type of reckless behaviour that was exhibited so well by the previous government. In that regard, the community was consulted at length. Treasury, generally, do not make economic modelling publically available. I have given you the revenue projections in relation ...

**Ms LAWRIE:** Treasury has made economic modelling available in the past.

**Madam CHAIR:** Opposition Leader, that was not a question and you are interrupting the minister.

**Mr TOLLNER:** If you want me to go through the revenue projections again, I am more than happy to do that.

**Ms LAWRIE:** In short, you are not going to provide the consultation plans, the RIS, or any economic modelling?

**Mr TOLLNER:** In relation to consultation plans, I have answered that question. We had an almighty consultation plan prior to making that decision; most of us call it a general election.

**Ms LAWRIE:** You did not say you would be removing concessions.

**Madam CHAIR:** Opposition Leader, stop interrupting the Treasurer when he is speaking. You can ask your question, he must give his response, and then you can ask a follow-up question.

**Mr TOLLNER:** What we did with our community consultation plan - election campaign - was outline the fact the government of the day was recklessly spending money. We had every intention of bringing about a fiscal balance; something the previous Treasurer could never answer. When asked on numerous occasions by the media when to expect a fiscal balance, there was never any answer given.

Certainly, there was a commitment to return to fiscal balance by 2015-16. I have already outlined some external factors which impacted on the government since that election; most notably the unfunded liabilities and the hit on GST as a result of the change of relativities. This meant achieving fiscal balance by 2015-16 was impossible and we have put that off until 2017-18. Even having put it off, at least we can put a time frame there and a target as to when we will be in a balanced situation again. That is something the former government never committed to.

**Ms LAWRIE:** In short, no. No details because you did not do it.

**Mr TOLLNER:** No, there was a massive community consultation process and the community decided.

**Ms LAWRIE:** You told the community you were going to bring in new mining taxes and trash the first home owner concession scheme?

**Mr TOLLNER:** The community knew there had to be belt tightening. The community made a decision as to who would best manage Northern Territory government finances. Everybody in the community understood the former government was recklessly spending money. The global financial crisis seemed to be a green light to engage in Labor nirvana where they threw money around recklessly. That is exactly what the former government did, all under the guise of saving jobs, doing this and that. There was never any plan by the former government to repay money or have the Territory living within its means.

**Ms LAWRIE:** You are wrong, but we will debate that later.

**Mr TOLLNER:** It is a fact. Nowhere on the public record can we find any comment by the former Treasurer saying when she would return the budget to surplus.

**Ms LAWRIE:** Seriously. You said, in regard to repaying - the deficit reduction strategy, the staffing cap, the efficiency ...

**Madam CHAIR:** This is a matter to debate in the Chamber. Can we move on?



**Mr TOLLNER:** You can try as hard as you like to rewrite history, but nothing can hide the fact the former government was fiscally irresponsible and reckless spenders.

**Ms LAWRIE:** In your mind.

**Mr TOLLNER:** Everything points to that. Anyone looking at the budget papers - \$5.5bn worth of debt.

**Ms LAWRIE:** You have \$5.1bn.

**Mr TOLLNER:** They were \$898m beyond their means this financial year. It was reckless spending and a former Treasurer would resign out of shame. Clearly, the former Treasurer is shameless.

**Ms LAWRIE:** The nonsense you speak is quite extraordinary. Perhaps we can move on, Treasurer.

**Mr TOLLNER:** Question 28:

*Full details on the operational impacts across all government entities as a result of all government decisions and policies.*

I refer the committee to Question 3 and suggest specific questions will be addressed through the estimates hearing process.

Question 29:

*Full details on the operational impacts across all government entities as a result of the government's saving measures.*

Again, I refer you to Question 3 which I answered at length. Specific questions can be addressed through the rest of this estimates hearing process.

Question 30:

*Details on the operational impacts across non-government agencies as a result of all government funding, decisions and policies.*

I do not know whether this is applicable to me. Non-government organisations are external to the budget. This question should be posed to the relevant NGOs.

Question 31:

*Full details on the impacts across all government entities as a result of all increases in government ...*

**Ms LAWRIE:** To clarify that, you say write to the NGOs and they will tell us the impact because the government is not going to? Is that what you are saying?

**Mr TOLLNER:** NGOs, by their nature and name, are non-government organisations.

**Ms LAWRIE:** We are talking about government funding to non-government organisations. You say you will not tell us what funding ...

**Mr TOLLNER:** No, you have asked for operational impacts.

**Ms LAWRIE:** Would you not know?

**Mr TOLLNER:** The operational impacts across non-government agencies as a result of all government funding decisions and policies ...

**Ms LAWRIE:** Treasurer, what you want us to believe is you would not have knowledge of the service agreements between government and non-government organisations in regard to the funding arrangements which would have been reduced

**Mr TOLLNER:** You have asked for details on the operational impacts of funding decisions and policies.

**Ms LAWRIE:** Yes. I do not know if you are aware, but service agreements specify the operations. What you are purchasing from a non-government organisation is contained within the service agreement. Are you saying if you have reduced that, or in some cases stopped it altogether, we have to ask the non-government organisation for that operational change not you?

**Mr TOLLNER:** Sometimes there are no service agreements; sometimes they are grants.

**Ms LAWRIE:** Where there are service agreements, would the government provide that?

**Mr TOLLNER:** Again, it is a non-government organisation. Asking for the operational impact of a government decision - you are not even suggesting government decisions which reduce revenue into these things or increase revenue - how broad a question could you ask? It is a nonsensical question.

**Ms LAWRIE:** The non-government organisations do not believe it to be nonsensical.

**Mr TOLLNER:** There are hundreds of non-government organisations and hundreds of different operational impacts based on government decisions on funding and policy.

**Ms LAWRIE:** Are there any non-government organisations Treasury funds? I hazard a guess the answer is no. More appropriately, would your answer not be there are none in Treasury and we leave it up to other line agencies to respond? You would leave it up to the other ministers.

**Mr TOLLNER:** No, we do not fund non-government agencies. How, in goodness name, can you understand the operational impacts on non-government agencies?

**Ms LAWRIE:** You are a former Health minister. The Health department would have a genuine working knowledge of - if they reduced or withdrew revenue from a non-government organisation - what that operational impact would be because the operations required for the funding would be contained within the service agreement.

**Mr TOLLNER:** That is a question for the Health minister.

**Ms LAWRIE:** We will ask the Health minister that question.

**Mr TOLLNER:** Absolutely.

**Ms LAWRIE:** We will not do what you suggested, which is ask all the non-government organisations ...

**Mr TOLLNER:** You are asking budget-related matters in this estimates hearing. As I say, non-government organisations ...

**Ms LAWRIE:** Yes, which also goes to operational impacts.

**Mr TOLLNER:** ... budgets are not contained within our budget.

**Ms LAWRIE:** They are reliant on the funding.

**Mr TOLLNER:** Absolutely! There is a whole bunch of people who rely on government funding. There is a range of businesses reliant on funding. There are a range of Territorians reliant on funding, not just NGOs.

**Ms LAWRIE:** That is what that question covers.

**Mr TOLLNER:** Moving right along.

Question 31:

*Full details on the impacts across all government entities as a result of all increases in government and government corporation charges, prices and tariffs since 26 August 2012.*

This response relates to the Department of Treasury and Finance only. The Department of Treasury and Finance leases the Cavanagh House offices. As a result, the only impact on the Department of Treasury and Finance is the power tariff, and the costs have been absorbed within budget.

The increases in water consumption are not charged as they form part of the lease arrangements. There are no other costs directly impacting on the department.

**Ms LAWRIE:** What are those costs, Treasurer? You are absorbing them within the department.

**Mr TOLLNER:** The cost of power?

**Ms LAWRIE:** Yes.

**Mr TOLLNER:** Bear with me.

**Ms LAWRIE:** You can take it on notice if you want.

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

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### Question on Notice No 2.2

**Madam CHAIR:** For the purposes of *Hansard*, will you please restate your question.

**Ms LAWRIE:** What are the costs of the tariff increases on power for the agency of Treasury?

**Mr TOLLNER:** No, that is not the question. The question related to the power tariffs absorbed within the budget.

I want to explain the Opposition Leader's question. There is some question over whether or not Cavanagh House is a contestable customer. We will get that information as to whether tariff increases apply in this regard or whether they are negotiated out.

**Ms LAWRIE:** If tariff increases are applied - do you want that to be in my question in two parts?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** If tariff increases apply to Treasury what are the cost impacts, recognising they are absorbed within budget?

**Madam CHAIR:** Do you accept the question, minister?

**Mr TOLLNER:** Yes, that is a much better question.

**Madam CHAIR:** For the purposes of *Hansard*, I allocate that question number 1.4.

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**Mr TOLLNER:** I apologise I did not have that number at hand for you, Opposition Leader.

Question No 32:

*Full details on all information and data contained within the two most recent reports on government services.*

This is not applicable; however, reports are publically available and specific questions can be addressed through this estimates hearing process.

Question No 34:

*Full details on all information and data contained within any report produced by a statutory authority of the Northern Territory government within the last five years and full details on any and all actions of all government entities in response to the report or related to the report.*

The data requested is far too broad in scope and far too expensive to collate. I am happy to answer specific questions in this estimates hearing process, and if there is a narrower view I am happy to ask Treasury to do it. This question is far too broad and expensive for government to contemplate collating.

Question 35:

*Full details on all information and data contained within any report commissioned by the Northern Territory government and produced within the last five years and full details on any and all actions of all government entities in response to the report or related to the report.*

The response is the same as to the previous question. It is too broad in scope and too expensive to collate, but we are happy to answer any detailed questions you may have.

Question 36:

*Full details on all information, data and forecasts contained within reports produced in the last two years in relation to the Northern Territory from Deloitte Access Economics, CommSec, Sensis, Australian Property Monitors, Housing Industry Association, Property Council, Master Builders Association and ANZ, including the response from government entities to these reports.*

Again, this is too broad in scope and too expensive to collate. We are happy to answer any questions you may have during this process.

Question 37:

*Full details on all information and data produced by the Australian Bureau of Statistics in relation to the Northern Territory in the last two years, including the response of government entities to these reports and questions.*

Again, too broad in scope and too expensive to collate. We will answer specific questions if you have any.

Question 38:

*Full details on all payments and entitlements provided to members of the Legislative Assembly under the Remuneration Tribunal Determination, including travel and fuel card entitlements since 26 August 2012.*

This question is not applicable to me. I imagine it would be provided by the Chief Minister or Madam Speaker.

Question 39:

*Full details of all NT Fleet vehicles provided to members of the Legislative Assembly including periods of use, fuel costs and mileage since 26 August 2012.*

Again, this is a matter for the Chief Minister or Madam Speaker.

Question 40:

*Full details of NT Fleet vehicles provided to all staff including ministerial officers including periods of use, fuel costs and mileage since 26 August 2012.*

Again, it would be best to get a response from the Chief Minister or Madam Speaker.

**Ms LAWRIE:** For clarification on questions regarding NT Fleet, Treasurer, would you not be responding to them under the NT Fleet business DCIS area of your portfolio of responsibilities?

**Mr TOLLNER:** No, that is a matter for the Chief Minister as minister for DCIS.

**Ms LAWRIE:** Thank you for that clarification. I was wondering where that was going to sit.

**Mr TOLLNER:** Question 41:

*Full details of all mobile phones, including iPhones, iPads and other smartphone and android devices. Costs, including data access charges and cab charge costs, for all staff employed in ministerial offices since 26 August 2012.*

Again, that would be a question for the Chief Minister or Madam Speaker.

Question 42:

*Details on all reports and data published on Northern Territory government websites.*

That is broad in scope and very expensive to collate. I am more than happy to take any questions you may have during this process.

Question 43:

*Details on all recorded hospital data.*

This is a question for the Minister for Health, but all recorded hospital data? There would be mountains and mountains of it. You could be a little more specific in some of these questions.

Question 44:

*Full details on alcohol-related admissions, presentations and separations of all hospital emergency departments.*

Again, a question for the Minister for Health.

Question 45:

*Details on all reports and data produced, both internal and external to the Northern Territory government, on the performance of Northern Territory hospitals, health clinics, health services and health outcomes. These include the Northern Territory government, the Commonwealth government and other organisations, including the Australian Institute for Health and Welfare.*

As former Health minister, the people in those agencies and areas do a fantastic job. They do us all proud in the Northern Territory. However, the specifics of that question need to be asked of the Minister for Health.

Question 46:

*Full details on the current status of all current major projects and projects seeking major project status.*

I am more than happy to answer this later in the day when you are questioning me as Minister for Business.

Question 47:

*Details on all reports conducted in the last eight years in relation to road safety in the Northern Territory. Full details on all road safety statistics in the Northern Territory over the last 10 years. Full details on the operational impact of changing road safety laws and policing in the Northern Territory.*

That would be a question best put to the Minister for Transport and the Minister for Police, Fire and Emergency Services.

Question 48:

*Full details on the government's plans and progress towards Statehood.*

Again, that is a question for the Minister for Statehood.

That may well be it as far as your written questions.

**Ms LAWRIE:** Thank you, Treasurer.

**Madam CHAIR:** Thank you.

**Mr WOOD:** May I ask a question in relation to the questions?

**Madam CHAIR:** Yes.

**Mr WOOD:** A document was tabled and I have a query in relation to airfares. Does the department look for the cheapest airfare or just book it and hope for the best? On the second page of your document there seems to be a fairly big variation between airfares and I will give you an example. On the second page, 20 to 25 January, fares Townsville to Cairns, Cairns to Darwin, Cairns to Brisbane, Brisbane to Darwin, Darwin to Townsville cost \$642.81, which is amazing. However, on 17 and 19 March, fares for Darwin to Melbourne, Melbourne to Darwin, Canberra to Melbourne, Melbourne to Darwin, were \$1196.80. Is that how it reads? Does it mean there were four trips on 17 March which cost \$1196? On 7 and 9 February, four trips cost \$732. It seems either very cheap or there is a large variation in prices.

Does the government try to get the best price, or does it rely on someone taking whatever comes?

**Mr TOLLNER:** There is no real procurement policy for airfares; however, in the Department of Treasury and Finance they are always searching for the best price. They go onto the Internet and look for the lowest available price. As you are aware, member for Nelson, sometimes that is not possible and you have to take what is available. With limited time to make bookings, sometimes you can be paying a very high cost for an airfare depending on locations.

In relation to procurement, there is nothing to compare flight travel to. There may be only one or two airlines flying to a particular location. Certainly, the Department of Treasury and Finance always searches for the lowest airfare.

**Mr WOOD:** Can you please explain the bottom group of travel. It is called 'other travellers' and has 2013 Commissioner's Conference guest speaker four times with four separate airfares and it has Melbourne, Alice Springs and Singapore. What was that conference about?

**Mr TOLLNER:** The conference was hosted by the Northern Territory department of Treasury for taxation commissioners. We flew those guest speakers to those locations on those dates, which is why they all line up. Four guest speakers flew to Darwin. As host, we footed the bill for those guest speakers.

**Mr WOOD:** One guest speaker was from Singapore, is that correct?

**Mr TOLLNER:** That is correct.

**Mr WOOD:** The airfare from Darwin to Singapore was \$721 and from Canberra to Darwin \$2031.

**Mr TOLLNER:** The anomalies of air travel.

#### **Agency-Related Whole-of-Government Questions**

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2013-14 that relate to the Department of Treasury and Finance. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

**Ms LAWRIE:** Yes, indeed. Treasurer, the CLP released its costings during the election campaign. The pre-election fiscal outlook was handed out by the Under Treasurer, which we have discussed, and you then released your costings during the election campaign, a copy of which I will table. I will also table the response to these costings from the Under Treasurer, dated 23 August 2012.

Treasurer, Treasury said the costings and savings were not achievable and pointed to a \$124m gap in the costings. That is contained in the Treasury analysis and the Under Treasurer's response. Do you agree with Treasury's analysis of your costings?

**Mr TOLLNER:** I cannot agree or disagree. I am not aware of how those costings were arrived at. Whilst I do not want to besmirch the integrity of the former Under Treasurer, I do not know how the calculations were arrived at.

**Ms LAWRIE:** I will let you have the tabled response from the Under Treasurer. The tabled response - you will see the policy commitments recurrent on page three – says:

*The recurrent policy commitments identified a total of \$280.2m over four years although details of the annual costs have not been disclosed. It is assumed that some of these commitments will be phased*

*in over the forward estimates period. On this basis, the total cost of \$280.2m will exceed the total available funding over the forward estimates, and in 2015-16, are estimated to total more than \$90m ongoing, which exceeds the capacity available.*

It goes on to say:

*When the estimate of achievable ongoing savings measures of approximately \$16m per annum as outlined above is taken into account, the nett ongoing cost will still exceed the funds available.*

If you take \$16m off \$280m you can see you have a gap.

That is the response from the Under Treasurer at the time regarding the gap in the CLP's election costings. Are you saying you are not aware of that?

**Mr TOLLNER:** I believe you know how the process works, Opposition Leader. The opposition will estimate what they believe specific costs are, and the government of the day will - in this case, the Treasury - make estimates of what they believe costs are. A discrepancy shows up on some of those things. Clearly, in opposition it is difficult to get an estimate right down to the cent. Some good guesses of what things cost at the particular time need to be arrived at. I am not surprised at all; I do not believe I have seen any opposition's budget or proposed pre-election budget not be questioned in any jurisdiction anywhere - any single party.

**Ms LAWRIE:** Are you saying you will accept the Under Treasurer's advice about the \$124m gap in your election commitment?

**Mr TOLLNER:** We have now had a good opportunity, since coming to government, to assess the situation from a government standpoint. Clearly, there are areas we under-calculated and areas where we over-calculated costs.

We have a far better understanding now of the costs associated with a range of things. When you come to spending the money - you always estimate what a new house might cost, but until you build it, you never really know, do you?

**Ms LAWRIE:** For example, where you have identified savings of \$100m from NT Fleet, at the time the Under Treasurer identified the savings as not achievable; that as a government business division it managed the Territory vehicle fleet and did not have estimated assets of \$101m and, if sold, the assets would need to be replaced by commensurate liability through lease commitments at the same level, and there would be no nett savings.

Given government's announcement you will not be selling NT Fleet, you can calculate there is a further widening of that gap of \$100m.

**Mr TOLLNER:** The government has made savings with NT Fleet through a change of policy to keep cars for slightly longer to extend the mileage on some vehicles. That has resulted in estimated savings over the forward estimates.

**Ms LAWRIE:** Of \$100m?

**Mr TOLLNER:** I am not suggesting it will be \$100m. Our savings measures are highlighted throughout the budget papers. We have found things since coming to government that have impacted on the budget. Certainly, in August, we could not predict we would lose \$120m in GST revenue. That is something ...

**Ms LAWRIE:** I will go to the GST at a later point in the questions ...

**Mr TOLLNER:** ... we could not predict. In March we found that to be the case and things needed to be readjusted. It is what we do all the way through in Treasury, as you can understand. You make an assessment and estimation of what you believe things will cost; when the actual costs come in you make readjustments.

**Ms LAWRIE:** Treasurer ...

**Mr WOOD:** Could I ask a question about NT Fleet? I know we are going to have it at another stage, but you just mentioned it. In relation to saving money, under the previous policy of NT Fleet you kept a car for

40 000 km or a certain number of years for light vehicles, and 80 000 km for a four-wheel drive. I presume that was for NT Fleet to make money - they bought vehicles cheaper than you and I can because they buy them on a fleet arrangement. They can then sell them at a price which allows them to make a profit. If you sell it at 40 000 km, you will get a better price than if you sell it at 80 000 km.

If they are changing the policy, will they be changing the revenue?

**Mr TOLLNER:** We have projected savings for NT Fleet but, in relation to the specifics of what they expect to get from each car, or benefits from mileage or a time period - they are best directed to the relevant minister.

**Mr WOOD:** You were going to get rid of NT Fleet but have decided that is not a good idea and have changed the policy of how you deal with fleet vehicles. I remember this debate in 2001 - we go around in circles with debates sometimes. If you are changing the process then you are losing money. They made \$50m under the old system, but I gather you will not make that much money this year. Therefore, your new policy loses money.

**Mr TOLLNER:** I do not know if that is right. I am loathe to comment on this because you need to take into account the type of vehicle, not just mileage or the length of time you hold a vehicle. I am reluctant to answer this because I am unsure of my own ground on this; however, some of those green vehicles were difficult to sell in the Northern Territory. Many had to be exported interstate to sell at a huge cost to government.

I imagine there are many idiosyncrasies like that in relation to NT Fleet. Member for Nelson, I am uncertain of my ground in this area and those specific questions need to be put to the minister.

**Mr WOOD:** I will do that; however, the NT Fleet estimate for 2012-13 was \$15.8m and the next financial year it is estimated at \$12.1m. I presume this is because of government's new policy, you will lose some money. There may be other reasons and I will take that up with the minister, but it was raised and I agree about the electric cars; sometimes there is a false economy in the long run.

**Ms LAWRIE:** Treasurer, you received the pre-election fiscal outlook which presented the up-to-date financial figures of the government, and you have confirmed at estimates today you accept the information signed off in the PEFO by the Under Treasurer was accurate. You then submitted the CLP's costings, and I have provided you with a copy of the costings and a copy of the Under Treasurer's response to the costings which pointed out the \$124m gap. The problem we have is the further widening of that gap because there will not be \$100m in savings out of NT Fleet and the Budget Papers show that.

You have a couple of hundred million dollars' worth of election commitments you do not have funding for across the forward estimates. Given you have the Country Liberals' costings and savings document which was submitted to Treasury in front of you, are there any other election commitments you are aware of that are not in this policy document?

**Mr TOLLNER:** I am waiting for a copy of that.

**Ms LAWRIE:** Sorry, I provided it some time ago. That is why I let the member for Nelson ask his question. For example, I cannot find Katherine Hospital, the sealing of the Port Keats Road or the \$20m for the port at the Tiwi ...

**Mr TOLLNER:** What was the Katherine Hospital commitment you refer to?

**Ms LAWRIE:** The one advised in an advertisement about building a new hospital in Katherine. It appeared as an advertisement in the *Katherine Times* and was in the election commitments for Katherine.

**Mr TOLLNER:** I believe the member for Katherine committed to a new hospital in the long term.

**Ms LAWRIE:** No it was not long term. It was a, 'If you elect us you will have a new Katherine Hospital' advertisement.

**Mr TOLLNER:** No, that is not the case.

**Ms LAWRIE:** We will get a copy of the ad and give it to you. I also note the sealing of the Port Keats Road to Wadey is not in here.



**Mr TOLLNER:** You will have to direct that to the Minister for Transport, the Chief Minister.

**Ms LAWRIE:** What about the election commitments and contracts signed across the remote communities? For example, who would have the commitments, which we have seen, for Borrooloola and Wadeye? Would that be the Chief Minister?

**Mr TOLLNER:** Those commitments are being acted on, and as the Chief Minister has outlined on a number of occasions since the election, any community that wants to drive economic and commercial development will receive the government's full support.

**Ms LAWRIE:** The Borrooloola contract is on the public record and has been mentioned in parliament. Where are the costings for that series of election commitments, which include a new government business centre, an expansion of sewerage works and new subdivisions, sitting because I could not see them on the list you submitted to Treasury? Where would we find them?

**Mr TOLLNER:** If you look in Budget Paper No 2, page 31, there is a section on our election commitments. All those things you have raised are certainly not on the drawing board, they are being acted on now.

**Ms LAWRIE:** Could we have ...

**Mr TOLLNER:** If you want to get down to the specifics of it you will need to talk individual ministers in relation to individual output groups.

**Ms LAWRIE:** Who has carriage of the community contracts election commitment signed by the Chief Minister?

**Mr TOLLNER:** The former Chief Minister. Those ...

**Ms LAWRIE:** Would the current Chief Minister now have carriage of that?

**Mr TOLLNER:** That is a commitment by government and each individual aspect of those contracts would have to be redirected to the minister responsible for them.

**Ms LAWRIE:** For example, for the \$1.5m boat ramp upgrade for recreational fishing in Nhulunbuy, would we ask the Fisheries minister or the Infrastructure minister?

**Mr TOLLNER:** For that one you would have to talk to the Fisheries minister. My understanding of the boat ramp in Nhulunbuy is there are some problems with the company that owns the boat ramp.

**Ms LAWRIE:** The issue I have is the \$1.5m does not exist anywhere on the list of election commitments submitted to Treasury yet is acknowledged by the CLP as an election commitment, just as sealing of the road to Wadeye is. They are not on this list so how do we ascertain the full set of election commitments made by the CLP?

**Mr TOLLNER:** You are suggesting there is no commitment to do certain things. Where we can, we are working overtime to ensure our election commitments and all the legacy items left by the former government are funded and delivered. Cabinet and ministers are working overtime to ensure those things materialise.

**Ms LAWRIE:** Who would ...

**Madam CHAIR:** Opposition Leader, just to interrupt for the benefit of *Hansard* and those listening at home, Ken Vowles, member for Johnston, has joined us and Nicole Manison has left the table.

**Ms LAWRIE:** Treasurer, in the costings of the Country Liberals election commitments that have to be incorporated across the forward estimates in expenditure because you have a full commitment to deliver them, how would the opposition, the Independent, and the public get a complete list of those election commitments and costings against them from the government? Are you saying we have to chase every individual minister?

**Mr TOLLNER:** Absolutely, you need to chase ...

**Ms LAWRIE:** Why would you not provide a consolidated list?

**Mr TOLLNER:** You need to chase each minister. Government is keeping a pretty close eye on what is going on in relation to all those election commitments. Every one will be delivered. Where they are not delivered an explanation will be given. One area where we will not meet our election commitment is fiscal balance by the end of term. We have had to, as I have explained on a number occasions, push that date out to 2017-18. To do otherwise would have been irresponsible. Where we cannot meet an election commitment we will explain why. Until those explanations are given we are committed to delivering on all our government election commitments.

**Ms LAWRIE:** As the Treasurer responsible for the budget of government, are you provided with a consolidated list of election commitments, including the contracts across the bush, the \$1.5m for the boat ramp at Nhulunbuy, and the port at Tiwi? You are responsible, as Treasurer, for the expenditure of government and the budget, and for compiling the budget every year. Are you provided with a consolidated list at any stage?

**Mr TOLLNER:** I do not have a consolidated list of election commitments ...

**Ms LAWRIE:** How, in a budget context, could you operate without one?

**Mr TOLLNER:** We know what commitments are needed. Each minister in each portfolio knows what commitments are required.

**Ms LAWRIE:** You do not have a central tracking system?

**Mr TOLLNER:** No, we do not have a central tracking system.

**Ms LAWRIE:** You rely on each minister to keep their eye on the delivery of election commitments but would expect, from budget cycle to budget cycle, them to submit their election commitment expenditure requirements to you?

**Mr TOLLNER:** The list of election commitments is held by the Cabinet Office, as you would expect. Each minister knows the election commitments applicable to them. We will be judged by the public as to whether we have met election commitments or not during the next election campaign. As a government, we are not in the business of breaking election commitments. All commitments will be delivered in full except those we cannot keep. In those cases, an explanation will be given.

**Ms LAWRIE:** Getting the consolidated list held in the Cabinet Office would need to go to the Chief Minister?

**Mr TOLLNER:** That would be a question for the Chief Minister. I would also strongly suggest the opposition has a consolidated list of those commitments and be doing everything to hold the government to account.

**Ms LAWRIE:** The community contracts signed containing election commitments have not been put on the public record by the government. We have given examples of ones we have.

**Mr TOLLNER:** Do you have copies of those contracts?

**Ms LAWRIE:** We have examples, so why would ...

**Mr TOLLNER:** That is right. Therefore we are being held to account by the opposition, which is the way our Westminster system of government works in Australia.

**Ms LAWRIE:** Are you sure the Chief Minister will table them if asked? You are open and accountable.

**Mr TOLLNER:** Of course, they are on the public record.

**Ms LAWRIE:** Excellent. All community contracts signed will be on the public record?

**Mr TOLLNER:** Of course they are on the public record.

**Ms LAWRIE:** They have not been tabled in parliament.

**Mr TOLLNER:** They are on the public record. You have copies of them.

**Ms LAWRIE:** I have Borroloola and Wadeye.

**Mr TOLLNER:** There you go. You have a pretty good idea of what we have committed to. I am certain the opposition will hold us to account.

**Ms LAWRIE:** However, the public and the taxpayer are in the position ...

**Madam CHAIR:** Opposition Leader, do not interrupt the Treasurer while he is responding.

**Mr TOLLNER:** We have the fourth estate. We have a range of different areas where we are held accountable to commitments we make. Any time we fudge or break a commitment we hear about it. Opposition Leader, you are not reluctant in raising these matters, the media is not reluctant in raising these matters. We are committed to meeting all election policy commitments except in those areas where we realise we cannot meet the commitment. We will give explanations in relation to that. Balancing the budget by the end of this term has become unachievable or ...

**Ms LAWRIE:** The full details on the current progress of all CLP election commitments you say are sitting in a consolidated document within the Cabinet Office and that is where it rests?

**Mr TOLLNER:** We are ensuring we meet every single one of our election commitments.

**Ms LAWRIE:** You said the Cabinet Office has the list of ...

**Mr TOLLNER:** Cabinet is aware of it. Our political party has a pretty good understanding of what we are committed to.

**Ms LAWRIE:** It would be the same list, would it not?

**Mr TOLLNER:** Sorry?

**Ms LAWRIE:** The Cabinet Office list of election commitments and the political party's list would be the same, would they not?

**Mr TOLLNER:** One would expect all the lists would be the same.

**Ms LAWRIE:** Yes.

**Mr TOLLNER:** One would expect you would have the same list.

**Ms LAWRIE:** I have asked you for the list and you will not provide it to me. You indicated I have to ask the Chief Minister, so I will.

Can you outline all areas within your responsibility as Treasurer where, since 26 August, the cost of living for Territorians has been reduced? One of your election commitments was to reduce the cost of living. Can you outline any areas in your responsibility as Treasurer where the cost of living has been reduced?

**Mr TOLLNER:** We will have to take that question on notice. From a Treasury perspective, we are doing everything we can to pay down debt and bring the Territory's spending under control. Obviously, that will have a great long-term impact on cost of living pressures. To say, 'We have reduced it by X cents per day' is a bit difficult at this point ...

**Ms LAWRIE:** I will repeat the question.

**Mr TOLLNER:** ... but we will try to give you a more fulsome response.

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### Question on Notice No 2.3

**Ms LAWRIE:** Can you outline all areas within your responsibility as Treasurer where, since 26 August, the cost of living for Territorians has been reduced?

**Madam CHAIR:** Do you accept the question, Treasurer?

**Mr TOLLNER:** Yes.

**Madam CHAIR:** The question asked by the member for Karama of the Treasurer has been allocated number 2.3.

**Ms LAWRIE:** Can you provide full details on the impacts across your agency as a result of increases in government and government corporation charges, prices and tariffs since 26 August?

**Mr TOLLNER:** Yes, I am informed the only cost increase the department has had to bear is the electricity increase if, indeed, there was one. We already have a question on notice in regard to that.

**Ms LAWRIE:** That is to do with Cavenagh. You have Treasury staff elsewhere. Anywhere?

**Mr TOLLNER:** No.

**Ms LAWRIE:** No, just Cavenagh, all centrally located?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** Can you provide full details on the procurement processes undertaken and the employment contracts for any employment within your agency since 26 August of any former CLP and Liberal Party candidates and members of parliament at Territory or federal level?

**Mr TOLLNER:** I am confident saying not in Treasury.

**Ms LAWRIE:** Can you detail the cost on all government advertising, marketing and communications since 26 August undertaken by your agency, including production costs?

**Mr TOLLNER:** I gave a response in question ...

**Ms LAWRIE:** I am unsure if it included production costs. It is hard when you do not table it.

**Mr TOLLNER:** Bear with me; I will get back to you on that. Yes, I tabled the budget campaign costs which you have. It was one of the tables I supplied to you.

**Ms LAWRIE:** Does that include production costs?

**Mr TOLLNER:** The only production costs not included would be staff costs within the Department of Treasury and Finance. In our staff costs, yes. Everything else is detailed in the tabled document.

**Ms LAWRIE:** Can you provide details on all government tenders, contracts and grants awarded or granted since 26 August by your agency, including full location details for companies and organisations, and whether the recipient is a member of the Country Liberal Party?

**Mr TOLLNER:** Again, you want party lists. It would be good to know what Labor Party members we have who also receive grants. Perhaps at some stage the Labor Party might explain their list of members. Can we get a response to that?

**Ms LAWRIE:** Was the Renewal Management Board contract with Treasury or a contract with DCM?

**Mr TOLLNER:** The Renewal Management Board contract was with the Department of the Chief Minister. We would not have a clue.

**Ms LAWRIE:** None others?

**Mr TOLLNER:** None others, and I have no idea which Country Liberal Party members receive contracts. I have not seen the Country Liberal Party membership list as such, and I would not be able to say whether some people may be members of the Country Liberal Party. Similarly, I have not seen the Labor Party membership list, so I have no idea who might be members of the Labor Party or the Greens. I suppose you do not call independents members of political parties.

**Ms LAWRIE:** How many staff does the department have as both FTEs and actual numbers of staff? What are their classifications and levels? What was the rate of staff separation at each level? How many positions are vacant? Please provide full details on where each current vacancy exists.

**Mr TOLLNER:** Up until 31 March 2013 there is a total of 151 full-time equivalents in the Department of Treasury and Finance. That is made up of 81 females and 70 males. There are 1.2 full-time equivalent trainees, seven finance officers in training, 9.6 full-time equivalents who are part-time, 5.2 full-time equivalents who are paid but inoperative - staff who are on parental leave, long-service leave or the like.

**Ms LAWRIE:** Any other types of leave?

**Mr TOLLNER:** No, they are the two we would refer to as paid but inoperative. Anyone on annual leave is considered – there is one unpaid and inoperative, an Indigenous Cadetship Support Tertiary Student, which is holiday work only. There are five in Work-Integrated Learning Scholarships with CDU, 11 staff on unpaid leave, which includes leave without pay, study leave, parental leave without pay or personal leave without pay. That brings the total full-time equivalents to 191.

**Ms LAWRIE:** Do you have the classification level breakdown?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** Do you want to table that?

**Mr TOLLNER:** I will whip through it; it is not a long list.

**Mr TOLLNER:** There is one trainee, seven FOITs, 0.2 ICS, one AO1, four AO2s, 10.9 AO3s, 33.2 AO4s, 33.5 AO5s, 20.2 AO6s, 19.4 AO7s, 15.6 SAO1s and 6.8 SAO2s for a subtotal of administrative officers of 152.8.

Moving on to the executive contract officers, there are ten ECO1s, 3.1 ECO2s, 4 ECO3s, 2 ECO4s and 2 ECO6s, which gives a subtotal of executive contract officers to 21.1.

In relation to gender, there are 55.6 females and 44.4 males across the department.

**Ms LAWRIE:** Are there classification vacancies in the agency at the moment?

**Mr TREGILGAS:** We have some vacancies at the moment.

**Ms LAWRIE:** I was going to ask you to provide details on where each vacancy exists. You can take it on notice if you wish.

**Mr TOLLNER:** Yes, we will take that on notice.

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#### Question on Notice 2.4

**Madam CHAIR:** For the purposes of *Hansard*, will you please restate your question.

**Ms LAWRIE:** Are there classification vacancies in the Department of Treasury and Finance? If so, please provide details on where each current vacancy exists?

**Madam CHAIR:** Treasurer, do you accept the question?

**Mr TOLLNER:** I do.

**Madam CHAIR:** For the purposes of *Hansard*, I allocate that question number 2.4.

**Ms LAWRIE:** Madam Chair, I have an addition to the question. How long, in days, have permanent positions been vacant in the department since 26 August?

**Mr TOLLNER:** Perhaps you could add that to the question, Madam Chair.

**Madam CHAIR:** If you are happy with that?

**Ms LAWRIE:** There are several questions and you can clarify each one if you want. In relation to each vacancy, can you provide details on the status of current recruitment endeavours?

**Madam CHAIR:** Do you accept that being added, Treasurer?

**Mr TOLLNER:** Yes, Madam Chair.

**Ms LAWRIE:** That is the end of the vacancy questions, Madam Chair.

**Madam CHAIR:** That series of questions will be number 2.4.

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**Ms LAWRIE:** Treasurer, how many staff in your agency are currently employed on temporary contracts?

**Mr TOLLNER:** The executive contract officers, of which there are 21.1 full-time equivalents, and FOITs are on temporary contracts.

**Ms LAWRIE:** Do you have any workers on workers compensation?

**Mr TOLLNER:** The Under Treasurer informs me he is not aware of any, nor the Deputy Treasurers. If that changes I will get back to you.

**Ms LAWRIE:** They would know.

How many staff are or were on sick leave, including stress leave or extended leave, for longer than three weeks?

**Mr TOLLNER:** Now, or ...

**Ms LAWRIE:** Yes.

**Mr TOLLNER:** We will check, member for Karama.

**Ms LAWRIE:** Question on notice?

**Mr TOLLNER:** Question on notice.

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#### **Question on Notice 2.5**

**Madam CHAIR:** Member for Karama, could you clarify that for the record?

**Ms LAWRIE:** Yes, how many staff are or were on sick leave, including stress leave or extended leave, for longer than three weeks as of today?

**Madam CHAIR:** Do you accept that question, Treasurer?

**Mr TOLLNER:** Gladly.

**Madam CHAIR:** The question asked by the member for Karama of the Treasurer has been allocated number 2.5.

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**Ms LAWRIE:** How many who identify as Indigenous have joined your agency since 26 August and at what level?

**Mr TOLLNER:** I am informed one joined as an apprentice but has since left our employment, which is unfortunate.

**Ms LAWRIE:** How many credit cards are currently issued to departmental staff?

**Mr TOLLNER:** Six.

**Ms LAWRIE:** How many vehicles does the department have, what type of vehicles are they, what positions are they held against, and what levels are those positions?

**Mr TOLLNER:** Three vehicles were returned in 2012-13, all of which had travelled less than 40 000km but were more than two years old. One vehicle was purchased by the retiring custodian. All fleet vehicles are executive contract officer vehicles and all are home garaged. In 2012-13, two vehicles were home garaged by employees. The first vehicle was home garaged due to travel for business purposes to Katherine, while the second vehicle was home garaged as part of the employee's core fleet management duties. All home garaging was approved in writing by the relevant delegate. There are 20 vehicles and they are all ECO vehicles.

**Ms LAWRIE:** Thank you.

Treasurer, how many staff in your agency are currently employed within the Human Resources and Communication and Media sections?

**Mr TOLLNER:** There are 2.6 full-time equivalents employed in Media and Communications and three people in HR.

**Ms LAWRIE:** Treasurer, how many complaints have been made in the department in relation to workplace bullying and harassment since 26 August 2012?

**Mr TOLLNER:** None, but my ...

**Ms LAWRIE:** Are you sure? Do you want ...

**Mr TOLLNER:** I suggest it is none but, in fairness to the people I have here, the people they would generally complain to would be the Office of the Commissioner of Public Employment. Certainly, management in Treasury is not aware of any complaints of bullying or harassment. As you know, Opposition Leader, they are a fairly happy lot irrespective of the hard work they are expected to do.

**Ms LAWRIE:** Especially in the lead-up to budget?

**Mr TOLLNER:** That is right.

**Ms LAWRIE:** Budget Paper No 2 page 79 says you have decided the Department of Treasury and Finance will have to have to make savings next financial year of \$1.5m through administrative savings. What savings have you instructed them to make?

There are three sets to this. There is the \$1.5m through administration savings. Also, Budget Paper No 2 page 79 there is \$0.5m through structural reforms. There is also a further \$60 000 through whole-of-government saving. Could you itemise what they are?

**Mr TOLLNER:** I have, in part, answered this in the response to Question No 3. Savings measures for the department currently under way are to reduce microeconomic and utilities consultancies ...

**Ms LAWRIE:** How many consultancies would you be reducing in meeting those savings?

**Mr TOLLNER:** I do not know about the number of consultancies, but we would reduce the expense on consultants by \$300 000 ongoing from 2012-13. Many of those reductions have been put in place. In reduction in the use of information technology consultants to assist in the development and implementation of the new Integrated Revenue Management System, we expect we can save around \$150 000 ongoing from 2012-13.

There are various reductions to minor functions performed by Treasury, including limiting assessments of Foreign Investment Review Board proposals to those with only significant implications for the Territory.

In ceasing the grocery price survey and limiting work undertaken on new financial policy, we expect to save around \$100 000 a year ongoing from next financial year. Co-locating and merging some functions of the Superannuation Office and the Northern Territory Treasury Corporation will achieve efficiencies, along with transferring responsibility for managing members lost superannuation to the Australian Tax Office. That will save around \$250 000 a year from 2013-14 onwards. Continued and increasing restrictions on airfares and associated costs, reduction of consultant and legal costs throughout the agency, reducing numbers of

graduates and trainees, limiting the numbers of printed Budget Papers, and various other reductions and centralised corporate costs - we expect to save around \$750 000 a year.

As I pointed out earlier to the member for Nelson, Treasury is very much in the business of saving money where they can to the point of scanning the Internet for cheapest airfares and the like.

With these measures, in 2013-14 we expect to save \$1.55m. You will find reference to that \$1.2m in savings on page 79 of BP 2 under Administrative Efficiencies.

**Madam CHAIR:** Opposition Leader, it is 4 pm. Would everyone like a 10 minute break?

**Ms LAWRIE:** I have one more question to ask in this section. Treasurer, the CLP promised all Cabinet submissions would include a cost of living analysis component. Has this occurred?

**Mr TOLLNER:** That I am aware of, yes.

**Ms LAWRIE:** If so, can you table the cost of living analysis for your decision to increase power and water tariffs?

**Mr TOLLNER:** No, I cannot because we knew it would impact on the cost of living. The only other option was to see it go to the wall and we were not prepared to have a Northern Territory without power, water and sewerage services.

**Ms LAWRIE:** It was not going to the wall. You are not prepared to table the costs of living analysis for the power and water tariff increases?

**Mr TOLLNER:** It was self-explanatory there would be implications in relation to the cost of living when we increased tariffs. However, Power and Water needed to be put on a financially secure and sustainable footing. Not to have done so would have seen massive reductions in services and the place would have eventually closed its doors and wound up.

**Ms LAWRIE:** It would not close its doors.

**Mr TOLLNER:** You can believe in the tooth fairy; you can believe somewhere, some magical person is going to appear out of the ether and give you a big pot of gold. The reality is someone has to make hard decisions about how to get things stabilised into the future.

**Ms LAWRIE:** Do you have a report which says it would have closed its doors?

**Madam CHAIR:** Opposition Leader, do not interrupt.

**Mr TOLLNER:** The previous government did not seem to care a jot about the sustainability of such an important asset to Territorians. Sooner or later, someone had to make the hard decision and say 'Right, we are not going to see this thing go to the wall'.

**Ms LAWRIE:** It was not going to the wall; there is not a single report or evidence suggesting that.

**Madam CHAIR:** This is for debate in parliament on Thursday. It is not open for debate now. The time is 16 03 pm. We will come back at 16 13 pm.

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The committed suspended.

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**Madam DEPUTY CHAIR:** We will continue with agency-related whole-of-government questions on budget and fiscal strategies, starting with Mr Wood.

**Mr WOOD:** Treasurer, mine are fairly broad questions because we need some holistic answers.

The government has criticised the previous government for going into debt. A large part of that debt is Power and Water's debt, is that correct, Treasurer?

**Mr TOLLNER:** That is correct.



**Mr WOOD:** My history, I hope, is fairly accurate. I go back to the days of the CLP before the Labor Party came into power. There were cutbacks to maintenance in Power and Water because I remember talking to people, as you do when you work in the local hardware store. There were cuts to maintenance and the philosophy in those days was, 'Run it until it broke then fix it'.

When Labor came in – there was also freezes on tariffs - everyone was scared to bump the price of electricity up in case they were not re-elected. Labor, basically, did the same thing, until about ...

**Ms LAWRIE:** 2009.

**Mr WOOD:** ... four or five years ago, when the Casuarina substation blew up.

**Ms LAWRIE:** 2007.

**Mr WOOD:** My understanding is - I have been going through the reports - because of incompetence, poor management, whatever you want to call it, perhaps political interference from both governments, we had to spend, as taxpayers, something like \$1.5266bn in utility infrastructure investments. That included things like the Casuarina substation, Snell Street substation, the Owen Springs power station, the new Weddell power station, and the upgrade of the Channel Island Power Station with Rolls Royce engines. Substations in Palmerston and the rural area were upgraded. There was the Larrakeyah outfall. There was the raising of the Darwin Dam spillway. There was a new solar power station in Uterne, just out of Alice Springs. There was a 1000 mm water transmission line to Palmerston. I believe there was also an upgrade to power stations at Tennant Creek and Katherine. That was an enormous capital investment.

I am not supposed to ask hypotheticals, minister, but the government has invested a huge amount of money to catch up with the lack of maintenance and the increase in growth in the Darwin region especially. That is one of the reasons we had to go into debt. Would you say that is a fair summary of what has happened until now?

**Mr TOLLNER:** Yes, it probably is a fair summary. However, the point I make in relation to the Power and Water Corporation is enormous efficiencies can be derived from that system without any reduction in service to the Territory community; without reducing the repair and maintenance requirement of that organisation.

**Mr WOOD:** Treasurer, I do not disagree but believe we are talking about two sides of the deck. One is the capital expenditure. Do you accept that money had to be spent?

**Mr TOLLNER:** Clearly, a great deal of that money had to be spent. There are some spending decisions which have been questionable in relation to Power and Water in recent years. The concern ...

**Mr WOOD:** In relation to capital expenditure?

**Mr TOLLNER:** In relation to capital expenditure.

**Mr WOOD:** Could you give an example of what that might be?

**Mr TOLLNER:** Possibly the Wadeye power station.

**Mr WOOD:** Is that to bring it on to gas?

**Mr TOLLNER:** To bring it on to gas. There was an intention to put an 8 MW generator in place at Wadeye at a cost of about \$20m, when the entire network proposed would have been around 2 MW. This is one example. I am sure I can dig up numerous others.

**Mr WOOD:** As a percentage that might be the case; I do not have enough knowledge of that. If Power and Water was going to spend \$1.56m or \$1.52bn, \$20m is a relatively small percentage even though it might have been the wrong thing. Were there any other major projects? I am talking about big expenditure. Those power stations are not cheap but, obviously, produce benefits. We need reliable power for INPEX, big projects, and the citizens of the Northern Territory. Can you really blame the previous government for investing in capital?

**Mr TOLLNER:** We can blame the previous government for not allowing the Power and Water Corporation to be financially sustainable. Clearly, the *Government Owned Corporations Act* spells out that Power and

Water Corporation is to operate on a financially sustainable basis. The *Fiscal Integrity and Transparency Act* also requires government owned corporations to operate in a financially sustainable manner. That was not the case with the former government. Commercial organisations always incur debt to some extent, but the Power and Water Corporation was barely earning enough revenue to meet the interest requirements on a debt it had created. It was selling ...

**Mr WOOD:** Is that debt from buying \$1.56m worth of capital equipment?

**Mr TOLLNER:** Irrespective of the debt, pricing and how efficiently an organisation runs determines whether that level of debt is manageable. We are aware the previous board of the Power and Water Corporation raised this on numerous occasions with the then Shareholding minister only to have it rejected. It is no fault of the previous Power and Water Corporation Board that the company is in this circumstance. Responsibility clearly sits with the previous government because they would not allow it to operate in a commercially sustainable manner. Operating in a commercial sustainable manner means paying what you are required to pay to ensure all your bills and interest on debt is paid.

**Mr WOOD:** I would love to get into the philosophical debate of whether that is right or wrong because I have ...

**Mr TOLLNER:** It is clearly right.

**Mr WOOD:** That is your theory. There are also arguments that in the case of essential services, government can subsidise through taxes. That is an option and you already do it through the Indigenous Essential Services. I am not saying it is wrong.

**Mr TOLLNER:** When you do that, you shift the responsibility for those services to future generations.

**Mr WOOD:** I know.

**Mr TOLLNER:** That is a breach of FITA. Ultimately, you want to ensure your utilities are operating in a commercially sustainable manner. That means people paying for the services they are being provided now, not pushing it on to the next generation or the generation after.

**Madam DEPUTY CHAIR:** Mr Wood, can you keep the questions to the Treasurer straight, please?

**Mr WOOD:** I am keeping them straight, but the minister is not giving me a chance to clarify. You can operate Power and Water in a businesslike way, which is different to operating it as a profit-making business like Coles and Woolworths. If you want to go down that path, I am not in that position. Certainly, it needs to make money to cover its running costs and its capital costs. However, there is nothing to say a government cannot use some of its taxation revenue to offset the high cost of electricity, and that is something we have not been allowed to debate. You either have a fully-fledged government owned power and water supplier under your model, but you do not believe you could have another model where the government subsidised the cost of running Power and Water. It is not something we should not pay.

**Mr TOLLNER:** I appreciate the tone of your question. During budget presentations to industry groups I spoke about the WACC - the weighted average cost of capital. The WACC is the return Power and Water needs to achieve on its investment to stay afloat - just to pay its bills. I am not talking about super profits where you are in the same category as Coles and Woolworths, or finding investors who want to put money in because they will get a good return. The weighted average cost of capital is merely reflective of what costs you have to incur and pay for in order to break even.

The WACC for the Power and Water Corporation is around 6%. Currently, Power and Water, after the tariff increases, is sitting at around 3%. It was right on zero or even below zero with the previous government, which meant it was going backwards at a rapid rate of knots. We have put in place tariff increases to bring its return to around 3%. Clearly, there is more work to be done to make it sustainable into the future; to get its weighted average cost of capital to 6% where it is breaking even. We have asked Territorians to do much of that heavy lifting with tariff increases; however, we are of the view we can increase that return through operational efficiencies in restructuring etcetera, and even some market reform. As I said earlier today, the government will be making some announcements in the very near future in relation to the structure of the PWC, the regulatory environment in which it operates, and some of the efficiency measures we are putting in place to have it breaking even.

Under the former government it was not breaking even; it was going backwards at a serious rate of knots. Sooner or later, without any change at all, that organisation would have gone to the wall. That is a fact.

**Mr WOOD:** We went along hoping the world would never end, including under the previous CLP government and probably about five years or six years of the Labor government, where tariffs did not increase much and no big major capital works occurred. All of a sudden, in a short space of time, we have spent \$1.5bn. Obviously, Power and Water could not find that money unless it received help from the government. You are blaming the government for getting us into debt, but is it not fair to say if the government had not put that money in Power and Water would be in worse trouble because it would have machines breaking down? When you were in opposition, the amount of pressure on the government to fix the poo-shooter was week-in week-out. It built the new sewer pipe to Ludmilla to close that down.

When the Casuarina substation blew up there was a huge amount of publicity from the opposition saying, 'Government, why haven't you fixed this?' The government came under pressure, and rightly so, but to overcome that pressure it spent much money, partly at the urging of you as opposition, to fix these problems.

It is a little unfair to say, 'Government, you got us into debt'. Part of the reason we got into debt is because past governments did not do their job properly, and because of the urging of the opposition to fix some of the problems we had, like the sewage outfall.

**Mr TOLLNER:** I have no argument with what you say, member for Nelson. However, when you borrow money there has to be some adjustment of your income, for example, you put tariffs up or you make some efficiency savings within the organisation.

Those things did not happen. They borrowed the money, and I have no argument about borrowing the money, that is water under the bridge. However, we are faced with a Power and Water Corporation that is not paying its way. To pay its way it either has to increase its income, for example, the tariff increases which were put in place, or it has to create efficiencies where it can deliver services at a much cheaper rate than it previously did, which is what we are now focused on. PWC was in a terrible situation of deteriorating financial performance and the longer things went on, the worse the effect of that deterioration on the organisation.

It is not just me or the government saying this. This has been backed up by Moody's and a range of other organisations which recognise the deteriorating financial position of PWC is now having a poor effect on government finances. That is what we are addressing at this point in time. The point you make about subsidies - in any energy system in the country where you have universal service obligations through regulation you will have some people subsidising other people or businesses subsidising people. Ask Telstra. Its universal service obligation is to provide telephone services in the bush at the same price it provides them in Sydney and Melbourne. The reality of that is people in Sydney and Melbourne are subsidising people's telephone services in the bush. I understand that, but Telstra still manages to operate as a financially sustainable organisation. Power and Water Corporation should also operate as a financially sustainable organisation that does not rely on government handouts to meet its operational requirements into the future.

**Mr WOOD:** I could ask more questions about Power and Water but was trying not to drift too far into it because we have them on ...

**Mr TOLLNER:** The other thing, member for Nelson, is read the government's GOC act. The previous government introduced the *Government Owned Corporations Act*. There is a clear recognition it has to operate on a sustainable footing, and a clear recognition by the former Under Treasurer it has to operate on a sustainable footing. Every piece of paper you read tells you Power and Water should operate on a sustainable financial footing. The problem was it was not and was identified as not doing so. That was not by me, but by a range of other experts who said it was having an impact on the government's budgets.

**Mr WOOD:** Generally, a business will have debt going along and things are replaced as time goes on. In our case, in a very short time, there is a huge debt when there previously was not. The government had to act on it because there were power stations falling apart and all sorts of things happening. There was criticism of how much noise the power station in Alice Springs was causing to people living in the golf course subdivision so the powerhouse was shifted. There were political pressures as well. All of a sudden, we copped a debt in a relatively short amount of time. It is a little unfair to say they could not pay for that. I understand there needs to be more efficiencies; I am not denying that. In the criticism of the previous government ...

**Mr TOLLNER:** No, the organisation itself wanted to pay for that. They wrote to the former Shareholding minister asking to be able to pay for that. They asked to increase tariffs to meet those ...

**Mr WOOD:** Some did increase. There was an increase of 18% in the tariffs was there not?

**Madam DEPUTY CHAIR:** Member for Nelson, this is a direct question to the Treasurer. If you want to debate it leave it for the House.

**Mr WOOD:** That was a question.

**Madam DEPUTY CHAIR:** You continued with the same question about four times.

**Mr WOOD:** No, I was not. Follow the line of questioning. It was whether the previous government had put the tariffs up in its last year. There was some move to change that. Minister ...

**Ms LAWRIE:** In 2009 there were tariff adjustments – 23% in power, 30% water and 30% sewerage.

**Mr WOOD:** There is a reason for us being in debt. There is pressure from people saying the government did the wrong thing, but circumstances have to be recognised.

**Mr TOLLNER:** I appreciate that. There is good debt and bad debt. Good debt you are generally able to pay for, bad debt you cannot. Clearly, things needed to change in our system and a decision was made to spend money fixing the system. No one can take issue with that. We take issue if you cannot pay for what you are doing. Ultimately, that is the responsibility ...

**Mr WOOD:** I want your opinion on the debt because, again, the government spent much money after much pressure from opposition on various things.

There was the *Little Children Are Sacred* report and the other report, which meant the government was under continued criticism about the lack of staff, and enough staff throughout the Northern Territory to monitor children at risk. People came from Ireland, New Zealand, and all over the place.

There were questions about the number of police: police on the beat in Alice Springs; police out in the communities; there were new police stations being built - huge amounts of money.

They wanted more nurses and more teachers, and there was much pressure. Much of that came from your government when in opposition saying, 'We have to do something about the children at risk', so the government poured money in.

There was also, on top of that, the global economic crisis. Obviously, the government could have said, 'Let us not worry too much', but the government kept investing in things like Tiger Brennan Drive even though a fair bit of that was Commonwealth money. Those types of projects kept going, using the same argument the CLP used when it built this building and that building over there. There was a slowdown in growth and the government decided to go into debt to ensure people had jobs when times were tough.

You might criticise the government for going into debt, but there are times when you can go into deficit to keep the economy ticking over to fulfil certain essential social obligations: children are protected so we have safe communities.

Is it not fair for the government to then go into debt? Then allow the government to say, 'Yes, we were in debt'. I remember Paul Henderson's last speech in parliament where he said, 'Of course, we knew if you went in this direction, you would be in enormous debt'. As Paul Henderson said, 'We would not have gone down that path. We would have had to do what you are doing now, bring it back to a surplus over time'.

If you were in the same boat as the previous government, would you not have done similar things yourself?

**Mr TOLLNER:** No. The reason being, in Power and Water's case ...

**Mr WOOD:** No, we argued that one.

**Mr TOLLNER:** Let us go to the Power Water Corporation case. The retail price was lower than the wholesale price. This keeps coming back and back ...

**Ms LAWRIE:** Still is.

**Mr TOLLNER:** ... and back about Labor governments ...

**Ms LAWRIE:** It still is under the CLP.

**Mr TOLLNER:** No, it is not.

**Ms LAWRIE:** Yes, it is. You are still subsidising the retail price.

**Mr TOLLNER:** We are subsidising ...

**Ms LAWRIE:** For domestic customers and small businesses.

**Mr TOLLNER:** In some areas the price is being subsidised, but the wholesale cost ...

**Ms LAWRIE:** Where Labor subsidised the CLP is subsidising.

**Madam DEPUTY CHAIR:** Opposition Leader, there is no interruption of members: Standing Order 69. We will go back to the member for Nelson.

**Mr TOLLNER:** The cost of selling electricity is not reflective of the cost of producing it. The member for Nelson sold eggs. If it cost 2¢ to produce an egg and you sell it for 1¢ you will go backwards pretty damn quickly. Unless you have a re-think, you will find sooner or later your house or something else will be on the line. That is my point about the global financial crisis: They were glory days for the Labor government because they gave it the green light to throw money out the door at whatever harebrained scheme they thought of. Sending cheques to dead people – federally.

When you look at the amount of money spent in the Northern Territory during the global financial crisis you wonder, 'What did we get for it?' Much of that money was used to employ people, which is recurrent expenditure. When revenues drop off they say, 'Hell, look at this, we don't have any money to keep paying our operational expenses'. The member for Casuarina said during the budget sittings if we did not go into debt we could not pay for teachers and nurses. They are all admirable jobs - we need teachers and nurses, but to borrow money to put into operational expenses is wrong ...

**Ms LAWRIE:** That was not the case.

**Mr TOLLNER:** It is a breach of the *Fiscal Integrity and Transparency Act* and the member for Casuarina ...

**Ms LAWRIE:** The operating expenditure was below revenue.

**Mr TOLLNER:** He said, fundamentally, on the record, why you were borrowing money.

**Ms LAWRIE:** Treasurer, the operating expenditure was below revenue.

**Madam DEPUTY CHAIR:** Opposition Leader, if you have a question to the Treasurer you will ask it in the right manner.

**Mr TOLLNER:** That is no way to do business. That is no way to be fiscally responsible ...

**Ms LAWRIE:** He is misleading the estimates hearing.

**Madam DEPUTY CHAIR:** You are on a warning.

**Mr TOLLNER:** ... and why I said, after the member for Casuarina had given his speech, this is one of the areas where they breached their own *Fiscal Integrity and Transparency Act*. You can borrow money to put into income generating assets, but do not pay operational expenses with borrowed money. It is like getting a credit card to make your mortgage repayments.

**Ms LAWRIE:** We were not. Stop misleading the estimates hearing.

**Mr WOOD:** There is nothing wrong with the government going into deficit.

**Ms LAWRIE:** It went to infrastructure not operating expenses.

**Mr WOOD:** Governments in the Northern Territory have gone into deficit before.

**Madam DEPUTY CHAIR:** Can we have one person at a time directing questions to the Treasurer, please.

**Mr WOOD:** Treasurer, government might have gone into debt, but after listening to the former Chief Minister's speech in parliament I understood the intention was to come out of debt. The former government did not have an opportunity to prove that because you won office at a time things were at their worst. If you were in the same situation, would you not have done that?

**Mr TOLLNER:** Member for Nelson, one of the things we campaigned on heavily was returning to fiscal balance: living within your means. The first time the member for Blain campaigned on that issue was the first time anybody suggested we return to fiscal balance. The former Treasurer could not provide a date when we might return to fiscal balance. Fiscal balance is when we are living within our means. No one has suggested going into deficit is a bad thing. Different times call for different measures, but you always need your eye on the ball, your eye on the end game, and that is how quickly we get back to living within our means. You look at deficits of \$1.1bn which were constantly growing. Our deficit under the PEFO was expected to grow out to \$1.197bn this financial year with no end in sight. You think, 'Hang on, sooner or later we have to live within our means'. When we gained government we clearly outlined how we would try to get back to fiscal balance, a responsible thing to do.

**Mr WOOD:** I am not here to defend the opposition, but ...

**Mr TOLLNER:** I appreciate that, but to suggest that ...

**Mr WOOD:** ... if the previous government had won the election - and I will use this as one example, I had been to ministers around budget time with my wish list saying, 'Here are five things I would like for the rural area'. I was told, 'No, no, no, no' and one, the road being duplicated and, hopefully, one day finished at Howard Springs.

**Mr TOLLNER:** Let us not get into what you asked for.

**Mr WOOD:** No, but the impression I got from the Treasurer at that time was, 'No, we are in a tight financial situation'. You might say you are fixing it, but I have no proof the previous government would not have done the same. I am trying to put into context the reasons we went into debt, which are not necessarily invalid. In some cases we have to go into debt - when you built this building and State Square you had to go into debt to keep things ticking over. It is a matter of argument whether the previous government could get out of debt or whether the new government can say, 'We will do it quicker so we are smarter'.

Development is occurring in relation to INPEX, the prison - the big projects. Is there something in the budget showing a financial benefit to Treasury from this development? Where does the Territory, as a whole, gain financially? Some people have jobs, some small businesses do not have jobs, but is there money coming into the coffers to balance up some of our debt by having these big developments in the Northern Territory?

**Mr TOLLNER:** Generally, most developments will put money into government coffers, particularly the large ones, through payroll tax and stamp duty on houses. These things have a cascading effect into the economy. A big project attracts people and they want to buy houses and have somewhere to live. First you have payroll tax coming in, and then you have stamp duty from house and land sales.

**Mr WOOD:** Are we seeing any of that now?

**Mr TOLLNER:** We are seeing that now. We have the largest land release ...

**Mr WOOD:** No, most people working on the projects would be fly-in fly-out.

**Mr TOLLNER:** This takes me to my next point, member for Nelson. The real worry we have with this big project is it is a fly-in fly-out project where in two or three years' time everything stops and everybody clears out leaving us with much vacant property ...

**Mr WOOD:** Many demountables.

**Mr TOLLNER:** ... and an inflated property price heading for a big crash. The role of this government, and why we talk about driving economic growth, is because we cannot be a one trick pony; we cannot have a one business economy. We have to look at where we are going to absorb those jobs into the future, what industries we will create into the future, how we develop industry with a long-term focus not a three-year building plan then everybody disappears.

It is great having INPEX here, a marvellous stimulus for our economy, but it also brings a great challenge for us, which is where we go next. There is hope additional trains may well be announced in the next couple of years, but again, they are short-term sugar injections in some regard. We need to find how we are going to develop and grow our economy. At the last election we talked about growing agriculture, mining and tourism.

We have seen, in this budget, particular spends in the tourism area. We know the global tourism market is quite depressed at the moment, but it will come out of that depression and we want to be the first place people consider when it comes to getting on a plane and visiting.

It is the same with agriculture. The opposition is upset we are releasing water. We do not want the whole of the Northern Territory to be one giant park. We want to see farming in the Northern Territory, we want to see agriculture. We have identified some good areas for that, be they the Ord in Western Australia, Douglas Daly, Katherine or Mataranka. All these areas have good farming ground and we want to remove those roadblocks and impediments to that type of development.

**Mr WOOD:** I understand that and would love to get into a debate about sustainable water use. I am all for agriculture as long as it is done the right way.

We have these projects, INPEX being the biggest one, but what benefit does it bring financially? People have jobs and people are building the INPEX village and doing other work around the place, but from a government revenue perspective what revenue benefits do you obtain from that project?

**Mr TOLLNER:** That analysis is being undertaken. I am keen to understand that myself. The great fear I have is there is no particular financial benefit for government with a project like this because of what it took to attract that development to the Northern Territory - the deals that happened and those things. There is certainly an economic benefit for the Northern Territory.

Sometimes the Northern Territory government will spend money for very little financial return in order to stimulate the economy. A good example is the Supercars on the weekend. When 48 000 people turn up to an event like that an enormous amount of people benefit, but as a benefit or a cost to government ...

**Mr WOOD:** It stimulated Coopers' economy.

**Mr TOLLNER:** That is right. It has probably stimulated a whole range of areas in the economy and very few people would say can it because it cost government a bit of money.

**Mr WOOD:** I would like to talk about INPEX when you get to your business section, because there is some work to be done there.

I am talking about the broad understanding. If you have a project like INPEX and are talking about being in debt and wanting to increase our revenue - we have very little tax ability ourselves - how can a big project like that help offset some of the debt we have or is that not possible? Do we only get car rego, payroll tax - I do not know what else we have - some stamp duty or something still hanging around? Is that it? Is that the only form of revenue we will get from that project?

**Mr TOLLNER:** In the main, that is it. The federal government collects the lion's share of taxes and rents from a big project like INPEX, but I do not say that to in any way downgrade the value of the project to the Northern Territory.

We have a very large public service and went to the election with the commitment that no frontline public servant would lose their job. We knew that would be difficult in the environment we have in the Northern Territory. We saw what happened in Queensland, New South Wales and Victoria, where they had larger scale job losses than we have experienced here. What makes the Northern Territory unique is the blue sky in relation to the private sector. That is why we talk about two things in government. One is tightening our belts: living within our means and trying to do what we can to find efficiencies within the public service. The other side of the coin is about driving economic growth. The reason we are doing that is we want to see the

public service and the private sector get to what we would consider a normal balance so we have a vibrant and thriving private sector. There is enormous opportunity to do that in the Northern Territory. The three-hub economy is a start to it, but we would like to see manufacturing opportunities.

It is incredibly satisfying to take a trip to China and come back with an assembly plant. That assembly plant will employ 60 Territorians - this is not just a three-year project, this is ongoing jobs. These are the things we want to encourage more of in the Northern Territory. We want to get the balance right.

Unlike the other states where they have mature economies and cannot rapidly increase their private sector growth, in the Northern Territory we can. That is the main reason we have not gone down the path of axing jobs here, there, and everywhere, because we are focused on driving economic growth through private sector investment, and clearing the decks and saying to people, 'All right, this is the Northern Territory, you can have a go here'. If you want access to a bit of water to grow a crop, you can. If you want to access a ...

**Mr WOOD:** It is not exactly a bit of water. I know how much water it is. Anyway, I will take those questions to minister Westra van Holthe.

I have a question in relation to what seems an anomaly in the way the economics work. On one hand you say tighten the belt - I am not saying we should not be more efficient. I have said over the last couple of years we should stop wastage and be more efficient. On the other hand, we are told we have 4.4% growth in the Northern Territory. Recently, those figures said we are the second fastest place in Australia in regard to growth. One of the current affairs shows said if you want a job the place to go is the Northern Territory.

On one hand we are saying tighten the belt, pay some more money for electricity, life is getting tough and, on the other hand, everyone is telling us the place is going gangbusters.

**Mr TOLLNER:** Both stories are correct. Let me explain it in very brief terms. For a period of time government has been clearly living beyond its means. In that regard, government has to tighten its belt.

However, on the other side of the coin, the economy should not necessarily be equated to everything government does. In the Northern Territory we have this idea the strength of the Territory depends on the strength of the government. If you throw a \$34bn project into the economy, all of a sudden, what happens with the Territory government becomes a little smaller and of less consequence to overall economic growth.

Next year the economy will grow at 5%, the year after it will be 7%. We will be the fastest growing economy in Australia. I want to see that continue. In that regard, we want to see more investment in the Northern Territory. We want to see more operations such as what came out of our China trip with a manufacturing plan for Darwin. How amazing is that when you see car factories and the like closing down around the rest of Australia and we have the world's largest heavy machinery producer contemplating putting an assembly plant into Darwin?

**Ms LAWRIE:** Contemplating.

**Mr TOLLNER:** I will take the interjection from the Opposition Leader. They never contemplated it under the previous government. There are enormous opportunities. This government is committed to driving economic growth and doing what we can to get out of the way and let business have a real rip in the Northern Territory.

**Mr WOOD:** Would you say the key word there - I have been in the Territory a fair while - needs to be 'sustainable'? I will give you the reason I say that. Scott Creek, Tipperary, those types of projects, big ideas, grand plans - sold and cost us much money to fix. Even Mt Todd. I am not against development and government pushing growth, but in 2013 if you do not have the word 'sustainable' there, we are going back to the cow cocky days, the 1990s, where, 'We will do what we like'. Hopefully, we have become more intelligent with our development.

**Mr TOLLNER:** Member for Nelson, I know you are from a farming background and appreciate the fact we live and learn. We know much more today than 30 or 50 years ago, and some of those environmental practises would never be tolerated. With our three-hub economy, whether it is mining, tourism or agriculture, the government fully understands they are all based on our natural resources and you do not want to kill the goose that lays the golden egg. I am sorry if I sound overly development focused, but at the front of our mind is the fact we do not want to do anything to harm the environment because harming the environment harms those industries ...



**Mr WOOD:** Or costs us more in the future to fix. That is what I am worried about.

**Mr TOLLNER:** Or costs us more into the future, a good point. It should never be understated that we do not want to see any environmental harm done to the Northern Territory because, ultimately, that costs us in the long run. In 10 years we will have developed better ideas about how we can protect our environment but you can only deal with the information you have now. Rather than locking things up because we might kill things in the future, at some point we have to think about producing more in the Northern Territory.

**Mr WOOD:** There are some other issues besides that. Those are all the questions I have on that broader area.

**Madam DEPUTY CHAIR:** Thank you, member for Nelson. Can I remind members of the committee not to use unbecoming words such as you used before.

**Mr WOOD:** What did I say that was unbecoming?

**Madam DEPUTY CHAIR:** I do not want to repeat it. Could you repeat it then?

**Mr WOOD:** If I knew what the unbecoming word was I would repeat it. If it was unbecoming ...

**Madam DEPUTY CHAIR:** Cow cocking.

**Mr WOOD:** ... my mother ...

**Madam DEPUTY CHAIR:** Was it cow cocking?

**Mr TOLLNER:** Cow cockies.

**Mr WOOD:** That is a normal phrase. A cocky is a farmer. A cow cocky is a farmer who looks after ...

**Madam DEPUTY CHAIR:** Okay. Are they all the questions for today?

**Mr WOOD:** Not for today. We have another six hours.

**Madam DEPUTY CHAIR:** Member for Nelson, are they all your questions?

**Mr WOOD:** Yes, on the whole-of-government.

**Madam DEPUTY CHAIR:** Does the opposition have any more questions?

**Ms LAWRIE:** We have completed the whole-of-government questions.

**Madam DEPUTY CHAIR:** Thank you. 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 DEPUTY CHAIR:** The committee will now proceed to Output Group 1.0 Financial Management, Output 1.1 Financial Management. Are there any questions?

**Ms LAWRIE:** Treasurer, you promised to reduce debt. Do you agree the nett debt for the 2011-12 financial year was \$1.6bn as specified on page 10 of the TAFR?

**Mr TOLLNER:** The non-financial public sector debt for 2011-12 - Opposition Leader, you are quoting the general government sector.

**Ms LAWRIE:** That is right.

**Mr TOLLNER:** That is right. The TAFR was \$16.33m.

**Ms LAWRIE:** As shown in the TAFR, that is the nett debt the outgoing government had on the general government sector books. Therefore, Treasurer, do you agree the nett debt for 2012-13 will be \$3.2bn as identified on page 4 of the overview?

**Mr TOLLNER:** When you include PWC, you talk about the ...

**Ms LAWRIE:** I am not talking about the non-financial public ...

**Mr TOLLNER:** ... non-financial public sector.

**Ms LAWRIE:** I am not talking about the non-financial - I am talking about the general government sector nett debt. Let us be clear. Do you agree the general government sector nett debt was \$1.633bn in 2011-12 as an outcome as identified on page 10 of the TAFR?

**Mr TOLLNER:** Page 10 of the TAFR, yes, \$1.633bn.

**Ms LAWRIE:** Yes, excellent. Thank you. Do you agree the nett debt for 2012-13 will be \$3.2bn in the general government sector as estimated on page 4 of the overview?

**Mr TOLLNER:** Which overview are you talking about?

**Ms LAWRIE:** Page 4 of the 2013-14 budget overview you have in front of you. The general government sector nett debt of \$3.2bn.

**Mr TOLLNER:** No, that is the non-financial public sector.

**Ms LAWRIE:** \$3.2bn is the non-financial public sector?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** Let us compare apples with apples. The non-financial public sector nett debt outcome in 2011-12 was \$2.6bn. It was predicted in your budget overview to rise to \$3.2bn in 2013.

**Mr TOLLNER:** That is correct.

**Ms LAWRIE:** It is forecast to increase next year to \$4.4bn.

**Mr TOLLNER:** That is correct, yes.

**Ms LAWRIE:** Treasurer, under your watch, your decisions, you are increasing the nett debt in the non-financial public sector. You have not reduced it, you are increasing it.

**Mr TOLLNER:** Let me clarify a couple of things. The points you made are correct. Let us look at the forward estimates.

**Ms LAWRIE:** In just two years ...

**Mr TOLLNER:** Hang on, hang on ...

**Ms LAWRIE:** No, Treasurer ...

**Mr TOLLNER:** No, let me answer the question.

**Ms LAWRIE:** I am asking the questions.

**Mr TOLLNER:** Let me answer the questions.

**Ms LAWRIE:** You said, 'yes'. It is fairly simple.

**Mr TOLLNER:** You know where the question is going ...

**Madam DEPUTY CHAIR:** Opposition Leader, let the Treasurer answer the question.

**Mr TOLLNER:** ... because you have to compare apples with apples. The PEFO, which was the last financial report the previous Labor Government put out - the pre-election fiscal outlook – whilst you said we would have \$3.278bn of debt, the PEFO predicted \$3.471bn. Next financial year we have said there will be \$4.17bn of debt. What the PEFO predicted was \$4.6bn of debt. We have cut \$186m from that non-financial public sector debt.

**Ms LAWRIE:** You are increasing debt.

**Mr TOLLNER:** Of course debt is increasing, but at what rate it is increasing? It is increasing at a far lower rate under this government than it was expected to increase under the previous government.

**Ms LAWRIE:** Again, you are making assumptions. We would not do anything from budget period to budget period.

**Mr TOLLNER:** When you look at the outward years, the predicted \$5.54bn of debt at the time you were the Treasurer has been reduced to under \$5bn, a saving of almost \$600m in the forward estimates. To say we are recklessly spending is wrong. We will have \$600m less debt in 2015-16 than we would have had with a Labor government.

**Ms LAWRIE:** Treasurer, in just two years you are increasing nett debt in the non-financial public sector from \$1.6bn, which you inherited from Labor, to \$4.4bn. You promised to cut debt, but you are more than doubling it in two years.

**Mr TOLLNER:** Opposition Leader, stop being cute. You know full well why much of this ...

**Ms LAWRIE:** It is what the figures show.

**Mr TOLLNER:** ... is the case. It is because the handover of the prison occurs. That is an enormous amount of debt which was not incurred by this government but by previous governments. Also, you have to factor in wage increases and those types of things.

**Ms LAWRIE:** The prison is a PPP paid over 30 to 40 years ...

**Mr TOLLNER:** You know how accrual accounting works, do you not?

**Ms LAWRIE:** Sure.

**Mr TOLLNER:** You know when it shows up on the books. When did it show up on your books?

**Ms LAWRIE:** It showed up in my books.

**Mr TOLLNER:** Yes, when?

**Ms LAWRIE:** I am not here, Treasurer ...

**Mr TOLLNER:** We can pull your budget to pieces and see when it showed up.

**Ms LAWRIE:** We did that last year.

**Mr TOLLNER:** It shows up at exactly the same time. When did it show the spike in debt?

**Ms LAWRIE:** Do you want to get on with answering questions around your budget or not?

**Mr TOLLNER:** You are the one trying ...

**Ms LAWRIE:** You say you have a doubling of debt because the prison is causing a spike. Why does debt grow, under your estimates, to \$5.1bn?

**Mr TOLLNER:** In a large part that is why.

**Ms LAWRIE:** You say it is a one-year notional spike for the prison.

**Mr TOLLNER:** You can see that is what happens.

**Ms LAWRIE:** Do you want to seek some advice?

**Mr TOLLNER:** As I said, Opposition Leader, it is the prison. If we wanted to balance the budget this financial year we would have had to find \$867m worth of savings.

**Ms LAWRIE:** Treasurer ...

**Mr TOLLNER:** Next financial year ...

**Ms LAWRIE:** ... with the prison ...

**Mr TOLLNER:** ...we would have to find \$1.2bn in savings.

**Ms LAWRIE:** ... which is causing the increase in debt ...

**Mr TOLLNER:** You can see that.

**Ms LAWRIE:** ... setting aside, obviously, the Power and Water Corporation debt being carried through the books, which was the subject of previous discussions between you and the member for Nelson - you have the Power and Water debt and you have the prison debt, Treasurer. Why do you continue to say Labor was putting it on the MasterCard or the bankcard, to use your colloquial terms, and that it was to pay wages when you say the debt increase is accountable to infrastructure?

**Mr TOLLNER:** It is questionable whether ...

**Ms LAWRIE:** Which is correct?

**Mr TOLLNER:** It is questionable whether the new prison is a legacy you wanted to leave. A legacy we want to leave as a government ...

**Ms LAWRIE:** It is infrastructure not wages.

**Mr TOLLNER:** No, it is a bit of infrastructure, true.

**Mr WOOD:** It is certainly better than the dump we have now.

**Mr TOLLNER:** It will be at 130% capacity when built. It is questionable whether it is in the best interests of the Northern Territory to build a Hilton for prisoners. However, that decision was made by a previous ...

**Mr WOOD:** You have a half-start slum at present.

**Ms LAWRIE:** Treasurer, the question was ...

**Mr TOLLNER:** Hang on! Let me ...

**Madam DEPUTY CHAIR:** Member for Nelson, could you please stop interrupting?

**Mr WOOD:** He has a go at the prison and does not ...

**Madam DEPUTY CHAIR:** Let the Treasurer answer the question.

**Ms LAWRIE:** He is not answering the question.

**Madam DEPUTY CHAIR:** He is trying to answer the question and you are continually interrupting.

**Mr WOOD:** Tell him to visit the medium and maximum security prison.

**Ms LAWRIE:** That is an awesome point, member for Nelson.

**Madam DEPUTY CHAIR:** Continue, Treasurer.

**Mr WOOD:** It is a rough thing to say.

**Madam DEPUTY CHAIR:** Treasurer, do you have anything to add?

**Mr TOLLNER:** I am curious as to what the question was.

**Ms LAWRIE:** I will repeat the question.

**Mr TOLLNER:** I am coping it from every direction at the moment, but ...

**Mr WOOD:** You lead with your chin.

**Ms LAWRIE:** Treasurer, you consistently say the debt has been a result of reckless Labor spending, putting wages on the credit card, when you have just identified the debt is a result of infrastructure: a combination of the prison and Power and Water, predominantly.

**Mr TOLLNER:** Let us leave the prison out of it. Until you get there, according to your figures you are still spending \$867m this financial year over what you have coming in. You have to ask, when someone is overspending \$867m, if that is a legitimate reason to borrow. We had the member for Casuarina in parliament talking about borrowing money ...

**Ms LAWRIE:** Treasurer, you are still not answering the question.

**Mr TOLLNER:** ... to pay for nurses and teachers, and all this type of stuff. You were borrowing for operational expenses.

**Ms LAWRIE:** Not at all.

**Mr TOLLNER:** We understand there has to be a bit of belt tightening.

**Ms LAWRIE:** No, it was not borrowing from operational expenses; it was borrowing for infrastructure. You admitted it in your previous answer.

**Mr TOLLNER:** Trying to dance to your tune would be a dreadful tangle because, on the one hand, you say, 'No, you cannot save money; you are not allowed to save money' but, on the other hand, you say, 'No, you cannot borrow money'. The fact is, everything we have in front of us shows the government was constantly borrowing more money than it could possibly repay. Sooner or later, somebody has to tighten the belt ...

**Ms LAWRIE:** What rubbish! Stop misleading!

**Mr TOLLNER:** ... and say, 'It is time to start living within our means'. This is not me saying it; this is organisations like Moody's saying it. Why would they put us on a negative outlook if they did not think there were some serious problems within the government's finances?

**Ms LAWRIE:** You have already admitted the debt is a result of borrowing for infrastructure - a combination of the prison and, included in there, the infrastructure requirements for the Power and Water debt. You have also admitted under your own watch you are doubling the nett debt from \$1.6bn inherited under Labor to \$4.4bn. Why did you promise to cut debt when you are more than doubling it in two years?

**Mr TOLLNER:** Look at Budget Paper No 2, page 13. You will see this graph right here shows the underlying operating balance showing the former government was borrowing money to pay for the operations of government.

**Ms LAWRIE:** It was not paying for wages.

**Mr TOLLNER:** What was it paying for then?

**Ms LAWRIE:** Infrastructure.

**Mr TOLLNER:** No, it was borrowing to pay for the operations of government. That is, clearly, what you were borrowing for ...

**Ms LAWRIE:** It was servicing the debt not the wages.

**Mr TOLLNER:** That is why you are in breach of FITA. That is why you were an appalling Treasurer ...

**Ms LAWRIE:** It was not borrowing for recurrent.

**Madam DEPUTY CHAIR:** Opposition Leader, I have warned you before. Please let him answer the question.

**Mr TOLLNER:** That is why you should resign and walk away from the Northern Territory. You have left us in a dreadful state of affairs. You have a hide questioning us on a budget which you have ruined. Syd Stirling and Clare Martin were rocket scientists compared to you ...

**Ms LAWRIE:** This is your legacy, your watch ...

**Mr TOLLNER:** Things were ticking along okay until about 2008 when you went in the job. You are a disgrace and should resign.

**Ms LAWRIE:** ... business taxes up 13%, power and water up 30%, inflation through the roof ...

**Madam DEPUTY CHAIR:** Opposition Leader! Opposition Leader, please put that down.

**Ms LAWRIE:** ... and 4000 jobs lost under your watch. Are you proud of that?

**Madam DEPUTY CHAIR:** Opposition Leader, I am not going to talk to you again. You have had the last warning from me, and I will remove you for an hour. That is final. If you direct your questions to the Treasurer, keep it to the Treasurer one at a time and stop interjecting. That is all I have to say. Continue on.

**Ms LAWRIE:** Treasurer, you have complained you have less GST funding. Do you agree that last financial year GST funding was \$2.5bn, as appears on page 11 of the TAFR?

**Mr TOLLNER:** I know where you are going with it. Under the PEFO, you predicted and expected there would be a greater amount of GST revenue coming in than there was. All right, we have had a slight increase in GST revenue. However, when you do your budgets and forward estimates you bank on the fact you will get an increase.

We had a change in relativities, which is not about reducing the GST pool; it is a change in the formula used to calculate the GST. We lost more than \$100m of expected GST revenue. We had to deal with that as a government, and we have done that in a very responsible way.

**Ms LAWRIE:** Treasurer, thank you for admitting what you have failed to admit for months: you have received an increase in GST revenue.

**Mr TOLLNER:** We received a decrease in expected revenue due a change in relativities. Blind Freddy can tell you that ...

**Ms LAWRIE:** You have received an - let us be clear about this - increase in GST revenue.

**Mr TOLLNER:** Yes, but you know how budgets are worked. You put your forward estimates out ...

**Ms LAWRIE:** You have more GST revenue coming in than last financial year.

**Mr TOLLNER:** I am curious to understand what the former government would have done.

**Ms LAWRIE:** This is about you, Treasurer, and what you are doing and have been saying publicly versus what you will say in the estimates hearing on the record.

**Mr TOLLNER:** We have lost more than \$100m in expected GST revenue due to a change in revenues.

**Ms LAWRIE:** You have gained, in growth in the GST pool, \$149m. If you look at the latest update on relativities, where you point to the \$100m loss, there is also a \$19m loss in population but there is growth in GST available of \$149m. Therefore, you have a gain of \$23m. Treasurer, why have you never stated publicly, or in the House, you had an increase in GST? Why do you only point to that \$107m loss? Why not come clean with the fact there is an increase?

**Mr TOLLNER:** We lost more than \$100m in expected GST revenue due to a change in relativities.

**Ms LAWRIE:** There was growth in the pool.

**Mr TOLLNER:** There was growth in the pool. Let us not ...

**Ms LAWRIE:** The \$149m.

**Mr TOLLNER:** No, we have lost \$107m plus - more than \$500m in the forward estimates from a change of relativities ...

**Ms LAWRIE:** Treasurer, there is growth in the GST pool.

**Mr TOLLNER:** ... and a change in the forward estimates. The forward estimates ...

**Ms LAWRIE:** You have more GST coming in.

**Mr TOLLNER:** No, we had \$100m less every year than we estimated would be coming in.

**Ms LAWRIE:** Let us talk about what you receive. You are receiving growth in GST revenue. Do you want me to table the update?

**Mr TOLLNER:** What is your point? It is in the budget.

**Ms LAWRIE:** The point I am making is at no stage as Treasurer have you said to the public, or in the Chamber or your budget presentations, that the Northern Territory took a cut of \$107m on the relativities but, overall, there has been a nett gain of \$23m because there has been growth in the pool. Does it not suit your rhetoric to fess up to that?

**Mr TOLLNER:** I do not know what you are talking about. You are talking nonsense. I mean, GST ...

**Ms LAWRIE:** I will table it and move on because you do not understand.

**Mr TOLLNER:** GST goes up and down, you know that. I have said to you ...

**Ms LAWRIE:** No, you have been busy misleading the public ...

**Mr TOLLNER:** ... we have had ...

**Ms LAWRIE:** ... misleading the parliament ...

**Mr TOLLNER:** ... a \$100m hit to our revenue. I have not misled anyone.

**Ms LAWRIE:** ... and misleading ...

**Mr TOLLNER:** I just told you ...

**Ms LAWRIE:** You have never said there has been an increase in GST revenue. You paint the picture that there has been a loss of GST.

**Mr TOLLNER:** There has been a loss.

**Ms LAWRIE:** There has been a gain in the pool.

**Mr TOLLNER:** There has been a loss.

**Ms LAWRIE:** You are net ahead in GST receipts.

**Mr TOLLNER:** Do you know why there has been a loss?

**Ms LAWRIE:** According to you it was Julia Gillard last time you said something about it, which is arrant nonsense, to quote one of your own members.

**Mr TOLLNER:** There was a loss because of a change in relativities based around Indigeneity.

**Ms LAWRIE:** Indigeneity, which you then ...

**Mr TOLLNER:** There are more people ...

**Ms LAWRIE:** ... blamed on Julia Gillard.

**Mr TOLLNER:** ... claiming ...

**Ms LAWRIE:** Who does that?

**Mr TOLLNER:** No, not Julia Gillard, Wayne Swan.

**Ms LAWRIE:** You blame it on Wayne.

**Mr TOLLNER:** Yes, because there was a recommendation from the ...

**Madam DEPUTY CHAIR:** Sorry Treasurer, the Leader of the Opposition has a document she wants to table.

**Mr TOLLNER:** There was a recommendation from the ABS which said their 2011 statistics should not be used in relation to the term Indigeneity for GST relativities. There was also advice from the Commonwealth Grants Commission to the federal Treasurer, Wayne Swan, which raised concerns about that change in relativities. Wayne Swan made the decision to take more than \$100m out of GST revenues for the Northern Territory.

**Ms LAWRIE:** That is factually incorrect and you know it, Treasurer.

**Mr TOLLNER:** This is real ...

**Ms LAWRIE:** I remind you ...

**Mr TOLLNER:** You have the hide to bang on about what Tony Abbott may or may not do in some hypothetical future when you should be screaming from the rooftops about Wayne Swan and his unfair treatment of the Northern Territory.

**Ms LAWRIE:** Treasurer, I will repeat ...

**Mr TOLLNER:** You cannot equate the lifestyle of people living in remote areas of the Northern Territory to people in Sydney, Melbourne, Canberra, Brisbane or Adelaide claiming to be Indigenous.

**Ms LAWRIE:** Have you finished your tangent? I repeat, false or misleading evidence may constitute contempt of the Assembly.

**Mr TOLLNER:** Here we go, you are prophesising again. Get off your high horse.

**Ms LAWRIE:** Given that false or misleading evidence may constitute contempt of the Assembly, it is a fact, is it not, that it is not the federal Treasurer, Wayne Swan, who sets the relativities within the Commonwealth Grants Commission report?

**Mr TOLLNER:** The CGC, Commonwealth Grants Commission, has no powers at all; it is only to recommend.

**Ms LAWRIE:** Yes, and it is ...

**Mr TOLLNER:** The decision is solely Wayne Swan's, the federal Treasurer.

**Ms LAWRIE:** No, it is not.

**Mr TOLLNER:** Solely Wayne Swan's. What is more ...

**Ms LAWRIE:** Is it not the federal financial relations ministerial council ...

**Mr TOLLNER:** What is more ...



**Ms LAWRIE:** ... that adopts the report of the Commonwealth Grants Commission?

**Mr TOLLNER:** No, it is Wayne Swan. There were recommendations made by the ABS and the Commonwealth Grants Commission to Wayne Swan to have a serious look at it. Wayne Swan never put anything in the terms of reference to the Commonwealth Grants Commission about this, so the space was left totally vacant. That is what I am saying and there is ...

**Ms LAWRIE:** Then you are saying when the Treasurer of the Northern Territory attended the federal financial relations ministerial council to note the adoption of the relativities ...

**Mr TOLLNER:** We pleaded with him ...

**Ms LAWRIE:** What was the view of the other states? Did New South Wales or Victoria have a view?

**Mr TOLLNER:** They did not have a view. It was Wayne Swan .

**Ms LAWRIE:** Never said anything?

**Mr TOLLNER:** It was Wayne Swan's decision. He made that decision himself ...

**Ms LAWRIE:** What rubbish.

**Mr TOLLNER:** It is solely his ...

**Ms LAWRIE:** Everyone who knows the process knows the Commonwealth Grants Commission hands down the relativities and they are adopted. There is no intervention by the federal Treasurer. There has not been an intervention by a federal Treasurer. The only thing that has occurred in recent history to do with relativities has been the GST review called on by the federal government. That review report has been handed down saying, 'Keep it as it is. It is a fair system, but look at these elements of it'.

**Madam DEPUTY CHAIR:** Opposition Leader, is that a question?

**Ms LAWRIE:** He is misleading.

**Madam DEPUTY CHAIR:** You can keep the debate for the House. Are there any other questions?

**Ms LAWRIE:** We have established you have more GST revenue than the previous government and it is continuing to grow. Recovering the pool is, obviously, helping your situation. Mike Reed and Barry Coulter, when in government under the Country Liberal Party ...

**Mr TOLLNER:** Let me correct that, it does not. In the year 2013-14 it decreases from \$2.821bn to \$2.805bn. It is not increasing constantly. It decreases next financial year.

**Ms LAWRIE:** It was \$2.5bn last financial and it is \$2.8bn next financial year.

**Mr TOLLNER:** That is right. Then the following the year it is \$2.805bn. It decreases next financial year.

**Ms LAWRIE:** That is subject to a relativities reset and growth in the pool.

**Mr TOLLNER:** No, that is the year the relativity kicks in. This is where you are so misguided.

**Ms LAWRIE:** What about growth in the pool, Treasurer?

**Mr TOLLNER:** Look at the ...

**Ms LAWRIE:** You say in the year 2013-14 ...

**Mr TOLLNER:** Let me answer the question. Why did you not listen to the federal budget on the night we handed this one down? Wayne Swan spoke about a shrinking in the federal GST pool for population figures. We have some concerns about how that will impact on the Northern Territory. The suggestion is we will lose a further \$49m because of the shrinking GST pool. We go from \$2.805bn down to \$2.756bn.

**Ms LAWRIE:** Estimates.

**Mr TOLLNER:** This is using Wayne Swan's figures - the federal Treasurer's figures. On budget night he spoke about ...

**Ms LAWRIE:** Again, you do not know what the pool will be in 2013-14.

**Mr TOLLNER:** Are you serious? One minute you say we have had growth in the GST, then you point out we have had a reduction. We had a growth in the 2012-13 year. The change in relativities kicks in in 2013-14 and shows a clear reduction from ...

**Ms LAWRIE:** In 2013-14 you do not know where the pool will be because it is an estimate at this stage?

**Mr TOLLNER:** We are saying, based on the budget announced and the estimates from the federal budget, we will see a further reduction of \$49m in GST revenue - down \$2.756bn.

**Ms LAWRIE:** Are you pretending you do not get an update in February? In February 2014 you will not get an update?

**Mr TOLLNER:** Are we anywhere near February 2014? Of course we update figures as they come to hand, but based on what we ...

**Ms LAWRIE:** There you go. That is the point I am making

**Mr TOLLNER:** ... the current information we have, this is what we see.

**Ms LAWRIE:** Yes, but I am pointing is you had an actual increase and the updates early next year will ...

**Mr TOLLNER:** I do not know how your mind works, but you can only put in place budgets for what you estimate you might get and what you might spend. That is why we put budgets together.

**Madam DEPUTY CHAIR:** Opposition Leader, the member for Nelson has a question.

**Mr WOOD:** I am confused on the GST.

**Ms LAWRIE:** A point of order, Madam Deputy Chair! I have not finished my questions.

**Mr WOOD:** I need to follow the argument.

**Madam DEPUTY CHAIR:** If you have a question, ask it. If you want to debate something you can leave it for the House.

**Ms LAWRIE:** Treasurer, Mike Reed and Barry Coulter, when in government, are both on the record saying paying 12% of revenue on interest was manageable and responsible. Do you agree with them?

**Mr TOLLNER:** I recall when those guys were in we had the Paul Keating government and interest rates hit 17.5% and a 10.5% unemployment rate. If you are paying 12.5% interest now, in the current climate, you would feel you were being ripped off.

**Ms LAWRIE:** We are not talking about the interest rate; we are talking about the interest to revenue ratio.

**Mr TOLLNER:** Sorry, I thought you were talking about the interest rate.

**Ms LAWRIE:** No, I am talking about the interest to revenue ratio. There is a difference.

**Mr TOLLNER:** It is difficult to follow where you are going.

**Ms LAWRIE:** Mike Reed and Barry Coulter are both on the public record as saying a 12% interest to revenue ratio is responsible. Do you agree with them?

**Mr TOLLNER:** I do not know. I am only taking your word that is what they said.

**Ms LAWRIE:** If they said a 12% interest to revenue ratio is responsible, would you agree an interest rate of revenue to ratio of 9% is even more management than 12%?

**Mr TOLLNER:** You have to understand the times to understand those decisions. This financial year the PEFO suggested it would be 5.22%. Since the mini-budget and this government being elected it has come in as 4.88%. Next year, 2013—14, instead of being 6.3%, the interest expense to revenue ratio is 5.3%. If you look at estimates and how we are tracking those types of things, clearly we are belt tightening, reducing debt and reducing government spending. I cannot work out whether you are suggesting we should be spending more.

**Mr LAWRIE:** You know exactly and it is really curious, Treasurer ...

**Mr TOLLNER:** I cannot follow what you are saying. One minute you are saying we should be sucking up a cut in GST revenue and continuing to spend, and the next minute you are saying - I cannot follow your point. You are going around in circles.

**Ms LAWRIE:** No, you are making up words I have not said, Treasurer. It is curious why you would be doing that. Do you agree the interest rate to revenue ratio you inherited was 9%?

**Mr TOLLNER:** In 2012-13, the interest expense to revenue ratio was 5.22%. We managed to drag that back to 4.88%.

**Ms LAWRIE:** You said the position of debt was unsustainable, we were bankrupt, and it was unmanageable. In fact, we were well under the mark of a sustainable and manageable interest rate to revenue ratio by the CLP's former stalwarts own reckoning, and yours as well.

**Mr TOLLNER:** The benchmark we look at these days, generally, is the debt to revenue ratio.

**Ms LAWRIE:** I was asking questions on the interest rate to revenue ratio. I am happy to go to nett debt to revenue ratio. That is where I was asking the questions.

**Mr TOLLNER:** Best practice is to sit around 60%. However, under your leadership it was projected to increase to 98%.

**Ms LAWRIE:** You inherited a nett debt to revenue ratio of 49% - page 10 of the TAFR.

**Mr TOLLNER:** As I said, you have to look at the forward estimates because ...

**Ms LAWRIE:** You just said estimates change.

**Mr TOLLNER:** ... that shows where you are tracking.

**Ms LAWRIE:** You said estimates change. Are you saying there would be no policy decisions of an incoming government at all?

**Mr TOLLNER:** You believe in the tooth fairy.

**Ms LAWRIE:** There would be no policy, no budget decisions ...

**Madam DEPUTY CHAIR:** Opposition Leader, could you let the Treasurer answer the question, please.

**Mr TOLLNER:** We, of course, rely on estimates to guide us where we are going into the future. As new information comes to hand, you update the current information you have and feed all that into the machine and get a new estimate. You seem to believe in the tooth fairy or Santa Claus; out of nowhere someone is going to drop a big bucket of cash into your lap and say, 'Here, pay your debt'. When you look at your own forward estimates, which is based on understanding the current circumstances - where we are tracking and that type of thing - you were set to increase debt to 98%.

**Ms LAWRIE:** You inherited 49%.

**Mr TOLLNER:** It is not what you inherited; it is where you are going.

**Ms LAWRIE:** The point you are missing ...

**Mr TOLLNER:** We have adjusted all of ...

**Ms LAWRIE:**... all along, Treasurer, is the point the member for Nelson also made - you are making assumptions about what a Labor government would have decided to do, budget year on budget year, for the next term of government. You are not in a position to make those assumptions.

**Mr TOLLNER:** It was in the forward estimates.

**Ms LAWRIE:** Again, you are not in a position to say. Even your own budget papers reflect in their language assumptions around there being no policy change.

**Mr TOLLNER:** What I am saying is ...

**Ms LAWRIE:** You have been found to be concocting.

**Mr TOLLNER:** You had all those years to make policy changes but you did not. We have ...

**Ms LAWRIE:** We did not make any policy changes in any years of government?

**Mr TOLLNER:** ... made some policy changes. We have changed the direction of the Northern Territory government, and we recognise it is important to rein in debt and spending. We are making those decisions based on what we see as a reasonable prediction of the future. Of course, we could have another global financial crisis. Of course, a cyclone could strike Darwin next Wet Season, which will throw a whole range of things out. Of course, Wayne Swan might decide to just rip another \$200m out of the ....

**Ms LAWRIE:** Of course, Tony Abbott could take \$2bn out in GST per capita.

**Mr TOLLNER:** Of course, that is right. There is a whole range of things out there. However, to hope Santa Claus will drop a big wad of cash into your lap is rather deluded. To say 'Our forward estimates predicted 98% debt to equity ratio, but we do not know what the future holds because Santa Claus could turn up'. That is just ridiculous ...

**Ms LAWRIE:** No one is saying that. You are the only clown talking like that, Dave.

**Mr TOLLNER:** You are talking like that. You are suggesting ...

**Ms LAWRIE:** No, I am not. I am pointing out what you have ...

**Madam DEPUTY CHAIR:** Opposition Leader, please withdraw the word 'clown'.

**Ms LAWRIE:** I withdraw 'clown'.

**Madam DEPUTY CHAIR:** Thank you.

I remind the committee there should be no offensive or unbecoming words under Standing Order 62. I have warned you before. Member for Karama, I consider your conduct to be disorderly and I warn you if you persist I will order you to withdraw from the hearings under paragraph 31 of the Assembly resolution establishing this committee. Please keep this in order.

To you, Treasurer, thank you.

**Ms LAWRIE:** A point of clarification on that, Madam Deputy Chair. Is it because I used the word 'clown'?

**Madam DEPUTY CHAIR:** How many times have you been given an order today? Over 10 times. Ten times you have been given an order from the previous Chair and, now, me again. I am giving you this last warning. After this one, I am going to read it out again and you will be dismissed from this room for an hour. Keep this in order.

**Ms LAWRIE:** Page 15 of the Renewal Management Board progress report says asset sale options are available to reduce debt and will be explored as part of the continuing review process post-budget. Can you table any review of the asset sales?

**Mr TOLLNER:** No decisions have been taken at this stage in relation to asset sales. It is certainly not something we are ruling out, but I have asked the Under Treasurer and the deputy Under Treasurer what asset sales have occurred to date. We cannot think of any, but that is not to say we will not consider asset

sales into the future. The fact is, we have to get debt under control, and asset sales are one measure of getting revenue into government.

**Ms LAWRIE:** Treasurer, in that context would you rule out selling or leasing Darwin port?

**Mr TOLLNER:** Opposition Leader, I am not going to rule anything in or anything out. At this stage we want to keep an open mind on what stacks up, and those decisions will be considered very carefully by the Cabinet.

**Ms LAWRIE:** Will you rule out selling or leasing Darwin bus service?

**Mr TOLLNER:** You can go through every single item government owns. We are not ruling anything in or out.

**Ms LAWRIE:** Will you rule out selling or leasing the Government Printing Office?

**Mr TOLLNER:** Ditto.

**Ms LAWRIE:** Will you rule out selling or leasing assets, or parts of the assets of Power and Water?

**Mr TOLLNER:** Ditto.

**Ms LAWRIE:** Will you rule out selling or leasing Power and Water?

**Mr TOLLNER:** Ditto. Sorry, what I ...

**Ms LAWRIE:** You will not rule out selling or leasing any of the above?

**Mr TOLLNER:** I believe the government has ruled out selling the Power and Water Corporation, but ...

**Ms LAWRIE:** You should know, as Shareholding minister.

**Mr TOLLNER:** Comment has been made in the past that we are not looking at selling the Power and Water Corporation.

**Ms LAWRIE:** Can you confirm you will rule out selling Power and Water, but you will not rule out selling the GPO, Darwin Bus Service or Darwin Port?

**Mr TOLLNER:** We have found ourselves in a tough financial situation. We need to look at all revenue measures; ways we can get money into government coffers and ways that impact least on Territorians. At this stage, I am not prepared to rule anything in or out until Cabinet has had an opportunity to have a very detailed look at these things.

**Ms LAWRIE:** Will you rule out the sale, or part sale, of equity in the Marine Supply Base - 95% equity in the Marine Supply Base? Will you start selling down equity in the Marine Supply Base? Will you rule that out?

**Mr TOLLNER:** I was not aware of that. Is there a buyer out there?

**Ms LAWRIE:** I am asking you, Treasurer.

**Mr TOLLNER:** I am curious. Do you know if there is a buyer out there?

**Ms LAWRIE:** These questions are legitimate and have an impact on the clients of these services and the employees.

**Madam DEPUTYCHAIR:** Opposition Leader, can we have a break? Someone needs to leave the room for five minutes. Is that okay with you?

**Ms LAWRIE:** Yes. Back at 5 50 pm?

**Madam DEPUTY CHAIR:** We will have a five minute break.

**Ms LAWRIE:** At 5 50 pm?

**Madam DEPUTY CHAIR:** Yes, 5 50 pm will be good. Thank you.

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The committee suspended.

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**Madam Deputy CHAIR:** Everyone is back, thank you. We will continue with the Opposition Leader.

**Ms LAWRIE:** Treasurer, page 16 of the Renewable Management Board's progress report, in relation to the Marine Supply Base, says initial investigations revealed there were cheaper and better long-term options which the former government chose to ignore. What were they?

**Mr TOLLNER:** I am not aware of what they had in mind. I suppose this is one of the areas we will consider in the future.

**Ms LAWRIE:** You have not asked the Renewable Management Board what the cheaper and better long-term options might be?

**Mr TOLLNER:** Not personally, no.

**Ms LAWRIE:** Are you aware whether the former Treasurer asked?

**Mr TOLLNER:** Not personally, no.

**Ms LAWRIE:** You are not aware alternative options were spelled out in the final report?

**Mr TOLLNER:** I am not aware of that, no.

**Ms LAWRIE:** The report recommended an in-depth review to consider the future of the Marine Supply Base. Has that occurred?

**Mr TOLLNER:** That is not a question for me; that is a question for the Minister for Infrastructure, I imagine.

**Ms LAWRIE:** Even though it is the Renewable Management Board and dealing with the finances of the Marine Supply Base, you rule that out?

**Mr TOLLNER:** I am led to believe that is the responsibility of the Minister for Transport ...

**Ms LAWRIE:** For the Chief Minister?

**Mr TOLLNER:** ... because it has been transferred to the Darwin Port Corporation.

**Ms LAWRIE:** The Marine Supply Base has been transferred to the Darwin Port Corporation?

**Mr TOLLNER:** That is correct, yes.

**Ms LAWRIE:** It contractually sits under them?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** Page 15 of the ...

**Mr TOLLNER:** The Under Treasurer has just pointed out something of relevance to the RMB report. If you look on page 5, terms of reference, it says the role of the Renewable Management Board is to advise the Chief Minister and Cabinet.

**Ms LAWRIE:** Yes, that is why I asking because, as Treasurer ...

**Mr TOLLNER:** It is not necessarily the Treasurer, although I am part of Cabinet.

**Ms LAWRIE:** That is right. You are part of Cabinet, you are the Treasurer. It goes to the fiscal options in financial alternatives of the Marine Supply Base. When I was Treasurer nothing would be going on in that regard I would not be fully across. If you are not across it, that is cool.

**Mr TOLLNER:** There was much stuff you were not fully across ...

**Ms LAWRIE:** I will ask the Chief Minister.

**Mr TOLLNER:** ... such as estimates. You should have had your eye on the rear view mirror. You were not interested in estimates, were you? Forward estimates.

**Ms LAWRIE:** It has not come up at your budget subcommittee of Cabinet?

**Mr TOLLNER:** No, forward estimates meant nothing to the former Treasurer.

**Ms LAWRIE:** It has not been on the budget subcommittee of Cabinet you have established?

**Mr TOLLNER:** No.

**Ms LAWRIE:** What about on page 15, where the Renewable Management Board said there would be a full review of the *Fiscal Integrity and Transparency Act* and it would be conducted and enacted by Cabinet in time for the 2013-14 budget. Can you table a copy of that review and take us through what parts were enacted prior to the budget?

**Mr TOLLNER:** I am advised it was not something they did in the end. It did not come before ...

**Ms LAWRIE:** They said there would be a full review but did not do it?

**Mr TOLLNER:** No.

**Ms LAWRIE:** Can you say why?

**Mr TOLLNER:** No, I cannot.

**Ms LAWRIE:** Have you had a conversation with them about why they did not ...

**Mr TOLLNER:** No, I have not.

**Ms LAWRIE:** You were not concerned they recommended it and said they would do it and did not?

**Mr TOLLNER:** At this stage I have not had that discussion with them.

**Ms LAWRIE:** You were not concerned? These people are being paid \$1m.

**Mr TOLLNER:** As I said, I have not had that discussion with them at this stage.

**Ms LAWRIE:** I am not asking if you had the discussion. I am concerned you paid people \$1m who said they would do something and did not do it?

**Mr TOLLNER:** I am concerned it was too easy for the former government to breach the *Fiscal Integrity and Transparency Act*.

**Ms LAWRIE:** No, we did not. We did not breach it.

**Mr TOLLNER:** Beyond any shadow of a doubt you breached it on a whole range of areas. I took you through that this morning.

**Ms LAWRIE:** You completely failed to prosecute that.

**Mr TOLLNER:** In that regard, I can imagine the Renewable Management Board had a few concerns about the *Fiscal Integrity and Transparency Act* because it did not ensure fiscal integrity or transparency from the former Treasurer.

**Ms LAWRIE:** That is not the case, but we will move on from that one.

**Mr TOLLNER:** Clearly it is the case.

**Ms LAWRIE:** No, it is not.

**Mr TOLLNER:** They raised it as a concern.

**Ms LAWRIE:** You have not prosecuted anything and they did not do the review.

**Mr TOLLNER:** I raised it in parliament and ...

**Ms LAWRIE:** You did not enact it.

**Mr TOLLNER:** ... you have had former ministers ...

**Ms LAWRIE:** How bad was it?

**Mr TOLLNER:** ... saying you borrowed money to pay for nurses, teachers and the like. It is as obvious as the nose on your face that you were borrowing money to pay for the operations of government. You were in breach of that act everywhere. You would not let the Power and Water Corporation operate ...

**Ms LAWRIE:** Funding for infrastructure.

**Mr TOLLNER:** ... on a sustainable footing. There are breaches everywhere - left, right and centre. Is it any wonder that caught the eye of the Renewable Management Board?

**Ms LAWRIE:** It did not catch their eye because they did not do the work. They did not do the review. Nothing was enacted, there is nothing you can table ...

**Mr TOLLNER:** Quite possibly ...

**Ms LAWRIE:** ... despite it being contained within ...

**Mr TOLLNER:** ... they noticed that ...

**Ms LAWRIE:** ... the Renewable Management Board report.

**Mr TOLLNER:** ... it was not going to be a large priority because the new government was acting with fiscal integrity and was being transparent.

**Ms LAWRIE:** How would you know? You did not discuss it with them.

**Mr TOLLNER:** I am making an assumption in that regard.

**Ms LAWRIE:** Like all the other assumptions today.

Treasurer, you have made much of claims you would cut Labor's spending. Page 28 of Budget Paper No 2 shows despite all the pain of jobs being cut across the public service, agency budget cuts, increases in power, water and sewage tariffs, massive hikes in the cost of living for Territorians and some 4100 jobs lost since you have been in government, you intend to save \$12m across the whole of government. That is the variation in the fiscal balance from the PEFO to 2013-14 - you will save \$12m out of \$5.7bn expenditure. Treasurer, that is a saving of 0.21%.

**Mr TOLLNER:** You disregard the fact we had a whole heap of unfunded legacy items. You disregard the fact there was a reduction in ...

**Ms LAWRIE:** You have not funded them.

**Mr TOLLNER:** ... GST revenue of more than \$100m and have still come in below what was predicted in the pre-election fiscal outlook. These are massive problems we have had to deal with, and we have done an enormous job of looking across government to find savings and efficiencies, looking at structural reforms to make the system more efficient, and have not dramatically cut any services government provides.



In that regard, it has been a magnificent achievement and I pay tribute to all ministers in the Cabinet for doing such a significant job under trying pressures. The Health budget is now on a secure footing for the foreseeable future because we have factored in demand pressure growth. Prior to this government, the Health department received a Treasurer's Advance every single year.

**Ms LAWRIE:** They are not going to get a Treasurer's Advance this financial year?

**Mr TOLLNER:** That is the intention.

**Ms LAWRIE:** Lead with your chin.

**Mr TOLLNER:** That is the intention, and we are holding chief executives to account in relation to their budgets ...

**Ms LAWRIE:** No Treasurer's Advance for the Health department?

**Madam DEPUTY CHAIR:** Opposition Leader, can you please cease interjecting while the Treasurer is answering your question.

**Mr TOLLNER:** External circumstances impact from time to time, which is why you need a Treasurer's Advance ready. However, it should not be there to provide for the operational funding of a department that is going to grow simply because of the demand pressures that have been there since Adam was a boy. It is wrong to fund a department's normal day to day operational expenses with a Treasurer's Advance.

**Ms LAWRIE:** In regard to demand pressures, you would not do it? Do you rule it out?

**Mr TOLLNER:** We factored in demand pressures.

**Ms LAWRIE:** It has captured it all? No Treasurer's Advance for Health responding to demand pressures?

**Mr TOLLNER:** The intention is not to give Treasurer's Advances to any department because we are factoring in demand pressure growth. If departments require Treasurer's Advances they must have a substantial reason. It cannot be because they are paying known operational expenses. That is one of the reasons we instigated the budget management subcommittee, and one of the reasons we are putting chief executives on performance pay is to ensure they constantly have their eye on the game and are coming in within their budgets.

**Ms LAWRIE:** There is no call on the Treasurer's Advance to the tune of about \$150m this financial year?

**Mr TOLLNER:** This financial year we are catching up on the previous practises of the former government. Into the forward estimates those demand pressure growth areas have been factored into it. It is a much more transparent, honest way of dealing with Territory finances. For somebody who does not take any notice of future years and future estimates, I can see why you would think it was a ridiculous task in the first place.

**Ms LAWRIE:** You have, in this financial year, one year into the year under Labor and the other 11 months under the CLP, just confirmed you are going to draw down a Treasurer's Advance of \$150m.

**Mr TOLLNER:** That is currently being worked on. Those are your numbers. We are still working against the backdrop of the May budget last year. Those unfunded legacy items have to be acquitted. In future years ...

**Ms LAWRIE:** You have handed down a budget since then.

**Mr TOLLNER:** The costs are still coming in for this financial year, as you well know. We are still working on those numbers. In future years we are intending to hold chief executives of departments within the constraints of their budgets. This never occurred under previous governments. They never held anyone in line with their budgets ...

**Ms LAWRIE:** That is not the case.

**Mr TOLLNER:** It clearly is the case because you were constantly forking out millions and millions of dollars in Treasurer's Advances to the Health department because you did not factor in growth demand pressure.

**Ms LAWRIE:** You are saying, Treasurer, that you cannot confirm or deny a drawdown of Treasurer's Advance of \$150m for this financial year because we are still in the financial year. If you do draw down a Treasurer's Advance it will be for decisions made by Labor in one month, as opposed to the CLP's 11 months. Is that what you are saying?

**Mr TOLLNER:** We are discovering the previous Labor government's budget figures had no grip on the reality of the situation at hand. We are currently determining exactly what those previous policies meant to the budget. We are a new regime. We have a new regime of managing budgets and of belt-tightening that does not involve wholesale job losses or wholesale loss of services from the public service. We are pushing for efficiencies. We are pushing to see services are maintained, and we do it all in the confined space of a budget.

**Ms LAWRIE:** You are still spending if you are going to draw down a significant Treasurer's Advance.

Treasurer, the budget confirms \$300m will be stripped out of the public service - Budget Paper No 2, page 32. Can you explain where these cuts will be made?

**Mr TOLLNER:** Getting across government - again I point out the significant work done by my colleagues in the Cabinet in looking for efficiency measures across the board ...

**Ms LAWRIE:** This is more than efficiency measures is it not?

**Mr TOLLNER:** They may find things like the grocery watch in this day and age ...

**Ms LAWRIE:** This is \$20 000.

**Mr TOLLNER:** That is right, it is \$20 000.

**Ms LAWRIE:** We are talking \$300m.

**Mr TOLLNER:** You have just belled the cat. We have looked across the board and found heaps of small amounts of money. It is all rats and mice stuff, but if you add it up it comes to a significant saving. This is about being diligent and looking at departments. This is why we believe we can further belt tighten, because we have been in government now for less than a year and have already managed to derive \$300m worth of savings out of the public service and we believe there is plenty more we can find. These things take time; every bit helps.

You might laugh at \$20 000, but that is what got the government into this situation in the first place: \$20 000 here, \$20 000 there, \$5000 here, \$10 000 there. It all adds up and clearly shows ...

**Ms LAWRIE:** To \$300m?

**Mr TOLLNER:** That is what I am telling you.

**Ms LAWRIE:** You are going to find it?

**Mr TOLLNER:** This is what has been identified already.

**Ms LAWRIE:** You have not identified \$300m already.

**Mr TOLLNER:** We have.

**Ms LAWRIE:** Where?

**Mr TOLLNER:** Across the board in each agency. You can go through each agency and ask where they have identified these savings.

**Ms LAWRIE:** Treasurer, that is across the forward estimates. That is not what you have identified to date. You may be confused. That is what you are estimating you will find, not what you have already found. That is further cuts you will be making not what you have found.

**Mr TOLLNER:** I refer you to Budget Paper No 2 starting on page 77, which shows every department has agency savings. Northern Territory Electoral Commission - agency savings, Department of the Chief

Minister - agency savings, Department of the Legislative Assembly - agency savings. Everywhere you look throughout this budget there is reference to agency savings. If you want to know what each of those little rats and mice are, that is where you start directing questions to the ministers of those agencies. Across the board, all these little savings measures add up to a significant amount of money. This is something ...

**Ms LAWRIE:** For 2012-13, what do they add up to?

**Mr TOLLNER:** ... the previous government never did.

**Ms LAWRIE:** For 2012-13, what do they add up to?

**Mr TOLLNER:** Those little ...

**Ms LAWRIE:** Is it \$300m or \$90-odd million?

**Mr TOLLNER:** I am listening to what you are saying in that regard.

**Ms LAWRIE:** I will wait until you find the answer in the book. It is in the book.

**Mr TOLLNER:** There are significant savings.

**Ms TOLLNER:** For 2012-13 it is \$73m.

**Ms LAWRIE:** Right.

**Mr TOLLNER:** For 2013-14 it is \$204m, which is not insignificant. By the time we get to 2015-16 we expect to find over \$300m worth of agency savings across the board.

**Ms LAWRIE:** I go back to my original question, Treasurer. You are predicting you will find \$300m in savings. What you have talked about are the savings you have found to date which come close to, at this stage of the financial year, \$73m. You say you will find \$204m in savings in the 2013-14 financial year, rising to \$300m in savings. What will you cut to achieve those savings?

**Mr TOLLNER:** We went through the Treasury savings a little while ago and ...

**Ms LAWRIE:** That was to achieve \$73m. What you will cut to achieve the \$204m rising to \$300m?

**Mr TOLLNER:** You need to go through each agency and ask about that.

**Ms LAWRIE:** Could you give me any example?

**Mr TOLLNER:** No, you need to ask each minister, as they come forward, where they see potential savings in the future.

**Ms LAWRIE:** Not a single example?

**Mr TOLLNER:** It is not my job to give you single examples.

**Ms LAWRIE:** You are the Treasurer; they are your figures.

**Mr TOLLNER:** You have each minister appearing ...

**Ms LAWRIE:** Treasurer, if you do not want to answer it that is fine.

**Mr TOLLNER:** ... to talk in depth about their savings.

**Ms LAWRIE:** If you do not want to back up your \$300m savings figure, that is fine.

Page 15 of the Budget Economy Book says government spending was constrained by the previous government in 2011-12, despite your rhetoric to the contrary. Total consumption expenditure increased by 2.1%, below the 10-year average of 2.8%. Your Budget Papers say this is due to the savings measures introduced to restrict operational expenditure growth. Do you agree with your Budget Paper that the previous government constrained expenditure growth? It is on page 15 of the Budget Economy Book.

**Mr TOLLNER:** I am glad I have people with me. It is not talking about the Territory government solely; it is talking about all three tiers of government: federal government, Territory government and local.

**Ms LAWRIE:** It includes the Territory government.

**Mr TOLLNER:** If you want a pat on the back for constraining spending you are in dream world.

**Ms LAWRIE:** Page 22 of the Budget Economy Book says you are planning to cut public investment growth by 8.2% in 2012-13. How many jobs does that equate to?

**Mr TOLLNER:** Again, you are quite selective in the way you read these things. It is about federal and territory governments, including the ADF. When it comes to ...

**Ms LAWRIE:** How many jobs does that equate to?

**Mr TOLLNER:** I do not know. Perhaps we need to be talking to ...

**Ms LAWRIE:** Can you find out?

**Mr TOLLNER:** ... the Commonwealth and the Department of Defence.

**Ms LAWRIE:** The Department of Defence has currently increased its public investment in the Northern Territory through its build occurring at Robertson Barracks, Larrakeyah and the like. There is mention in the Budget Economy Book of a reduction in federal public investment, obviously with the turning down of the capital works investment and your own decision for a reduction in the capital program. However, it does not change or alter the question. With an 8.2% cut in public investment, how many jobs would that equate to? I know Treasury has these formulas, by the way.

**Madam DEPUTY CHAIR:** Treasurer, did you want to take that on notice?

**Mr TOLLNER:** No, I was going to dig up the exact page reference. There has been a cut in capital expenditure items ...

**Ms LAWRIE:** \$64m at the Territory level, yes?

**Mr TOLLNER:** At the Territory level.

**Ms LAWRIE:** Sure, and there has been a Commonwealth cut.

**Mr TOLLNER:** That was signalled in the previous budget; whilst there had been a high spend on capital works and the like in order to keep jobs going, there was a recognition that as private investment came on that capital outlay would reduce.

We are seeing the fruits of that private investment happening at the moment through the Ichthys project and the like. We are seeing a slow coming off the boil of public spending in that regard. I recall the previous Treasurer making statements to that effect.

**Ms LAWRIE:** Treasurer, I will repeat the question and if you need to take it on notice do so. An 8.2% cut in public investment; how many jobs would that equate to?

**Mr TOLLNER:** Hang on, let us clarify that. It is an 8.2% cut across Commonwealth and Territory governments.

**Ms LAWRIE:** It is public investment that takes in the Commonwealth and Territory. I stated in my previous question I know Treasury has the ability to calculate a formula which says what that equates to in jobs. An 8.2% cut in public investment; how many jobs does that equate to?

**Mr TOLLNER:** I do not know where you get your information that Treasury would have that detailed information because, clearly, they do not. If you think about it you would see that information cannot be at hand. It depends what type of investment is being cut. Clearly, engineering investment employs a few people, housing constructions employs many people. How long is a piece of string?

**Ms LAWRIE:** Did you do any economic modelling on your cuts? The \$64m, for example, how much that equates to in jobs?

**Mr TOLLNER:** No, because we do not see job losses because private sector investment is increasing.

**Ms LAWRIE:** That is not what the industry organisations are saying.

**Mr TOLLNER:** I do not know which industry organisations you are talking to, but the ones I have spoken to are quite happy the Territory government is still spending significant money on capital items. At the same time ...

**Ms LAWRIE:** The Chamber of Commerce.

**Mr TOLLNER:** ... there is enormous expenditure happening in the private sector. They are also particularly happy our government is focused on growing economic growth and dragging more industry to the Northern Territory. There are not too many people worried about jobs in the current economic environment.

**Ms LAWRIE:** Despite the fact 4100 jobs have been lost under the CLP government?

**Mr TOLLNER:** Opposition Leader, 4100 jobs have not been lost. I wish you would stop running this nonsense about job losses.

**Ms LAWRIE:** Full time jobs have been lost. It is ABS Labour Force data. Are you saying the ABS Labour Force data which identified 3600 full-time equivalent jobs lost in the Territory since you have come to power, with an additional update of 500 jobs in the unemployment figures out last week - the 4100 is a figment of the ABS's imagination; they are making it up?

**Mr TOLLNER:** Let us get this into perspective. In August 2012, when we took over government, the unemployment rate was sitting at 4.1% not 2%. The 2% you quote was earlier in the year. It has now risen to 5.1%. There has been a decrease of 3754 full-time employed people, but that has been offset by 1747 part-time employees over the corresponding period.

It should also be noted the Northern Territory has the second lowest trend in unemployment across the country. The national average is sitting at 5.6%, and the Territory continues to record the highest participation rate of all states at 73% in May 2013. You try to paint a bleak picture about job losses and unemployment in the Northern Territory, but when you talk to people they know the Territory is on the cusp of a major economic growth spurt. They know there are more jobs than we have people, and employers are particularly worried their employees will chase bigger money in bigger jobs. Unemployment is not our problem; it is trying to find a workforce to meet the growth requirements of the Territory.

**Ms LAWRIE:** Treasurer, the distinction is there were 4100 full-time jobs lost. You are talking about the oil and gas industry economic boom which does not, in the skills translation, capture the 4100 full-time jobs lost in the Territory since you have come to government.

**Mr TOLLNER:** That is a load of nonsense. Whilst there are highly paid skills-based jobs, those jobs and what they do cascade down to the rest of the economy. No one is scared of losing their job. The Northern Territory is booming. You can bang on with all these doom and gloom figures, and I saw the nonsense you put in the newspaper this week about how bad things are going in the Northern Territory. The reality is completely different.

**Mr WOOD:** Where are the teachers from the high schools going?

**Mr TOLLNER:** That is a question to put to the Minister for Education.

**Mr WOOD:** You stated no one would lose their job.

**Mr TOLLNER:** The Northern Territory is growing, the economy is growing, we have a major problem attracting people to the Territory and trying to ...

**Mr WOOD:** Why are you getting rid of the teachers?

**Mr TOLLNER:** If you want to know about teachers, ask the Education minister.

**Mr WOOD:** Do not say they are not losing their job.

**Mr TOLLNER:** For goodness sake, as the Education minister.

**Madam DEPUTY CHAIR:** Member for Nelson, would you please stop interjecting.

**Mr TOLLNER:** The Opposition Leader has a desire to paint a picture that everything is doom and gloom and, in the Northern Territory, we are going to hell in a hand basket. Meanwhile, we have big projects happening. We also have businesses being attracted to the Northern Territory, completely separate to the Ichthys gas project. You have a Chief Minister and a Cabinet team prepared to talk up the Territory. We recognise things will good over the next couple of years, but we have to think about the years after that and how we maintain economic growth after the INPEX project winds down. That is what we are focused on. It seems the opposition, and perhaps the Independent ...

**Mr WOOD:** No, I just know we are losing jobs in schools.

**Mr TOLLNER:** We will not talk about the Independent then.

**Mr WOOD:** No.

**Mr TOLLNER:** The Opposition Leader is spending money sticking nonsense into newspapers about how bad things are going in the Territory.

**Ms LAWRIE:** Treasurer, I am getting to the end of my questions in this output area, but you are very focused on everything being great. We have the major project Labor landed which, when we went after it, the CLP described it as a 19<sup>th</sup> century project. We had the letter in letterboxes and it is on the record.

Labor went after a major project, the Ichthys project, and landed it against what you were saying to business people - talking it down and saying there was no way we would get it. Do not worry about that, you are happy to rewrite history. It is, all of a sudden, very much your work and your glory days. You called us a one trick pony over the Ichthys project. It is going to fuel the economic growth of the Territory in GSP data coming through, and be the major contributor to the public sector investment upswing. It will have a massive flow-on effect in jobs and investment in the private sector associated with the oil and gas industry. Also, couple that with the Marine Supply Base, another Labor initiative, one your Renewable Management Board said was not viable and there were better and cheaper options, none of which you will specify or spell out.

In the Budget Economy Book, the major investment fuelling the GSP, apart from the ones I have mentioned - Montara oil field and, of course, Kitan. However, when you look at public sector investment fuelling economic growth, you have the infrastructure and land servicing as part of SIHIP, now NPARIH, the capital works roads upgrades, completion of Berrimah Fire Station, upgrades for Royal Darwin Hospital, Commonwealth-funded upgrades for Ramingining and Gapuwiyak Police Stations, ongoing headworks for Palmerston East and the new Darwin Correctional Precinct. One of those, obviously, is a major project with 1000 workers - the Darwin Correctional Precinct you say you would not have built so take that out of the picture.

Of all these projects fuelling the economy, the GSP growth you are singing the praises of, none are CLP initiatives. What do you have to say?

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

**Ms LAWRIE:** Do you accept none were CLP initiatives?

**Mr TOLLNER:** I was wondering when you were going to finish. What aspect of that do you want me to comment on?

**Ms LAWRIE:** Are any a CLP initiative? Comment on that. All of the projects fuelling the economy right now - second highest economic growth in the nation, predicted to be the highest this year ...

**Mr TOLLNER:** You mentioned one project you can be given credit for, the Ichthys project.

**Ms LAWRIE:** And all the others: Berrimah Fire Station, Royal Darwin Hospital upgrade ...

**Mr TOLLNER:** Government money.

**Ms LAWRIE:** ... Palmerston East ...

**Mr TOLLNER:** Government money.

**Ms LAWRIE:** ... Darwin Correctional Precinct ...

**Mr TOLLNER:** Government money.

**Ms LAWRIE:** All Labor initiatives.

**Mr TOLLNER:** Yes, all government money.

**Ms LAWRIE:** All Labor.

**Mr TOLLNER:** You wonder how we got into all this debt. Do you ever scratch your head and wonder ...

**Ms LAWRIE:** This is the point the member for Nelson is making.

**Mr TOLLNER:** ... where we got all this debt from? The prison will cost us \$60m a year before we put one prisoner and one prison warden in it.

**Ms LAWRIE:** Contributing to economic growth and jobs.

**Mr TOLLNER:** That is \$60m a year contributing to economic growth! You have to be joking! It is a lead weight around the neck of the Territory for the next goodness knows how long ...

**Mr WOOD:** There is no social benefit from that prison?

**Mr TOLLNER:** Here we go, we have the ...

**Mr WOOD:** You want to leave them in the dump they are in now, do you?

**Mr TOLLNER:** Yes, that is right.

**Mr WOOD:** You would leave people in that hellhole ...

**Mr TOLLNER:** This is the guy who campaigned against a new prison and now he wants it. Goodness me, get your act together, Gerry.

**Ms LAWRIE:** Not too surprising.

**Mr WOOD:** You are making it up as you go along.

**Ms LAWRIE:** Yes.

**Mr TOLLNER:** I am not making it up as I go along.

**Ms LAWRIE:** We need to put ...

**Mr WOOD:** I said we need a new prison, a prison farm and work camps.

**Mr TOLLNER:** That is right.

**Mr WOOD:** I did not design the prison.

**Madam DEPUTY CHAIR:** Member for Nelson and Opposition Leader, please direct your questions to the Treasurer as advised.

**Mr TOLLNER:** We are now spending \$60m a year on a prison before we put one prisoner or one warden in it.

**Mr WOOD:** It is a bit hard to open it until you build it.

**Mr TOLLNER:** Goodness me! That is what it is going to cost ...

**Mr WOOD:** They will walk out the front door.

**Mr TOLLNER:** ... \$60m a year.

**Mr WOOD:** Yes, and how long will it last for?

**Mr TOLLNER:** You walk around crowing as if that is an achievement. That is disgusting. For \$60m, think of the schools you could put in place with that every year.

**Mr WOOD:** You are just cliché running.

**Mr TOLLNER:** Schools, hospitals. Goodness me, it is madness and you want to build a prison.

**Madam DEPUTY CHAIR:** Thank you, Treasurer. Member for Nelson, Opposition Leader, it is now 6 30 pm and our dinner break. We will break for 30 minutes.

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The committee suspended.

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**Madam CHAIR:** Thank you, Treasurer, and your staff for joining us again. We recommenced at 7 05 pm and on our Estimates Committee we have Michael Gunner, member for Fannie Bay; Leader of the Opposition, Delia Lawrie; me; Francis Xavier Kurrupuwu, member for Arafura; Bess Price, member for Stuart; and Gerry Wood, member for Nelson. We will continue with Mr Wood in Output 1.1.

**Mr WOOD:** Treasurer, is this the right output to ask about the GST? The GST has been spoken about.

**Mr TOLLNER:** Good question.

**Mr WOOD:** Is this where it fits?

**Ms LAWRIE:** Either here or revenue.

**Mr TOLLNER:** Talk about it here or revenue, it does not bother. We have been going everywhere in this output group.

**Mr WOOD:** Does taxation fit in there too, or does that come into ...

**Mr TOLLNER:** Why not.

**Mr WOOD:** No, that is in Northern Territory Revenue. I need some clarification. I was very confused about GST.

Budget Paper No 2 page 26 says, 'Table 3.2 sets out the revised projections for revenue for 2012-13 and the forward years'. It has an estimate for GST revenue of \$2821m. Under the budget heading on that page it says \$2805m, so we will lose \$16m. I then go to page 341 of the budget - tell me if I am in the wrong - which says under the Central Holding Authority - GST revenue. Am I comparing apples with apples?

**Mr TOLLNER:** Yes.

**Mr WOOD:** Okay. It says the 2012-13 estimate is \$2.842bn.

**Mr TREGILGAS:** No, it is \$2.821bn.

**Mr TOLLNER:** You are looking at ...

**Mr WOOD:** I see. There are too many columns.



**Mr TOLLNER:** This is where you need a piece of paper or a ruler.

**Mr WOOD:** I looked at that and said, 'These columns match up'.

**Mr TOLLNER:** No.

**Mr WOOD:** We are losing \$16m in real terms, is that correct?

**Mr TOLLNER:** That is correct.

**Mr WOOD:** I do not have the previous year. Did we get an increase on the previous year?

**Mr TOLLNER:** In 2011-12 we had an increase from \$2.507bn. We had an increase of some \$300m-odd.

**Mr WOOD:** We are losing \$16m?

**Mr TOLLNER:** We are losing \$16m in real terms. We should have had a considerable increase, member for Nelson, but we lost \$100m-plus in GST due to relativities.

**Mr WOOD:** While I am on that page, can you explain the seamless national economy figure? It sounds like something to do with knitting, but I presume it is more serious than that.

**Mr TOLLNER:** It is a national partnership agreement to reduce red tape and ...

**Mr WOOD:** We will not get anything next year, is that what you are estimating? Is it a one-off payment?

**Mr TOLLNER:** It was over a few years.

**Mr WOOD:** How do you get the variation if there is no more money?

**Mr TOLLNER:** Member for Nelson, it is a time limited national partnership agreement.

**Mr WOOD:** That is the finish of it?

**Mr TOLLNER:** That is the finish of it.

**Mr WOOD:** Sorry about that, I must have double vision. There are too many lines.

**Mr TOLLNER:** It is a long page with numbers all over it.

**Mr WOOD:** Okay.

**Mr TOLLNER:** That is quite understandable.

**Mr WOOD:** Those are my questions on the GST.

**Madam CHAIR:** That completes consideration of Output 1.1.

## **OUTPUT GROUP 2.0- ECONOMIC** **Output 2.1- Economic Services**

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

**Ms LAWRIE:** Treasurer, page 5 of the Budget Overview shows you have increased taxes on employers from \$176m to \$200m. That is a 13% tax increase on businesses. You previously said taxes on businesses are a tax on jobs. Taxes on jobs, therefore, are up \$24bn in your budget whilst jobs are down by 4100. Why are you increasing taxes on businesses and cutting jobs by 4100?

**Mr TOLLNER:** Where are you referring to?

**Ms LAWRIE:** Page 5 of the Budget Overview.

**Mr TOLLNER:** Where on page 5 is this increase?

**Ms LAWRIE:** We looked at the revenue - the pie chart - looked at the increase in revenue and compared it to the previous year.

**Mr TOLLNER:** In the main, Opposition Leader, this represents employment growth in the Northern Territory and is a reflection of payroll tax. You are right. In the past we have said payroll tax is a tax on jobs, but as I am sure you will appreciate, part of the assessment the Commonwealth Grants Commission uses is your revenue raising capability and how you raise revenue. For that reason, it has been difficult to reduce the rate of payroll tax. Similarly the Territory, in order to protect its GST revenue, had to put in place other revenue raising measures such as those I outlined earlier today in relation to mining royalties, transfer pricing, head office expenses, etcetera. It is unfortunate, but that is the way the national system works. We have to do our fair share of lifting in the Northern Territory if we are to expect the Commonwealth Grants Commission to maintain funding levels at the rate they do.

**Ms LAWRIE:** Is that why you refuse to rule out the introduction of a land tax to the Property Council?

**Mr TOLLNER:** I ruled out the introduction of a land tax to the Property Council for the same reason I ruled out asset sales or ruled in asset sales because, at the moment, we are still assessing how we deal with this extraordinary level of debt we have been bequeathed by the former government. Whilst there is not an intention to introduce a land tax or sell government assets, we are not ruling anything out or in at this stage.

**Ms LAWRIE:** Do you understand the uncertainty that creates for the business community when they have to look forward at decisions around investment, what they are doing with their assets, whether they are going to invest in major refurbishments of buildings, for example, all of which are good for the economy, when you are refusing to rule out something like a land tax? Do you understand the impact that has on business confidence? We have seen business confidence under the CLP government plunge by 39% in the Sensis Business Survey. Do you understand the fact you will not rule out a land tax in the Territory is really going to the core of deep concern in business and affecting business confidence and, therefore, investment?

**Mr TOLLNER:** No, I do not. I believe business wants to see the government gets its finances under control. Part of that is being responsible and taking responsible action where needed. What undermines business confidence is high levels of debt, and not just Territory government debt, but federal government debt as well - uncertainty about future taxes that will be put on Australians to pay for ever-increasing levels of debt and concerns about debt in the Northern Territory. That is what worries people I talk to ...

**Ms LAWRIE:** That was not borne out in the Sensis Business Survey. When a Labor government was in and the debt was there confidence was very high. Confidence has plunged 39%.

**Mr TOLLNER:** That is an odd take on your time in government. I have a small graph here I will hold up for you to see. This is a graph of business confidence in Northern Territory government policies from February 2005 to February 2013. You can see it is up and down like a yo-yo. To suggest ...

**Ms LAWRIE:** Falling off the cliff when you come in.

**Mr TOLLNER:** To suggest it was all roses in relation to business confidence during your time is a complete misread of the history of business confidence in the Territory.

**Ms LAWRIE:** You have not heard any concerns from members of the Property Council about you refusing to rule out the introduction of a land tax and how it has real consequences to potential investment decisions in the commercial property sector in the Territory? You have had not heard any concerns from them?

**Mr TOLLNER:** Of course I have heard concerns from the Property Council. Similarly, I have heard concerns from others in the housing and construction industries who are saying urban sprawl costs a fortune and you will not stop it until you put in place a land tax that encourages people to utilise existing infrastructure where you build up instead of out.

For every negative comment you hear, you hear a positive one. We are not ruling anything in or out. Please do not take that as some misconstrued fact we are contemplating introducing a land tax because that is not the case. We are not ruling anything in and not ruling anything out.

**Ms LAWRIE:** Is there a particular industry peak group - HIA, UDIA, Master Builders - which has said they would welcome the introduction of a land tax, based on your previous answer?

**Mr TOLLNER:** Nobody wants to welcome taxes of any nature. Unfortunately, there are only two certainties in life: death and taxes. We do not wish any of them on any of us, but that is a reality of life.

**Ms LAWRIE:** Based on your answer saying you heard from people in the construction sector in regard to urban sprawl seeing the advantage of a land tax to encourage people to build up and concentrate developments in the inner urban area ...

**Mr TOLLNER:** I am not prepared to ...

**Ms LAWRIE:** Are you saying you heard that from an industry organisation?

**Mr TOLLNER:** No, I have not. I am not prepared to attribute those quotes to the individuals I heard them from because you will immediately start attacking them.

**Ms LAWRIE:** No, I would not attack them. I would be ...

**Mr TOLLNER:** Yes, you would.

**Ms LAWRIE:** No, I would not.

**Mr TOLLNER:** I know what you are like.

**Ms LAWRIE:** Really?

**Mr TOLLNER:** Yes.

**Ms LAWRIE:** I would look forward to meeting them and hearing further from them because, in my time as Treasurer, I did not come across anyone calling for a land tax. You seem to be a fan of it, so I will move on.

**Mr TOLLNER:** I knew you would misconstrue everything. That is just the nature.

**Ms LAWRIE:** The latest Australian Bureau of Statistic figures show retail trade in the Territory is down but up across the nation. What has been the impact on jobs in this sector?

**Mr TOLLNER:** Treasury does not receive impacts on employment by sector. Because of the small population jurisdiction, they tend to be overly volatile and not necessarily reliable.

**Ms LAWRIE:** Is it Treasury does not see the unemployment data on the breakdown into sectors, or it does not receive the unemployment data?

**Mr TOLLNER:** They do not receive that information.

**Ms LAWRIE:** Treasury does not receive the unemployment data and the breakdown into sectors?

**Mr TOLLNER:** That is correct.

**Ms LAWRIE:** That is correct, is it?

**Mr TOLLNER:** There is no unemployment data for any sector. There is only employed or unemployed. There is employment data for sectors ...

**Ms LAWRIE:** Employment data broken down into sectors? Did Treasury receive it?

**Mr TOLLNER:** Not unemployment data for sectors.

**Ms LAWRIE:** Employment data, showing whether the employment is trending up or down, whether it is a volatile spike or not, the employment data broken down into sector, you have not seen any retail sector data?

**Mr TOLLNER:** Treasury does not have that information.

**Ms LAWRIE:** It has not looked at the information or cannot get hold of the information?

**Mr TOLLNER:** It does not get that information.

**Ms LAWRIE:** It does not look at the retail sector employment data?

**Ms LAWRIE:** Would you be interested, Treasurer, to see the impact on jobs from the loss of retail trade?

**Mr TOLLNER:** Of course I am interested. My view is we have a growing economy. In any growing economy you first see an increase in industry. From there you see an increase in construction, as more people are buying places and living in new dwellings. Retail figures increase as people buy whitegoods and furniture ...

**Ms LAWRIE:** Retail has decreased.

**Mr TOLLNER:** Where do you find that information?

**Ms LAWRIE:** In the latest ABS data out on retail trade. It has been down in the Territory for the last three quarters.

**Mr TOLLNER:** What is your explanation for that?

**Ms LAWRIE:** You are the Treasurer and I am asking you.

**Mr TOLLNER:** If it has been going down for the last three quarters what policy initiative has done that?

**Ms LAWRIE:** I am asking you, Treasurer, what, in your view, caused a downward trend in retail in the last three quarters?

**Mr TOLLNER:** What I am looking at here says it was positive over the last year.

**Ms LAWRIE:** The first quarter was positive. If you go down into the detail you will see the last three quarters decreased.

**Mr TOLLNER:** I am saying in the last year, in annual percentage terms, it has increased.

**Ms LAWRIE:** Quarter on quarter, for the last three quarters it has decreased.

**Mr TOLLNER:** Opposition Leader ...

**Ms LAWRIE:** You can take it on notice.

**Mr TOLLNER:** We are hardly seeing a decrease in employment.

**Ms LAWRIE:** I am talking about the ABS retail trade.

**Mr TOLLNER:** In retail sales we have seen a slight flattening.

**Ms LAWRIE:** No, we have seen decreases in the last three quarters. When the rest of the nation has gone up, the Northern Territory has gone down in the last three quarters.

**Mr TOLLNER:** What generally affects retail trade is consumer confidence, and consumer confidence ...

**Ms LAWRIE:** What would be affecting consumer confidence?

**Mr TOLLNER:** Consumer confidence, generally, is driven by national trends and federal government decisions.

**Ms LAWRIE:** Nothing to do with the Northern Territory government? Nothing to do with the decision to cut jobs and to increase the cost of living? Nothing at all?

**Mr TOLLNER:** Let us look things, in fairness. You have a very stable and forward-looking Territory government in comparison to a federal government falling over itself and cannot seem to balance the books

on anything. Magically, Wayne Swan goes from a \$1.1bn projected surplus to a \$19.4bn deficit in the blink of an eye ...

**Ms LAWRIE:** Treasurer, following your logic ...

**Mr TOLLNER:** ... and you wonder why consumer confidence is lagging a bit ...

**Ms LAWRIE:** Following your logic it is as a result of confidence around the federal government, would the retail trade not be down nationally, when the national figures are all up? They are all in the positive. On year trend, on quarter trends, they are all increasing. Only the Northern Territory, in the last three quarters, had a decrease in retail trade.

**Mr TOLLNER:** No, Territory retail trade level is far greater than the national average.

**Ms LAWRIE:** The national retail trade figures have increased in the last three quarters ...

**Mr TOLLNER:** Yes, we are still way ahead ...

**Ms LAWRIE:** ... when, at the same time, the Northern Territory has decreased.

**Mr TOLLNER:** We are still way ahead of them and if retail trade ...

**Ms LAWRIE:** Following your logic ...

**Mr TOLLNER:** Hang on, let me finish the answer, please. If retail trade was set to plateau or drop for the foreseeable future, would you see Myer moving to Casuarina? Would you see the Gateway development in Palmerston? I do not know what type of bow you are trying to pull here, but there is enormous confidence in the retail sector in the Northern Territory ...

**Ms LAWRIE:** There was under Labor.

**Mr TOLLNER:** There still is.

**Ms LAWRIE:** Myer made the decision to build at Casuarina under the Labor government ...

**Mr TOLLNER:** Good on them.

**Ms LAWRIE:** Retail trade was at record heights.

**Mr TOLLNER:** What about the Gateway in Palmerston?

**Ms LAWRIE:** Where is that building?

**Mr TOLLNER:** That will be a major ...

**Ms LAWRIE:** Where is the sign-off on that? At the moment it is a proposal.

**Mr TOLLNER:** That is right, it is a proposal ...

**Ms LAWRIE:** It is a proposal, right.

**Mr TOLLNER:** ... to government to allow them to build a major new shopping centre, which is taking place right now.

**Ms LAWRIE:** Not to allow them to.

**Mr TOLLNER:** They came forward with a proposal. To suggest there is a downturn ...

**Ms LAWRIE:** Have they made a final investment decision on that project?

**Mr TOLLNER:** ... in retail confidence in the Northern Territory is baloney.

**Ms LAWRIE:** The data shows it. The Australian Bureau of Statistics data shows for the last three quarters there have been, quarter on quarter, decreases in retail trade. Yet, you say that has nothing to do with the loss of 4100 jobs in the Territory. That has nothing to do with the cost of living going from 2.1% to 3.9%. Nothing at all to do with inflation, a doubling in the cost of living, and nothing at all to do with the loss of 4100 jobs? It is just this magic 'let us blame the federal government' when retail trade is going up across the nation except here. Is your logic on that one not a little absurd, Treasurer?

**Mr TOLLNER:** Every lining has a cloud, does it not?

**Ms LAWRIE:** There is no point proceeding with Economic Services. I am done, Gerry.

**Mr TOLLNER:** That is the picture you are creating; a dark future for everyone.

**Mr WOOD:** I am okay as long as taxation is in the ...

**Madam CHAIR:** We are about to move on to 2.2.

**Mr WOOD:** I am ensuring I do not miss out.

**Madam CHAIR:** 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?

**Ms LAWRIE:** Treasurer, you have increased Power and Water tariffs by 30% but your community service obligation payments to Power and Water go up by about 1%. Inflation is running at 3.9% so, in real terms, your community service obligations are not keeping pace with Power and Water. Why is that?

**Mr TOLLNER:** Can you go through that again, please?

**Ms LAWRIE:** Treasurer, you have increased Power and Water tariffs by 30% but your community service obligation payments to Power and Water only increased by 1% - up from \$63m to \$64m. You have not increased the CSO by the extent of inflation. In real terms, that is a reduction in the CSO.

**Mr TOLLNER:** We are not deficit funding the Power and Water Corporation. We are trying to get them to live within their means.

**Mr LAWRIE:** You said they would be sustainable under you, so you are not even letting the CSO keep pace with inflation?

**Mr TOLLNER:** Let me just go through this business again with the weighted average cost of capital. Even after the tariff increases, the Power and Water Corporation is not financially sustainable. They have to drive efficiencies within the organisation. They have to cut their spending and start living within their means. To increase tariffs and then put in another taxpayer contribution is somehow counter-productive. We are trying to get the Power and Water Corporation to be an efficient, well-run organisation that provides valuable services to Territorians.

**Ms LAWRIE:** Treasurer, you and the Chief Minister have announced you intend to raise the price of power to meet the cost of power. On page 18 of BP2 ...

**Mr TOLLNER:** You inherently see something wrong with that.

**Ms LAWRIE:** I am stating your position for clarification. In BP2, page 18, you say by 2016-17 the government's own corporation, Power and Water, will move to commercial rates of return. Treasurer, how much will the tariffs need to be to achieve a commercial rate of return?

**Mr TOLLNER:** We have made tariff increases now. We are trying to get the Power and Water Corporation to at least a weighted average cost of capital, which is sitting around 6% return. This is what, in financial or business terms, is called a normal return – just breaking even.

**Ms LAWRIE:** By how much would power have to increase to break even?

**Mr TOLLNER:** We have already said what tariffs have increased by.

**Ms LAWRIE:** No, to break even how much would they have to increase by?

**Mr TOLLNER:** We have put tariff increases in place.

**Ms LAWRIE:** They do not meet the ...

**Mr TOLLNER:** Weighted average of cost of capital, no. We are also driving efficiencies within the Power and Water Corporation. We have said Territorians have done their fair share of lifting; it is now up to the Power and Water Corporation to find efficiencies and become more sustainable in the long term. You want to know what the gap is? The gap is we have picked up about 3% by putting the tariff increases in place. We need to find another 3% through efficiency measures within the Power and Water Corporation.

**Ms LAWRIE:** In dollar terms?

**Mr TOLLNER:** We will take that question on notice.

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#### Question on Notice 2.6

**Madam CHAIR:** Member for Karama, could you restate the question for the record?

**Ms LAWRIE:** In dollar terms, how much does 3% of the weighted average return equal to meet the price of power to meet the cost of power? What does the 3% mean in dollar terms?

**Mr TOLLNER:** The 3% means the organisation would be returning about 6%, which meets the cost of its capital, depreciation, and all those things.

**Ms LAWRIE:** You said that was the benchmark. What does that 3% equal in dollar terms? It is a figure you can work out.

**Mr TOLLNER:** Fundamentally, it is their asset base by 3%.

**Ms LAWRIE:** I am asking you to provide those figures.

**Mr TOLLNER:** All right, we will provide those figures.

**Madam CHAIR:** Minister, do you accept that question?

Will you repeat that one more time, member for Karama?

**Mr TOLLNER:** It is a mangled question but we will work out some response for the member for Karama.

**Madam CHAIR:** The question asked by the member for Karama of the Treasurer has been allocated number 2.6.

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**Ms LAWRIE:** My other question is to Territory Revenue. I want to flag, in the interests of time for the committee, I will not be asking many more questions to allow the other portfolio responsibilities of the Treasurer to proceed.

**Madam CHAIR:** Member for Nelson?

**Mr WOOD:** Yes, two questions on revenue. We were talking about payroll tax. Would it be fair to say when the government was in opposition, as payroll tax went up, they used the sleight of hand to say you were putting up taxes when, in fact, there was more development, therefore, more tax being raised. The tax rate had not changed. Could the same argument now be put to your government - your increase in taxes - that is what they said and I know what they really mean - was increasing the volume of tax not the rate. When you were in opposition, you continually criticised the government for raising payroll tax. Have you not done what you claimed the previous government of doing?

**Mr TOLLNER:** I do not believe we ever accused the previous government of raising the payroll tax rate.

**Mr WOOD:** No, but you made it look like it.

**Mr TOLLNER:** I can only speak personally; I cannot speak for the opposition of the day. I have always seen payroll tax as a tax on jobs and always thought there were more creative ways of levying payroll tax. Having said that and coming into this job with an enormous amount of information, the resources of Treasury and the skill and ability of people in Treasury, we have cut this in a whole heap of ways. I was under the impression the old 80:20 rule would apply - 80% of your revenue is raised from 20% of your business ...

**Mr WOOD:** It is like the water allocation at Mataranka.

**Mr TOLLNER:** I always thought, 'Let us massively raise the threshold, double the rate, and we will pick up more in payroll tax from the big end of town and let a heap of little guys off the hook'. Clearly, that does not work and the 80:20 rule does not apply. Everything is evenly disbursed across that range.

We looked at different ways we could levy payroll tax, raise taxes without causing harm, but it is not an easy sum to do, member for Nelson. I understand, in opposition, things can often look easier from the outside.

**Mr WOOD:** It is the only chance I have to remind you people sometimes say things in opposition which are easy to say but not easy to prove.

Minister, page 100 of the main Budget Paper says, 'Commitment to Increase Taxation Compliance'. That begs the question: are you saying people are avoiding tax and, if so, what tax is being avoided and how are you tightening up on that?

**Mr TOLLNER:** It is basic human nature to try to minimise tax ...

**Mr WOOD:** Thank you, Mr Packer!

**Mr TOLLNER:** Businesses and individuals will pay much money to classy and expensive accountants to minimise their tax bill. Of course, there is nothing wrong with that. However, going the next step to avoiding tax is something governments do not want to see. That can sometimes be a part of human nature. There is an assumption there is always more that can be done in relation to removing some of the loopholes, or better policing of taxation arrangements, closer auditing and oversight. There is certainly a view that money can be derived from people who may well be avoiding tax.

**Mr WOOD:** Minister, as this is a highlight, there has been some review, I imagine, of taxation income, otherwise it would not be here. Are there any specific taxes you would be putting more emphasis on in relation to compliance?

**Mr TOLLNER:** The Treasury has put on two additional tax compliance officers at the A06 level in order to conduct audits and monitor much more closely taxes being paid in the Territory.

**Mr WOOD:** Obviously you would not have this if there was not a need for some improvements in taxation recovery. Where is this problem with taxation occurring?

**Mr TOLLNER:** Treasury has received advice from the Commissioner of Taxation that there could well be some leakage in revenue and that is why two extra staff have been appointed.

**Mr WOOD:** Has he said which tax?

**Mr TOLLNER:** The two main areas of focus are the mineral royalties stuff which, as you can appreciate, is a very complex and complicated area, and payroll tax in relation to certain exemptions that ...

**Mr WOOD:** Is the Taxation Commissioner hinting that some mining companies might not be paying either royalties or their required royalties?

**Mr TOLLNER:** General compliance with taxes in the Territory is considered high. Compliance activity is directed to high value conveyances where supporting opportunities exist and in payroll tax where tax free thresholds can be exceeded without remittance of tax.



There are two areas, member for Nelson. One is the complexity of the mineral royalties regime as it is currently set up, and we are hoping to negate many of those complexities with the changes we have made to that regime. The other area is payroll tax where employers can often claim employees are not employees for the purposes of payroll tax when they are trainees or apprentices. Some of the larger employers can quite often have large numbers of apprentices and trainees. This requires a higher level of scrutiny than other businesses.

**Mr WOOD:** Is it the case they sometimes put those apprentices off to stay within - I have had cases where ...

**Mr TOLLNER:** It is not a case of any employer putting apprentices off. If you wanted to avoid tax the incentive is to claim some employees are apprentices ...

**Mr WOOD:** Before they become a full-time worker is there a loophole? A couple of people - one has been mentioned to you through your local office - is there a possibility that some employers might rid themselves of an apprentice who may be close to getting their apprenticeship so they can employ another apprentice?

**Mr TOLLNER:** That possibility exists. It would be a sad outcome, but most employers would value an apprentice who has gone through the time and is about to qualify as a tradesperson, irrespective of the fact that may cost them a little more in payroll tax. It is a big world out there and I have often seen people cut off their nose to spite their face in a range of different areas. An apprentice completing his trade being laid off would be a rather sad outcome.

**Mr WOOD:** One went to see you. I sent him to you because he was within a few weeks of finishing and got the sack on the spot for taking a sick day.

**Mr TOLLNER:** The upside of that is, generally, tradies in the Territory can pretty well name their price wherever they go. It would be a fairly short-sighted employer ...

**Mr WOOD:** This kid is now working in a bar. That is how much it has hurt him. There is no other job for him.

Be that as it may, the other question in relation to my ...

**Mr TOLLNER:** Member for Nelson, I apologise. I am not aware of who you mean. I will follow that up with my electorate office. That is a worrying situation and I would like to help the person if I can. I will follow that one up.

**Mr WOOD:** Okay. I hope something can be done.

On royalties, minister, you mentioned earlier in our discussion on royalties one of the problems is whether a mining company makes a profit. I suggested looking up the annual report to work out whether it has made a profit. It can, I presume, juggle things in a way which spreads money through the company and the mining part does not look like it makes a profit. Is that an area where there could be a leakage in relation to royalties being paid?

**Mr TOLLNER:** That is a possibility. That certainly is one of the key reasons, more than just a revenue measure, of putting in place this cap on transfer pricing. When you have interrelated businesses within a company structure - one part of the business sells products to another part of the business at a massive ...

**Mr WOOD:** I mentioned Apple computers in Ireland ...

**Mr TOLLNER:** ... you belled the cat ...

**Mr WOOD:** ... that is the issue they have.

**Mr TOLLNER:** Often, an overseas-related entity - we want to be very careful with that. Where we see a transfer pricing agreement in place with the Tax Office - we are not so much interested in the Australian Taxation Office - but where there is none in place, we will put a cap on those pricing transfers so it reduces that compliance burden of trying to assess exactly what it is we are claiming royalty for, and it simplifies the entire system.

**Mr WOOD:** In relation to the issue of the mining royalties and payroll tax, will there be some review? Next budget, will we see an indication of the outcome of this compliance audit?

**Mr TOLLNER:** The estimate is we will raise \$10.6m. Clearly, there will be a line item in next year's budget about the revenue raised through that measure.

Given the fact Treasury has put on a couple of extra staff in order to look at compliance of these measures means, almost invariably, there will be a review of the effectiveness of that regime. As Treasurer and the person who chairs the Budget Management Subcommittee, we are keen to constantly review all aspects of the budget, including taxation arrangements.

**Mr WOOD:** For clarification, Madam Chair, if I want to talk about revenue from gambling, I will leave it to the gambling section not this section? Would that be more appropriate?

**Mr TOLLNER:** We have been all over the place like a ...

**Mr WOOD:** There is a section for gambling and I am happy to leave it in there.

**Mr TOLLNER:** No worries.

**Mr WOOD:** That is all the questions I have there.

**Madam CHAIR:** Opposition Leader, are you happy to move on, yes?

This 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 3.1 Territory Revenue. Are there any questions?

**Ms LAWRIE:** I can indicate to the committee the questions I had to ask in relation to 3.1, Territory Revenue, essentially, I covered off in the conversations we have had. There was some more detail, but in the interests of time I indicate to the committee in relation to outputs 3.1, 3.2, 4.1, 5.1, 6 and 7, I can ask written questions on notice because I am aware there are other portfolio responsibilities the Treasurer needs to get through.

**Madam CHAIR:** Member for Nelson?

**Mr WOOD:** That is all right with me.

**Madam CHAIR:** You are in the same position?

**Mr WOOD:** Yes, I am happy to get on to Territory Business if that is where we are going.

**Mr TOLLNER:** We are going somewhere else? Do you want to wind it up now?

**Madam CHAIR:** I should move on quickly before people change their mind.

**Mr TOLLNER:** I am rather disappointed; I was just warming to the topic.

**Mr WOOD:** We can go to the prison again.

**Madam CHAIR:** For clarification, Leader of the Opposition, you are happy to move on from Central Holding Authority and Northern Territory Treasury Corporation as well? We will go to 8.0 - Business.

**Ms LAWRIE:** Superannuation as well. That is why I mentioned all the outputs.

**Madam CHAIR:** Okay.

**Mr TOLLNER:** Madam Chair, would you be happy with a three minute break while we assemble our people.

**Madam CHAIR:** Yes, we will take a five minute break. Thank you everyone.

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The committee suspended.

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## DEPARTMENT OF BUSINESS

**Madam CHAIR:** Thank you, Minister for Business, and welcome to your Business staff. For the benefit of *Hansard*, on the estimates panel we are joined by Nicole Manison, member for Wanguri; Michael Gunner, member for Fannie Bay; me; Bess Price, member for Stuart; Gerry Wood, member for Nelson; and shortly Francis Xavier, member for Arafura, will be joining us.

This time you are before us as Minister for Business, Minister for Employment and Training, and Minister for Defence Liaison and Defence Industry Support. I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of Business, and read out all the questions and answers you might have previously prepared.

**Mr TOLLNER:** Thank you very much, Madam Chair. I appreciate the committee making the time to see me. On my right is Mr Peter Carew, Chief Executive of the Department of Business. On my left is Noelene Biddell, CFO of the department, and Doug Phillips, Deputy Chief Executive of the Department of Business.

Madam Chair, this government is about driving economic growth in the Northern Territory. Economic growth is currently strong and is forecast to remain strong over the next few years. I suggest we will be the envy of the nation. Deloitte Access Economics forecast average growth over the five years to 2016-17 will be 4.5%. Everywhere you look there is evidence of growth. On the Darwin skyline there are over 10 tower cranes. A local developer, Gwelo, tells me it has sold the 151 apartments available to the public in its current construction of SOHO in Wood Street. Total construction work done in the Northern Territory for the year to March 2013 was a record \$4.9bn, an increase of over 77% over the previous year.

Ongoing work on several major projects, including the Ichthys LNG project, the Montara oilfield development, and expansions at several major mine sites and the new Darwin Correctional Facility support this growth. The Territory labour force now exceeds 130 000 people. We have the second lowest unemployment rate in the country at 5.1%. Residential building approvals for the year to March 2013 increased by 62% to 2234. This is the highest level since 1999.

Non-residential building work increased by 75% to \$967m - the highest level on record with key projects which include the INPEX workers village, Darwin Correctional Precinct and the SKYCITY resort expansion. Additional significant projects currently under way include the Darwin Marine Supply Base, the Coolalinga shopping village and residential housing development, and the Darwin airport expansion.

There is a large range of construction, infrastructure and resource projects still to commence in 2013, including the gas to Gove pipeline, mining expansions in the Mt Todd, Roper River and Tanami regions, and the Casuarina shopping centre complex expansion.

Make no mistake, we live in boom times and the Department of Business is working with business to further develop and build the Northern Territory's economic base through delivering business and industry development services, Defence support and employment and training.

Developing and broadening our economic base includes seeking opportunities internationally. Whether that entails a trade mission to Indonesia or a business delegation to China, this is a global economy; we operate in a global market and we must venture outside our front door. Combining the functions of major project facilitation, Asian engagement, trade and investment attraction, and strategic projects implementation with NT WorkSafe, gambling and licensing services, and regulation and red tape into a single agency, the Department of Business is central to this government's policy on business.

I take this opportunity to describe briefly its achievements so far. This government has a clear priority of maximising local industry participation in our major projects, including the Ichthys project. Recently, I had the pleasure of announcing the award of early contracts to local NT manufacturing companies by JKC, the consortium building the onshore LNG facilities for the Ichthys project. These contracts, worth more than \$8m and creating another 70 jobs, were originally scheduled to be offered worldwide in late 2014. However, following lobbying by the Department of Business, in partnership with the Manufacturer's Council, the Chamber of Commerce, and the Industry Capability Network, we were able to convince JKC to bring

these contracts forward and offer them to local Territory businesses only. This effort will help retain and develop our local manufacturing centre and help it prepare for future work with the Ichthys project.

Turning to construction, the dredging work associated with the project was one of several key projects which contributed to engineering construction work in the Northern Territory increasing by 123% to \$3.3bn for the year to March 2013. The Northern Territory has over 3000 construction businesses employing over 15 000 people. They contributed over \$2.2bn in value-added to the Northern Territory economy in 2011-12, contributing 12% to the GSP, and making this an important sector in our future prosperity.

The significant Defence presence in the Northern Territory is also a focus. Continuing this government's focus on seeking out business opportunities from Defence decisions last November, the then Minister for Business, Hon Peter Chandler, led a delegation of seven businesses and industry representatives to the Land Warfare Conference. Delegates had the opportunity to network with Defence representatives, Defence prime contractors, and to link their businesses into prime contractor supply chains.

The new business assistance package specifically targeted at businesses involved in the Defence industry has been introduced under our business growth program called Growing Defence Business. This program enables businesses to receive reimbursement of either 50% or 100%, up to a maximum of \$10 000, depending on the individual program selected to meet the needs of the business. Programs can include business planning, developing integrated management systems such as quality management or work health and safety, introducing new technology to their business, developing and implementing employment policies and practices, and can also provide mentor support for businesses grappling with growth issues.

Building capacity in the workforce is all-important and, in 2012, a total of 24 251 students accessed government and non-government funded VET in the Northern Territory. The Northern Territory has the highest VET participation rate in Australia, a statistic of which we can be very proud.

A key priority is to provide training for Indigenous Territorians, particularly those in regional and remote areas, to enable them to access employment opportunities. Currently, there are 861 Indigenous apprentices in training, which is 23% of all apprentices in the Northern Territory.

Having a safe workplace is also very important. Our NT WorkSafe people are seeking to educate first, enforce second and, to that end, workplace inspections are up by 661 visits from 1 January 2013 to 31 May 2013 compared to the same time last year.

Tourism business development activities have been successfully assimilated into the department with former Tourism NT staff delivering a broad range of business support and assistance such as a cluster program in Yulara addressing customer service and best practice delivery, both vital to being competitive.

October Business Month, with its comprehensive program of events and inspiring speakers, is a regular feature of the business calendar. It attracted 6600 business people last year, and planning for this year is already well under way.

Finally, it would be remiss of me to talk about businesses without mentioning red tape. I am pleased to tell you a turnaround time for processing of occupational high risk licences has been reduced from 20 days to as little as 20 minutes over the counter in Territory Business Centres. This has been achieved through streamlining the approval processes, and will benefit approximately 3000 renewals plus new licences to be issued in this quarter.

Under the stewardship of Chief Executive Peter Carew, the Department of Business is working hard to improve and create a strong business operating environment in which local firms can prosper. Thank you.

**Madam CHAIR:** Minister, do you have any written responses to questions provided?

**Mr TOLLNER:** As a matter of fact I do.

**Madam CHAIR:** I imagine it is still the wish of the committee for the minister to read those out.

**Mr GUNNER:** It would be good if he provided copies of the answers as well.

**Mr WOOD:** I am happy for him to read it, but what helped us when we were working through ...

**Madam CHAIR:** As you know, it is at the discretion of the minister.

**Mr TOLLNER:** I brought a few copies of some of the more detailed responses this time around, bearing in mind the last session I was in.

Question 1:

*Details on progress of all CLP election commitments, including all commitments and policy announcements made to Territorians in CLP election policy documents, summary snapshots, media releases and announcements, 100-day plan, costings and savings documents, media advertisements and other printed material.*

Madam Chair, whilst I have not bought eight copies, I am more than happy to table a copy of this. It might please the committee to table it rather than read them out one by one. It is quite a lengthy document and I am sure there ...

**Mr WOOD:** We want you to read it out.

**Mr TOLLNER:** All right, I will read it out.

**Mr WOOD:** It helps us if we ...

**Mr TOLLNER:** Yes, all right.

**Mr WOOD:** are going through those tables.

**Mr TOLLNER:** Yes, I will table one.

**Madam CHAIR:** Perhaps it could be tabled then copies made.

**Mr TOLLNER:** I will go through it as copies are being made.

In relation to the AusIndo Forum, work is still in progress. The proposed AusIndo funding is now being reviewed in light of the Northern Territory budget and wider engagement with the ASEAN region.

The push for the arrival of onshore gas developments and boost for downstream manufacturing opportunities is still a work in progress. This has been incorporated into the government's economic development policy and the expert advisory panel. The Department of Business is actively promoting investments into the supply and service sector.

Re-engage with Indonesia and work to double live cattle exports immediately. Again, this is a work in progress. Minister Willem Westra van Holthe visited Jakarta in mid-May to discuss the live cattle trade. Chief Minister Giles is following that up in Jakarta as well. Questions on that should be directed to those two ministers.

The commitment to work closely with the government of Indonesia and to build ties with eastern provinces: the Chief Minister has been pursuing those links as part of an official mission to Jakarta and questions should be put to him in that regard.

The commitment to meet with the Indonesian Ambassador in week 2 of the first term: the former Chief Minister met the Indonesian Ambassador in December 2012 in Darwin prior to his visit in Jakarta. Chief Minister Giles is yet to meet him, but it is understood he will be meeting him in July this year.

The commitment for the first international visits by the Chief Minister would be to Jakarta and Japan. Of course, the former Chief Minister, Terry Mills, visited Jakarta in December 2012 and Japan in March 2013.

The election commitment for a whole-of-government Asian engagement strategy with focus on Indonesia is ongoing and being developed by Chief Minister Giles and the Cabinet Subcommittee on Asian Engagement.

The commitment to establish the Office of Asian Engagement within the Department of Business has happened. The Asian Engagement function has been transferred from the Department of the Chief Minister to the Department of Business. The Office of Asian Engagement has been moved into an integrated Asian Engagement, Trade and Investment division within the Department of Business.

The commitment to have a Cabinet Subcommittee oversee Asian Relations and Trade has occurred. The Cabinet Subcommittee's terms of reference have been provided by the Cabinet Office. The Cabinet Subcommittee is chaired by the Chief Minister as Minister for Asian Engagement and Trade. The Department of Business provides secretarial support to the subcommittee. A date for its inaugural meeting is yet to be set.

The commitment to work closely with the private sector to encourage downstream investments is an ongoing process. The Department of Business has been pursuing an active program to attract either new supply and service companies to the Northern Territory to fill existing capability gaps, or investment partners to help local businesses expand. The Department of Business is leading the initiative to connect local fabricators to prime contractors associated with the Ichthys gas project with a view to securing early work for that industry. Expectations are that some fabrication projects will be brought forward and awarded to local companies in May this year.

Key mechanisms include hosting Northern Territory supply and industry stands at selected industry exhibitions. Examples are the Australasian Oil and Gas Exhibition in Perth, which had 27 Northern Territory companies participating, and the Offshore South East Asia Conference in Singapore, which had 12 local companies involved. Upcoming events include the Balikpapan mining expo in Eastern Indonesia in June 2013, and Offshore Europe in Aberdeen, Scotland, in September 2013.

The commitment to reduce business costs in relation to red tape, carbon tax and skilled worker programs is an ongoing commitment and is in progress. The Northern Territory government department wants to wait for the outcome of the federal election before reassigning resources from other programs to establish additional support in this area.

In response to the programs for more skilled and trained workers in 2012-13, a total of \$90.6m will contribute to the delivery of training and support for the VET sector, including \$54.6m committed to VET, recurrent funding for Charles Darwin University, Batchelor Institute of Indigenous Tertiary Education, and other service providers to deliver a range of VET programs and infrastructure in urban, regional and remote locations. Also, \$24.8m is committed to train and support apprentices and trainees.

The worker attraction program consists of national and international exhibition participation and Northern Territory dedicated skilled worker attraction events around Australia.

In respect to the Northern Territory government's election commitment to develop programs for those affected by carbon tax, the Business Growth program now provides for grants support to enable consultants to deliver environmental risk management plans to businesses, and the ecoBiz NT program to assist businesses adopt and resource efficient practices that are good for their financial bottom line and the environment.

The commitment to expand the small business advisory services to help remote communities is in progress. Where staff with specific expertise are located only in Darwin, a concerted effort within the budget allocation is being made to deliver their services to business clients located in and around regional centres. The services are essentially:

1. business growth services, including the Territory business employment support program and the Territory business technical support program
2. ecoBiz NT services
3. tourism business development services
4. Territory business community childcare centre services.

These services are accessible to all Northern Territory businesses which meet the right criteria.

The move of NT Worksafe from the Department of Justice to the Department of Business has been completed. The commitment to reinstate social clubs and poker machines in some communities has been completed in some part. Most remote communities are in alcohol protected areas. Licences to operate poker machines can only be provided to those who hold a liquor licence. The Australian government has jurisdiction over liquor licences in alcohol protected areas under the *Stronger Futures in the Northern Territory Act*. The Australian government Minister for Families, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP, will not approve any changes to or new licences in these communities.

**Mr WOOD:** Can I butt in there, please?

**Mr TOLLNER:** Of course you can.

**Mr WOOD:** Did you say there were poker machines in licensed premises in Indigenous communities?

**Mr TOLLNER:** No, poker machines can only be put in places where there are licensed premises. There are very few licensed premises in remote communities where we could put poker machines. At this stage, the answer is no.

**Mr WOOD:** To clarify, the cap still exists on poker machines. There are six spare, from my reading?

**Mr TOLLNER:** The cap does exist on poker machines, although that is currently under review by the department.

**Mr WOOD:** We might ask questions about that later.

**Mr TOLLNER:** The commitment to move Racing, Gaming and Licensing from the Department of Justice to the Department of Business has been completed. The commitment to return NTETA to the Department of Business to advise government on training policies and priorities has been completed. It is suggested an appropriate way to achieve the Northern Territory government aim of advising the relevant minister in government on employment training policies and priorities is by the re-establishment of the Ministerial Advisory Board for Employment and Training.

The Northern Territory Employment Authority consists of the Chief Executive of the Department of Business. Administrative Arrangements orders have ensured this function resides within the Department of Business. The authority provides advice to government on employment and training, funds the provision of training, represents the Northern Territory at a national level in relation to vocational education and training, provides support to the Ministerial Advisory Board for Employment and Training, and carries out any other functions conferred under the act.

The commitment to reconfigure and streamline the Department of Business is a work in progress. The organisation is continually being reviewed based on strategic priorities. A new strategic plan for the organisation will be developed over the coming months.

The commitment for a new independent Procurement board and Chairman to draft new guidelines is also in progress. The recent procurement review has made some recommendations in relation to the roles and responsibilities of the current procurement review boards. Response to the review and accompanying recommendations are currently with me for consideration.

The commitment for the new temporary red tape taskforce to review legislation, regulations and Administrative Arrangements is in progress. The Department of Business will take a leadership approach from an operational perspective, working with the Department of the Chief Minister, which has responsibility for national business reform through COAG.

The proposed role of the temporary specific red tape task force is under review, as it is only one element of the wider strategic requirement being addressed by the Department of Business. Current consideration is the proposed Ministerial Advisory Council on Business, when formed, be tasked with providing advice and direction on red tape reduction priorities. Further consideration and discussion is happening with me but, as I announced today, there are efforts under way to cut red tape and that is happening through the department.

The commitment for the new Small Business Task Force is in progress; reconsideration of the original election commitment requirement for another bureaucratic task force. Small business matters could be more effectively covered by the proposed Ministerial Advisory Council and will be included as a standing agenda item on its agenda.

The commitment to create a Ministerial Advisory Council to advise policy direction and issues and performance of the Department of Business is currently under way. A Cabinet submission is going forward shortly with a list of names, and I hope an announcement can be made soon on that advisory council.

The commitment for a new Defence liaison group is in progress. The function which existed within the department pre-election has been realigned to ensure the focus expressed in the government's business

policy election commitment to (1) ensure the Defence presence in the Northern Territory remains strong and (2) to seek out business opportunities arising from Defence decisions - this has been achieved at no additional cost.

Following the realignment of the function, programs and activities are being reviewed progressively to ensure they fulfil the election commitments detailed above, while also ensuring costs are contained. There is probably room for additional staff in that small group, particularly to understand decisions being made in Canberra.

The election commitment to scrap the Banned Drinker Register has happened. The Director of Licensing authorised an instrument temporarily exempting licensees from scanning identification for the purpose of checking against the Banned Drinker Register. Exemptions will need to continue to be authorised by the Director of Licensing six monthly until the *Liquor Act* is amended in respect of identification scanning. I can tell the committee ...

**Mr GUNNER:** On that minister ...

**Mr TOLLNER:** ... there is a bill going before the House in relation to new alcohol laws.

**Mr GUNNER:** There is, and that bill does not contain amendments to remove the Banned Drinker Register. You have, as you said, gazetted to make that happen so scanning of ID is not required. Why have you left the Banned Drinker Register in the *Liquor Act* with the bill coming before parliament next week?

**Mr TOLLNER:** Because we can easily extend that exemption six monthly until we have all the stuff bedded down. We want to know what aspects of the Banned Drinker Register, if any, we might want to keep into the future.

**Mr GUNNER:** At the moment, the Banned Drinker Register remains part of the act, and you can keep doing exemptions until you decide how you might use the Banned Drinker Register yourself?

**Mr TOLLNER:** Yes, the main focus of government at the moment is to get our mandatory alcohol rehabilitation treatment laws under way and get problem drinkers into rehabilitation.

**Mr GUNNER:** That is your first priority? Down the line, aspects of the Banned Drinker Register may be viable for the CLP to use?

**Mr TOLLNER:** There might be aspects of the law that do not need to be scrapped.

**Mr WOOD:** We know where.

**Mr GUNNER:** The Banned Drinker Register, for now, remains an option? It remains in the act and you are not removing it? You have the opportunity to do that next week and are choosing not to. You are going down the path of exemptions and leaving the Banned Drinker Register in the act?

**Mr TOLLNER:** No, I know where you are going here. Do not worry, the BDR is long gone ...

**Mr WOOD:** We are always worried ...

**Mr TOLLNER:** ... it has been confined to history ...

**Mr GUNNER:** You are not really burying it.

**Mr WOOD:** No.

**Mr TOLLNER:** We are not going to bring back the Banned Drinker Register. ID scanning and all that nonsense will not be required. They are the dark days of Territory history. We will leave them there.

**Mr GUNNER:** Why not remove it from the bill next week?

**Mr TOLLNER:** Because there might be aspects of the legislation and, rather than re-legislate, we will leave it



**Mr GUNNER:** We are going back in the circle again. What aspects of the Banner Drinker Register remain an option?

**Mr TOLLNER:** These things need to be discussed by Cabinet.

**Mr GUNNER:** You previously flagged if a community wants the Banned Drinker Register they can have it.

**Mr TOLLNER:** We are very keen for communities to develop their own alcohol management. If the communities want to use some of that equipment they need to talk to the owner - the Commonwealth government. We do not have problems with communities setting their own agenda. We encourage communities to step up to the plate in this area - local responses to local circumstances.

**Mr WOOD:** That is what Groote Eylandt was about, Alice Springs was about, and what other communities were about. You said you were scrapping it.

**Mr TOLLNER:** Groote Eylandt does not have a Banned Drinker Register. They have a separate alcohol management plan and, having been to Groote Eylandt a few times during the election campaign and since, things have settled down in Groote. I have a long association with Groote Eylandt. I had not been there, prior to the most recent visits, for probably six or seven years and to see the turnaround on Groote - the way they have tackled their alcohol issues at a local level is nothing short of spectacular.

**Mr WOOD:** We will get to alcohol later.

**Mr TOLLNER:** We are almost done here. That is question 1.

**Mr GUNNER:** Minister, this is a long document. Page 2, under reduce business cost, red tape, carbon tax, skilled worker programs in progress, you said in 2012-13 there was \$90.6m for the delivery of training and support of the VET sector. What is it for 2013-14?

**Mr TOLLNER:** We have seen an increase in funding. I am looking at page 119 of BP3. The employment training budget, which takes into account a few other components, has gone from \$98 648m to \$106 367m.

**Mr GUNNER:** I have that figure, minister, because it is in the budget.

**Mr TOLLNER:** In total, VET alone jumps to \$93.5m.

**Mr GUNNER:** It goes from \$90.6m to \$93.5?

**Mr TOLLNER:** That is correct.

**Mr GUNNER:** What was the CDU aspect in 2012-13 and in 2013-14?

**Mr TOLLNER:** The CDU aspect in 2012-13 was \$54.6m, which includes Batchelor. It has gone to \$61.65m in 2013-14. The \$24.8m committed to train and support apprentices and trainees has gone to \$27.78m in the 2013-14 budget.

**Mr GUNNER:** Minister, you mentioned the procurement review and said the review and accompanying recommendations would be released soon for your consideration. How long will you need to consider them? When can we expect them to come forward?

**Mr TOLLNER:** That is a good question. The Department of Business is currently finalising recommendations from the procurement review. The review conducted by Think Projects - we employed them - identified concerns with forward planning, tender documentation and assessment, contractor performance reporting and project management. I can advise on what the recommendations are being developed for.

**Mr GUNNER:** This says the recommendations are with you. Have they left your desk and gone back to the department?

**Mr TOLLNER:** The department is currently formulating the recommendations to me. They will be ...

**Mr GUNNER:** That is not what it says here. In the document you tabled it says they have been done and are with you. It says:

*A response to the review and accompanying recommendations are currently with the Minister for Business for his consideration.*

**Mr TOLLNER:** Where are we looking at?

**Mr GUNNER:** That is on the second last page.

**Mr TOLLNER:** You have confused me already.

**Mr GUNNER:** The second last page says:

*A response to the review and accompanying recommendations are currently with the Minister for Business for his consideration.*

**Mr TOLLNER:** Right.

**Mr GUNNER:** They might be in the in tray on your desk, minister.

**Mr TOLLNER:** You are spot on; they are. I am informed they are currently being sent to my office. The department has not received a response yet. I admit I have been a little hard to track down in the last week or so.

**Mr GUNNER:** You took those briefcases to China full of folders.

**Mr TOLLNER:** I will look at the review and get back to the department, but it is something we will have to take to Cabinet. We spend \$3bn a year on goods and services and a change affects all portfolio areas. For that reason, we certainly need Cabinet to sign off on any changes to procurement policy.

**Mr WOOD:** In relation to expanding the small business advisory service to help remote communities, last year part of the CTC inquiry was how many small businesses existed in growth towns. From memory, nearly all small businesses had something to do with the council or government; they were not private small businesses. Has the department done a survey of exactly how many private businesses exist in growth towns, and what is it doing to encourage that type of development in growth towns?

**Mr TOLLNER:** Member for Nelson, that was done by the previous Department of Regional Development and is something the Department of Business is currently working on with them.

**Mr GUNNER:** These questions are ...

**Mr WOOD:** It is in relation to a question that was asked.

**Mr GUNNER:** I wanted clarification for later on. I have questions around a similar topic. Will you be taking them under Industry and Innovation?

**Mr TOLLNER:** Yes, I am happy to take them wherever you want. You should have sat in on the last session.

**Mr WOOD:** That is a pleasant phrase, Treasurer.

**Mr TOLLNER:** I have been told to direct it to output groups, but these questions tend to be very wide-ranging. The Treasury questions certainly were.

**Mr WOOD:** Minister, you have a go at the prison all the time and I would love to have a decent debate with you on it, but in relation to it from a work point of view do you have any indication of - I have a fair indication because I see the traffic every day - the number of people who have gained work from that project?. It is a big project, probably one of the biggest in the Territory. Do you know how many people are working on that project and how many of those people are working for local companies?

**Mr TOLLNER:** He is trying to claim some credit here.

**Mr WOOD:** You will put the negatives on anything I say, minister. We have some slightly higher motives in this world than politics.

**Mr TOLLNER:** Member for Nelson, I do not know whether that question should be directed to me, but we are happy to take it on notice and get as much information as we can for you.

**Mr WOOD:** You mentioned it in your opening remarks when talking about investment and growth and all sorts of things, as you do.

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**Question on Notice 2.7**

**Madam CHAIR:** Member for Nelson, would you please restate the question for the record.

**Mr WOOD:** Minister, could you give us an indication of how many people are presently working on the prison site and how many of those people are working for local Northern Territory companies?

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

**Mr TOLLNER:** I accept the question. I thought you might put the rider in there 'who live in Howard Springs and Humpty Doo ...'

**Mr WOOD:** I have some local questions, do not worry.

**Madam CHAIR:** The question asked by the Member for Nelson of the minister has been allocated number 2.7.

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**Mr GUNNER:** On the front page you talk about the new Asian Engagement Strategy being developed for the Chief Minister. On day 1 in the job as Deputy Chief Minister, you and the Chief Minister talked about going to Japan. When will you go to Japan?

**Mr TOLLNER:** I do not know whether I will be going to Japan. The Chief Minister has plans to visit Japan. It is best to put those questions to him.

**Mr TOLLNER:** Question 2:

*Explanations on all variations and discrepancies between CLP election commitments and the decisions and policies of governments since 26 August 2012.*

**Mr TOLLNER:** There are no variations or discrepancies between commitments and policy announcements identified to date.

Question 3:

*Progress on all commitments and policy announcements made within government press releases and media statements since 26 August 2012*

The only key commitment made since 26 August 2012 was through the mini-budget process, which was to support the Alice Springs Golf Club with \$300 000 in 2012-13, with \$50 000 allocated to developing the business plan and \$250 000 to undertake minor new works.

Question 4:

*Explanations on all variations and discrepancies between commitment and policy announcements made within government press releases and the actual implementation of government policy and funding decisions.*

**Mr TOLLNER:** There are no variations or discrepancies between commitments and policy announcements identified to date.

Question 5:

*Progress on all commitments, targets and information contained within the December 2012 mini-budget.*

**Mr TOLLNER:** This question is far too broad in scope. Specific questions are invited and I am happy to address them all through this estimates hearing process.

Question 6:

*Explanations on all variations and discrepancies between details, data and policy contained within the December 2012 mini-budget and the May 2013 budget.*

The total operating expense variation between 2012-13 mini-budget and the 2012-13 estimate for the Department of Business is outlined as follows:

- a total operating expense budget at mini-budget was \$153.934m. The final estimate is \$150.293m, a decrease of \$43.64m
- the Territory Business Development output has increased by \$463 000. Components of this increase are: \$5000 corporate overheads; \$123 000 for the ecoBiz NT program; \$18 000 for October Business Month - additional expenditure is additional expenditure-related revenue; \$317 000 to the procurement network transferred from the Department of Housing and the Northern Territory Police, Fire and Emergency Services
- the Employment and training output loses \$3.9m. Components of this decrease are: \$20 000 corporate overheads; \$145 000 jobs portal transfer from capital to operational to cover the Renewal Management Board savings journal; \$75 000 for the jobs portal transfer from capital to operational to cover maintenance of the software; less \$100 000 carried over to the 2013-14 year for regional and remote workforce connect, which is Australian government funding; less \$2.4m carried over to 2013 for Stronger Futures in the Northern Territory job packages - again Australian government funding; less \$1.16m carried over to 2013-14 National Partnerships Agreement on Skills Reform - again Australian government funding; an increase of \$8000 depreciation for Milikapiti adult training centre transferred from the Department of Education and Children Services; less \$155 000 in funding from the Australian government for national skills and workforce development; less \$227 000 carried over from the 2013-14 year for training places, single and teenage parents; less \$36 000 reduction in funding from the Australian government for the national priority program on skills reform; and less \$71 000 reduction in funding from the Australian government for TAFE waiver fees for childcare qualifications
- for the Gambling and Licensing Services output there has been a reduction of \$520 000. The components of this decrease are: a reduction of \$39 000 in corporate overheads; a reduction of \$500 000 carried over to 2013-14 for Stronger Futures in the Northern Territory - Australian government funding; and an increase of \$19 000 depreciation for additional assets transferred from the Northern Territory Department of Correctional Services
- in relation to the NT WorkSafe output, there has been an increase of \$316 000. Components of this increase are: a decrease of \$34 000 for corporate overheads; and an increase of \$350 000 additional revenue from court recovery costs to fund outstanding harmonisation commitments

**Mr WOOD:** Are you able to table that document, minister? There is much information.

**Mr TOLLNER:** Madam Chair, I would like to table this document if it would please the member for Nelson.

**Mr GUNNER:** Also the member for Fannie Bay.

**Mr TOLLNER:** Question 7:

*Progress on the implementation of all signed written contracts with Territory communities.*

This should be directed to the Minister for Regional Development or Local Government.

Question 8:

*Details on staff movements and all costs resulting from all Administrative Arrangement changes since 26 August 2012.*

Please refer to the whole-of-government response prepared by the Office of the Commissioner for Public Employment. Costs to change letterheads etcetera were nil other than the short amount of one person's time to update electronic templates maintained and accessed by Department of Business staff online. Costs of relocating former Department of the Chief Minister and DBE staff into the Department of Business head office in Development House was \$7521.90.

Question 9:

*Details on staff movements and payouts and all costs, including ministerial relocation costs, resulting from portfolio shuffles since 26 August 2012.*

I refer to the response I gave to Question 8 detailing staff movements resulting from changes to the Administrative Arrangements. Ministerial office relocations should be responded to by the Department of the Chief Minister and we have not advised payouts due to privacy restrictions.

Question 10:

*Details and costs on all government advertising and communications since 26 August 2012.*

Advertising: magazines and journals \$23 300.46; newspapers \$135 604.64; online \$5180.64; outdoor advertising \$209 102.46; radio advertising \$46 360.90; television advertising \$29 926.76. That makes a grand total of \$449 475.86.

**Mr WOOD:** What was the main theme of the advertising?

**Mr TOLLNER:** There is a plethora of programs and services the Department of Business undertakes. There would be a myriad of advertising services. There is also a range of marketing stuff I can go through quickly whilst one of the people here might dig up more information about what campaigns were run.

In relation to marketing, there were displays valued at \$27 538.39; events and exhibitions \$248 463.37; newsletters \$321.40; consultation and planning \$84 735.96; editorials \$11 874.29; websites \$11 585.67; photography \$17 224.19; brochures and leaflets \$101 802.81; multimedia \$12 478.24; promotional merchandise \$7937.36; and media monitoring \$5554.76. Marketing totals \$529 516.44, and advertising and marketing combined total \$978 992.30.

Member for Nelson, in relation to the major programs, I can inform you October Business Month is clearly an area where the department spends a significant amount of money. Billboards and the gambling licensing signage around the place, the Careers Expo, APPEA and the Purse Oil and Gas and SEAAOC conferences are some of the main ones.

**Mr WOOD:** What is the gambling licensing?

**Mr TOLLNER:** Gambling licensing is the horrible blue signs we see out the front of every community. A friend tells me every time he sees one of those he feels like he has been punched in the face by a Victorian.

**Mr WOOD:** The blue sign?

**Mr TOLLNER:** This is a Commonwealth sign.

**Mr WOOD:** Hold on, there is a budget item saying they have all been taken down. Are they the same ones?

**Mr TOLLNER:** Yes, this is the prescribed area.

**Mr WOOD:** Is this the cost of taking them down?

**Mr TOLLNER:** No, they are not being taken down. They are funded by the Commonwealth.

**Mr WOOD:** There is a budget item somewhere. I am going through my papers. There is a contract out to take them down.

**Mr TOLLNER:** You have been misled, member for Nelson. That is an Australian government contract. They insist on putting those disgusting signs up everywhere. The contract has just been renewed so we

would not be taking them down. The expenditure in replacing them has slowed because people are not shooting them as often as they were in the past, or vandalising them.

**Mr WOOD:** That is nearly \$1m in marketing. I do not have anything against marketing, but we are part of an accrual accounting system these days. You are putting \$1m in and the output is nice banners and signs and conferences. What is the outcome? Are there achievements from spending that much money?

**Mr TOLLNER:** I concede it is much money to spend but the Business department has to be out there, particularly when it comes to promoting the Northern Territory in other parts of the country. One of the biggest expenditure items is October Business Month, which is really about promoting Territory businesses within the Territory so everybody knows exactly what they can purchase and get in the Territory.

**Madam CHAIR:** For the benefit of *Hansard*, Larisa Lee, member for Arnhem, has now joined us and my colleague, Francis Xavier, has left.

**Mr GUNNER:** At that point, Chair, I advise the committee Australia is going to the World Cup. We won the game 1:0.

**Mr TOLLNER:** Member for Nelson, in relation to October Business Month, we spent around \$160 000 promoting that, but \$79 000 comes back from business in sponsorships and the like - almost half.

I have an update on the tacky blue signs. There is a program to replace them with something more appropriate, in time, in consultation with communities - local community artwork, so that has to be a good move.

**Mr WOOD:** I have not been misreading it. There is a contractor to remove them.

**Mr TOLLNER:** Question 11:

*Full details all government advertising in breach of the Public Information Act as identified by the Auditor-General since 26 August 2012.*

That would be more appropriately addressed to the Chief Minister.

Question 12:

*Full breakdown of all ministerial office expenditure since 26 August 2012.*

This question should go to the Chief Minister or Madam Speaker.

Question 13:

*A full list of all forced redundancies across all agencies, including an explanation for each redundancy on why it was necessary to breach the CLP's election commitment that no public servant would be sacked.*

That question should be redirected to the Minister for Public Employment.

Question 14:

*A full list of all personnel who have left the Northern Territory Public Sector and then returned since 26 August 2012, including payout and settlement details.*

Again, that question should be directed to the Minister for Public Employment.

Question 15:

*Details on all government tenders, contracts and grants awarded or granted since 26 August 2012 including whether the recipient is a member of the Country Liberal Party. This includes full location details for companies and organisations.*

**Mr WOOD:** Some could belong to the Palmer United Party.

**Mr TOLLNER:** I have 10 or 12 pages here, and probably 11 point printed tables of all tenders, contracts, and grants awarded since 26 August. Clearly, we have no clue as to whether the recipient is a member of the Country Liberal Party. I told the Leader of the Opposition today that when she is prepared to submit a full list of Labor members to the executive of government, we will start talking to the management of the Country Liberal Party and get them to do the same. We have no idea who members of the Country Liberal Party are, but I have a full and extensive list of all tenders, contracts and grants awarded. Fortunately, the departmental staff have come prepared and have eight copies for your committee. If you insist, Madam Chair, I read them onto the record I can, but we will be here until 2 am.

**Mr GUNNER:** In this instance, Member for Nelson ...

**Mr WOOD:** No, that would not make any sense.

**Madam CHAIR:** Will you be tabling a copy, minister?

**Mr TOLLNER:** No, I will hand them out to you now. You can go through every one and ask questions during this estimates hearing.

**Madam CHAIR:** A copy will be officially tabled for the records?

**Mr TOLLNER:** Yes, I will table a copy now and that will save photocopying time because I have another seven plus the tabled one.

Question 16:

*Details on the procurement processes undertaken and the employment contracts for the employment within the Northern Territory Public Sector since 26 August 2012 of all former CLP and Liberal Party candidates and members of parliament at a Territory or federal level.*

Again, we cannot respond to this because we do not have a list of all Liberal Party candidates throughout Australia. The question, as far as CLP candidates, members, or former members of parliament, may be better directed to the Minister for Public Employment.

**Mr GUNNER:** I heard your argument earlier with the member for Karama and believe these questions are coming to the Minister for Public Employment.

**Mr TOLLNER:** You do not want to start it again?

**Mr GUNNER:** Just repeat the whole argument.

**Mr TOLLNER:** Question 17:

*Full details and costs of all ministerial travel including accommodation, hospitality, and flight details including flight travel class, since 26 August 2012.*

This should be directed to the Department of the Chief Minister.

Question 18:

*Full details, costs and invitation list for all ministerial hospitality since 26 August 2012.*

Again, this question should be directed to the Chief Minister.

Question 19:

*Full details, costs and invitation lists for all public service hospitality provided since 26 August 2012.*

Due to the way the invoices have been processed and recorded in the Department of Business finance system, it would be time consuming and a resource intensive exercise to break down the cost by event. I have a summary by output detailing costs attributed to employees which attract fringe benefit tax, and non-employees which does not attract fringe benefit tax, for the period 1 September 2012 to 13 March 2013.

Summary by output: Business and Industry Development employee fringe benefit taxable \$5610.34; non-employee is \$26 401.03. Total for Business and Industry Development is \$32 011.37.

For the Business Support output group, employee fringe benefit taxable is \$1570.25; for non-employee it is \$12 043.75, bringing a grand total of \$13 614.

For the Corporate Services output, the employee is \$2147.40; the non-employee is \$884.97, bringing the total to \$3032.37.

The Economic Development Unit output is employees \$2590.91; there being no non-employees.

For the Employment and Training output, the employee FBT amount is \$1553.86; non-employee is \$3203.69, bringing the total to \$4757.55.

Gambling and Licensing Services, the employee component is \$1133.92, for non-employee it is \$725, bringing the total to \$1858.92.

For the Major Projects, Asian Relations and Trade output, the employee is \$585.21; the non-employee is \$668.89, bringing the total to \$1254.10.

Finally, NT WorkSafe output, \$116.36 for the employee and \$587.37 for the non-employee, bringing the total to \$703.63.

All up, the employee fringe benefit taxable amount is \$15 308.25, the non-employee amount is \$44 514.60, bringing the total to \$59 822.85.

Question 20:

*Full details and costs of all interstate or international public service travel including accommodation, hospitality and flight details, including flight travel class since 26 August 2012.*

I have multiple copies I can table, Madam Chair, because people might be interested in this. The answer is travel expenditure by the Department of Business - domestic intra-Territory travel: accommodation costs of \$71 492; fares of \$104 569; and travel allowance of \$70 435. The intra-Territory subtotal is \$246 496. Interstate travel: accommodation \$42 569; fares \$103 330; travel allowance \$18 538. The interstate subtotal is \$164 437. Air, bus and boat charter \$33 280. Total domestic travel is \$444 213. International accommodation costs of \$55 150; fares of \$62 279; travel allowance of \$20 504. The international total is \$137 933, the grand total being \$582 146.

**Mr GUNNER:** Minister, does that international travel include your recent trip to China?

**Mr TOLLNER:** No. I am happy to answer questions on that trip. It only covers ...

**Mr GUNNER:** Was that trip as Minister for Business?

**Mr TOLLNER:** The table I handed you only covers to 31 March 2013. There is a bit down the bottom of that question you might want to note: 'In the period 1 September 2012 to 31 March the Department of Business paid for four business class fares with a total value of \$18 791. All other travel was in economy class'.

**Mr GUNNER:** Your trip to China is not in this tabled document. Will it come out of the Business department's budget? This table stops at 31 March. If it was to stop at 1 July ...

**Mr TOLLNER:** My understanding is normally it would not but, because it was a charter flight and there was a global figure paid to cover not just ministerial staff but also Department of Business staff, it will come out of the Business department budget.

**Mr GUNNER:** There was one fee paid, and you sought reimbursement from the private people on the plane, is that right?

**Mr TOLLNER:** No, we paid a portion of one bill.

**Mr GUNNER:** You paid a portion. The rest did not come to you, it went to others?



**Mr TOLLNER:** That is correct.

**Mr GUNNER:** Only one portion of that bill came to you?

**Mr TOLLNER:** That is correct.

**Mr GUNNER:** You were accompanied by ministerial staff and departmental staff on that trip?

**Mr TOLLNER:** Yes, I had one ministerial advisor with me, Mr Tony Musumeci. There were two government staff, Mr Peter Carew, sitting to my right, and Mr Wayne Fan, who also works in the Department of Business. The other person who joined us some way through the trip - I think in Shanghai prior to catching the fast train to Suzhou - was Mr Michael Bridge, Chairman of Tourism NT.

**Mr GUNNER:** Will you table a breakdown of those costs because they are not captured here? Can you provide a copy of the costs of that trip?

**Mr TOLLNER:** I am more than happy to outline those costs now. The airfare component was a neat \$40 000 and the accommodation cost was \$12 000-something. It totalled some \$52 000. Sorry, it is only an estimated cost at this stage for additional costs which were accommodation, some functions and on-ground transport. We caught the fast train from Shanghai to Suzhou return. The estimate is close to \$12 000 for those additional costs.

I have named five people who were on that trip. We went with a type of business delegation. A number of the people were mentioned in the media.

**Mr GUNNER:** It was not 100% business delegation?

**Mr TOLLNER:** The business delegation was conducting private business so was not part of the trip as solely a business delegation; they had much of their own work to do as well. It was very worthwhile having them accompany us.

At various stages through the trip we had between eight and 14 people in the entire delegation. A number of people did not return with us. Michael Bridge did not go over with us. A range of people did not go over with us. It was not a bad trip.

The cost has raised a fair amount of media scrutiny. By way of comparison, I did a little checking about previous overseas trips and similar travel. I can report something quite similar: the former Treasurer, in February last year, travelled to the Philippines to give a keynote address then went to Manila, Singapore, Jakarta, Singapore, Darwin with a delegation of six ministerial and departmental staff and an extra two business delegates. The cost of that trip was \$83 728. The former Chief Minister travelled Darwin, Singapore, Bangkok, then on to Japan where he visited Osaka, Kyoto, Tokyo, then returned via Sydney with his wife and three staff at a cost of \$87 450. Interestingly enough, the cost for him and his wife was almost half of that at \$36 708 for their airfares and accommodation costs.

I do not know what things the former Chief Minister and the former Treasurer returned with from those trips. I do not know if there were any announcements, but travelling to Shanghai, up to Suzhou, down to Hainan, visiting Darwin's sister city Haikou then back to Darwin for a total cost on the taxpayer of \$52 000 seems to come well and truly under what the previous government paid for travel.

There is great interest in developing a heavy machinery assembly plant in Darwin and there is also great interest in Hainan Airlines flying direct flights from China to Darwin. There was an enormous amount of interest in things like a second industry park, a second railway line, a second port, farming opportunities, tourism opportunities and hotel construction. It was a very worthwhile visit. If one thing has come through to us and the people on that trip it is we need to be doing more of it, not less, and we need to be selling the Territory around the region at a much greater rate.

**Mr GUNNER:** Details of all ministerial travel has been tabled in the past at estimates. The CLP made an election promise that all ministerial travel would be made public and there would be a website where you could see that. That has not happened yet. When did you advise of your trip prior to going to China?

**Mr TOLLNER:** Advise who?

**Mr GUNNER:** Anyone. When did you provide advice publicly you were going to China and the outcomes you were seeking to achieve?

**Mr TOLLNER:** A media release was issued the day we travelled, but this trip was months in the planning and meetings were arranged months in advance.

**Mr GUNNER:** What outcomes were you seeking from the trip and how did the business delegates who travelled with you help in securing those outcomes?

**Mr TOLLNER:** We went with plans to meet with senior business people in China. We arranged to meet with a range of different companies. Every company we met with was a Fortune 500 company, so we were meeting with some of the biggest players on the global stage. We saw senior executives at every company and met with deputy governors in a range of meetings. We also met with the China Development Bank, which was arranged through the Australian Consul-General in Shanghai. The outcomes were quite spectacular - getting access into those places for a start and, then, seeing a level of interest in the Northern Territory. I can happily report there is an enormous amount of interest in the Northern Territory and much opportunity for Territorians stemming from that trip.

**Mr GUNNER:** There was interest?

**Mr TOLLNER:** There was interest. We ...

**Mr GUNNER:** What will that translate into?

**Mr TOLLNER:** Also, we witnessed the signing of a memorandum of understanding between a Darwin businessman and a company called XCNG. XCNG is the largest producer of heavy machinery in the world, much larger than Caterpillar and Komatsu. We visited the assembly plant and the joint venture memorandum of understanding was signed whilst we were visiting the company.

There is now work to be done by the Northern Territory government and that company to secure land somewhere near the port and approvals through the normal processes. It was particularly exciting, given that all around the country we are seeing manufacturing businesses closing their doors, to see that commitment for Darwin and the Top End of Australia. When the world's largest heavy machinery producer is interested in putting an assembly plant here it bodes well for our future.

Clearly, the discussions we had with them were they saw Darwin as an ideal distribution hub for that machinery not just into parts of regional Australia - mining and other construction projects and civil works projects taking place - but also to crack Indonesian, Timorese and PNG marketplaces as well. Strategically, we are in a good location. It is great to see that recognised by a large global company.

**Mr GUNNER:** You witnessed the signing of the memorandum of understanding. Are you now looking at provision of land? How far ...

**Mr TOLLNER:** That is something Jerry Ren and his company will have to negotiating with government. From a government perspective, that is the type of industry we want to see occurring here. It does wonders for transforming Darwin into a distribution and logistics hub, something we have always talked about in the Northern Territory - Asia's gateway to Australia. This is the start of something really concrete in that regard.

We spoke to a range of different companies looking to do similar things. Obviously, there is still much demand throughout Asia for our minerals, which is all about exports and great for the Northern Territory. There is also a growing interest in the Northern Territory to use Darwin as somewhere to access Australian marketplaces to sell a whole range of products.

I spoke to businesses interested in sending clinker in through Darwin and utilising some of the Territory's lime resources to manufacture cement at a much lower rate than we can currently access in the Top End. Those things are fundamental to development and growing a fledgling economy. Any development requires cement, machinery and that type of stuff.

**Mr GUNNER:** You said it was the start of something concrete. When can we expect an assembly line in Darwin? What is the practical time frame on that?

**Mr TOLLNER:** The practical time frame is they want to have this up and running in the next six months. Construction of the assembly plant is taking place in China. Of course, something like that is highly

specialised and requires specialised equipment. The plans are to build the assembly plant in China and bring it to the Territory once we find suitable land. I understand discussions have taken place with the Land Development Corporation and some blocks have been identified. I do not know much more than that. Those questions should be directed to the Minister for Lands, Planning and the Environment. However, there is great desire to move this forward quickly and I hope, in the next 12 months, we will see an assembly line operating in the Territory.

**Mr GUNNER:** Sorry, I missed the last sentence.

**Mr TOLLNER:** In the next 12 months it is quite realistic we will see an assembly line operating in the Northern Territory.

**Mr GUNNER:** You met with other businesses in China which ...

**Mr WOOD:** Can I continue with that item?

**Mr GUNNER:** Yes.

**Mr WOOD:** In relation to this company, what energy requirements would be needed?

**Mr TOLLNER:** I do not have that level of detail. That was mentioned in a newspaper article - they had concerns about electricity supply. Given the state of the Power and Water Corporation, one would question whether there will be enough energy supply. However, from government's perspective, we are working very hard with the Power and Water Corporation, and other players in the marketplace, to ensure there is adequate electricity and energy to see these types of projects go ahead.

**Mr WOOD:** It would be an export business, I presume?

**Mr TOLLNER:** It would be an export business, but it would also be about exporting machinery into regional parts of the Northern Territory and other states of Australia.

**Mr WOOD:** Would there be issues in relation to the adequacy of the rail line and the port to handle large machinery? In the Australasian Railway report there is talk of getting uranium yellow cake from Olympic Dam in South Australia and upgrades in the form of loops. Obviously, if they are going to send machinery down there is more traffic on the railway line. If they are going to take it over the wharf, does the wharf have enough facility space to take on some of this extra load?

**Mr TOLLNER:** Yes, some of the things these guys said were quite amazing. We saw a 4000 tonne crawler crane being assembled. A 4000 tonne crawler crane is almost too big to imagine. I could not imagine how you could get something like that on our railway line in the Territory. Your general excavators and front end loaders or trucks should be okay to transport on the existing railway line, but questions have arisen since that trip as to whether we have adequate infrastructure in place. It will drive some of our thinking into the future about things like a second port, second railway lines and development of a heavy industry park. I am hopeful something will come of these discussions in that regard.

However, the company that owns the railway line might not want competition or an additional port. We need to analyse those contacts and see what we can do in the Territory.

**Mr GUNNER:** In addition to the provision of land, is the company asking for any other support or subsidy from the Northern Territory government?

**Mr TOLLNER:** No, that is the interesting thing, they are not. It is interesting looking at their business case. This company produces machinery for Third World countries as well as First World countries. They are looking at producing something for the Australian market here which is top of the quality tree. About 40% of the machine is fabricated - predominantly the chassis and other heavy steel components - in China. The other 60% is imported into China from some of the bigger - for instance, they will pick the best quality cab for an excavator from Komatsu or Caterpillar, whoever they perceive has the best quality set of grouser plates, pump system or the like. So, 60% of the machine is derived from other parts of the world.

The fabrication of parts would occur in China. Parts would come from various parts of the world so, as the case was put to me, there is not much difference in the cost of assembling the machine in the Northern Territory as assembling it in China. All components have to be transported to the point of assembly from various parts of the world.

**Mr GUNNER:** Did you meet other companies which expressed interest?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** How practical is that interest and when are we going to see outcomes?

**Mr TOLLNER:** I do not want get too carried away with this. They are very exciting and it is hard to keep a lid on my enthusiasm. When we were in Hainan we were talking with Hainan Airlines. I do not know how many people have heard of Hainan Airlines, but it is China's fourth largest carrier - a rather small carrier in Chinese terms with 400 aircraft. By way of comparison, Qantas has 120. They dwarf Qantas as far as size, but are a small airline in China's industry. They are very interested in accessing the Australian market but cannot at this stage because they cannot compete commercially with the big airlines in China taking people to Perth, Adelaide, Brisbane, Sydney and Melbourne.

However, unlike those airlines, they have the ability to access Darwin. They are keen on talking with Darwin airport, and others, to see if they can enter into code sharing arrangements with an Australian airline to bring passengers to Darwin and have them distributed around Australia from Darwin. Darwin is the only entry point they can access to Australia, and Australia is one marketplace where they are currently not doing anything.

**Mr GUNNER:** Did you have an aviation expert with you on the delegation?

**Mr TOLLNER:** Oddly enough, we had the Chairman of Tourism NT, Mr Michael Bridge, who is Chairman of Airnorth.

**Mr GUNNER:** Will Airnorth code share?

**Mr TOLLNER:** Could well be. He is switched on when it comes to aviation policy in Australia. Both Peter Carew and I were in the room during discussions with the management team of Hainan Airlines. It seemed to me every person was under 30 years. However, they were sharp. Pretty well all of them spoke English and were on the game. There was no way known I could answer most of their queries, but Michael Bridge knew exactly what was going on with Australian aviation policy, the opportunities Darwin presented, and also had some insight into possible airlines that might be interested in code sharing.

**Mr GUNNER:** Were there other meetings besides with Hainan Airlines? What interest was shown in the Northern Territory? What outcomes can you share?

**Mr TOLLNER:** We met on a range of different areas. We met with the Deputy Governor of Hainan - you need to understand China. If you are a Deputy Chief Minister in Australia you are neither here nor there. In China, if you are Deputy Governor of a province you tend to be a serious hitter and have quite a bit of say over industry and commerce in your province.

There is much interest in the Northern Territory's agricultural industry. We hear about that in our media all the time, but they were very keen to talk with Mick Burns about importing crocodile meat. He has great difficulties exporting crocodile meat. Whilst he makes a good living from crocodile skins, he has great difficulties exporting crocodile meat. There is much interest in that regard.

There is also much interest in our trepang. It was not particularly fantastic to get off a plane from China and jump on one to a Cabinet meeting on Groote Eylandt, but to go to Groote Eylandt and see what they are doing with trepang farming, having just come from China and seeing the interest in increasing trepang imports into China, was extraordinary.

We met with a gentleman in Shanghai, again with the Consul-General, about taking a substantial share of the next stage of the Ord River development. He was very keen to look at sugar cane and other crops in that area.

We spoke to companies who were big on hotel and casino development. A range of different organisations were pushing themselves towards us in relation to building railway lines, ports and industry parks. It has been very useful in getting a feeling for the mood China.

I spoke to the Chief Minister who had a similar trip throughout Singapore and Indonesia. He said there is similar interest from those nations in the Northern Territory. I am not suggesting we should sell ourselves to China, but some Chinese investment in the Northern Territory would be a welcome thing.

**Mr GUNNER:** Minister, you said you had estimated costs of the trip. Are you prepared to take a question on notice to table the full costs of the trip, the itinerary and ...

**Mr TOLLNER:** I am more than happy to do that. With much of the media inquiry - we have provided the Australian business delegation, the people we met along the way, and all the people who were involved in that trip, and will have fully itemised costs provided to the committee if you like.

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**Question on Notice 2.8**

**Madam CHAIR:** Member for Fannie Bay, would you please restate the question for the record.

**Mr GUNNER:** Will the minister provide a full cost of the trip to China, the itinerary, and the outcomes of meetings?

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

**Mr TOLLNER:** Yes.

**Madam CHAIR:** The question asked by the Member of Fannie Bay of the minister has been allocated number 2.8.

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**Mr GUNNER:** Normally ministerial travel goes through DCM ...

**Mr TOLLNER:** Yes, that is right.

**Mr GUNNER:** ... and requires the Chief Minister to sign off. This has gone through the Department of Business.

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Did you require the Chief Minister to sign off for you to go on this trip, because it is not the normal method?

**Mr TOLLNER:** Member for Fannie Bay, I would not go anywhere without the approval of the Chief Minister.

**Mr GUNNER:** I might leave the Chinese trip at that stage.

**Mr WOOD:** That was very good coverage. I thank the minister for his summary. It is very exciting. I know we are in estimates and are meant to give you a hard time – you can handle that anyway – but if some of these investments come off, as long as they make sense and are sustainable, that bears well for the future of the Territory and creates employment and exports.

**Mr GUNNER:** I have one question for the minister. We ask for a breakdown by class - economy, business or first class. What class would you qualify a private jet as?

**Mr WOOD:** Elvis class.

**Mr TOLLNER:** John Robinson told me that jet was originally built for the Queen of Jordan.

**Mr GUNNER:** You went Queen class!

**Mr TOLLNER:** It was rejected by her and Mr Paspaley managed to pick it up for a third of its value.

**Mr GUNNER:** Queen class or pearl class?

**Mr TOLLNER:** Pearl class, yes. There is no point trying to hide it; it is a very nice jet. Government really needs to assess this type of travel, given the number of people. I am quite serious ...

**Mr WOOD:** That is all right, I did not know you were going to buy one.

**Mr TOLLNER:** If you want to talk ...

**Mr GUNNER:** Should government buy a private jet?

**Mr TOLLNER:** If you wanted to put one of two ministers on it and fly it somewhere it would not make economic sense. However, ...

**Mr WOOD:** Travel the world with Tollner!

**Mr TOLLNER:** With 10 or 12 people on board it becomes highly competitive with similar classes of travel such as business class on a commercial airline. The added advantage is you are not spending countless hours sitting in airport transit lounges. On our way over, and the way back, had we gone via Singapore we would have had a nine-hour transit time sitting in the Singapore airport.

**Mr GUNNER:** If you start Tollner Travel, you go into competition with Qantas and Hainan Airlines, which you are trying to attract to the Northern Territory.

**Mr WOOD:** Also Airnorth.

**Mr GUNNER:** Michael Bridge ...

**Mr TOLLNER:** It will be a rarity when that jet is utilised. At times, you can get far better value by thinking laterally than jumping on the first commercial flight available.

**Mr WOOD:** We are up to question what?

**Mr TOLLNER:** We are up to Question 21. We are roaring through these questions.

**Mr WOOD:** We have not reached the sections yet.

**Mr TOLLNER:** Question 21:

*A breakdown of all water and other natural asset allocation granted by the Northern Territory government since 26 August 2012, broken down by those granted to CLP members and others.*

That question should be directed to the Minister for Land Resource Management.

Question 22:

*Details on all policy items, strategies, actual, estimates, budgets, forecasts, agency outputs and funding decisions contained within the May 2013 budget.*

The detail of that can be found in Budget Paper No 3 and supporting documents.

Question 23:

*Details on all financial and economic data contained within operating statements, balance sheets, cash flow statements in the May 2013 budget.*

Again, that information can easily be gleaned from Budget Paper No 3.

Question 24:

*Full details including impact statements and implementation plans on all agency savings identified within the December 2012 mini-budget and the May 2013 budget.*

The Department of Business core programs and services have been maintained. Identified savings have been achieved through consolidation and incremental adjustments. Consolidation of effort has not only been applied to the existing Department of Business functions, but has also occurred through the aggregation and strengthening of functions transferred into the Department of Business from other agencies.

**Mr GUNNER:** It has only been through consolidation? There have been no cuts to any programs, no cuts to any funding, and no cuts to any grants?

**Mr TOLLNER:** No, a range of measures have been put in place. The Department of Business is not exempt from trying to find efficiency measures, and the rearrangement of the Department of Business with Licensing and Gaming coming from the Department of Justice, WorkSafe coming from the Department of Justice, Asian Relations and Trade coming from the Department of the Chief Minister, has all been about those structural changes making it more efficient to operate those services as a whole. There has been employee cost.

In total, \$5.133m in savings measures have been determined for the Department of Business. Employee cost reductions are in the order of \$2.59m and will be achieved through ongoing review and rationalisation of the Department of Business structure and resources.

**Mr GUNNER:** That is a \$2.5m saving in salary?

**Mr TOLLNER:** Employee cost reductions - I do not know whether it is salary alone - salary and operational, member for Fannie Bay.

**Mr WOOD:** How have those savings been achieved?

**Mr TOLLNER:** Some positions have been made redundant. For instance, the Director of Licensing resigned last week and that position will not be filled.

**Mr GUNNER:** You will no longer have a Director of Licensing?

**Mr TOLLNER:** Not an Executive Director of Gambling. There will be ...

**Mr GUNNER:** You will reduce the position, so to speak. You are changing where it sits in the organisational structure?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** You will devolve some of those responsibilities to others and have someone take on the position with less responsibility?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Are you doing a full organisational restructure or just changing one position?

**Mr TOLLNER:** There are to be changes to licensing laws in that whole area, but they are yet to be finalised by the Cabinet. As such, I am in no position to announce exactly what those changes will be. I can signal that in the coming months parliament can expect a bill in relation to licensing and gambling.

**Mr GUNNER:** We will keep the BDR? Minister, can you provide a breakdown of your employee savings? How many jobs have been lost?

**Mr TOLLNER:** Perhaps I should go through these savings measures first. We do ...

**Mr GUNNER:** That is the question I want answered.

**Mr TOLLNER:** Yes, we will dig that up. They are yet to be implemented, but we can outline some of the strategies and plans we have in place. There is a \$30 000 saving on research and innovation awards. This has been achieved through the cessation of the NT Research and Innovation Board. The awards will continue but the Department of Business is examining alternative options, costs and sponsorship arrangements to deliver this event in order to achieve further efficiencies.

There is a saving of \$63 000 in economic project appraisals. This has been achieved through the consolidation of resources arising from transfers into the Department of Business from other agencies. For example, the project team formerly with the Department of the Chief Minister undertakes reviews associated with major projects and economic development. Appraisals of that nature are now incorporated into that team's responsibilities.

A saving of \$120 000 in the Upskills program will be achieved by exploring different and innovative ways to deliver Upskills workshops across the Territory whilst ensuring businesses still receive the same level of service. A saving of \$110 000 will be achieved in October Business Month. The department will continue

to deliver the project and will achieve savings through increased corporate sponsorship, noting this may prove challenging in the current climate.

There is a saving of \$165 000 in the *Territory Q* magazine.

**Mr WOOD:** Minister, is that the glossy magazine?

**Mr TOLLNER:** That is a glossy mag.

**Mr WOOD:** That is one of the best magazines I have seen for promoting the Territory.

**Mr TOLLNER:** Yes, I agree with you. We are not saying the magazine has gone, but it will no longer be produced within the department. That achieves a saving of \$165 000 over the year. It is quite an expensive exercise for the department to run as an in-house business. It used to be called the *Territory Business Magazine* and was produced by a private operator at significantly less cost than it currently costs to the department, and those costs were covered by advertising in the magazine.

**Mr GUNNER:** Does the \$165 000 saving reflect how much you will spend to outsource it?

**Mr TOLLNER:** No.

**Mr GUNNER:** There will be an additional spending measure coming for that?

**Mr TOLLNER:** No, \$165 000 is the nett amount. The \$165 000 ...

**Mr GUNNER:** Is how much you save by outsourcing it, not how much it will cost to produce?

**Mr TOLLNER:** Yes, that is right. That is how much we expect to save by outsourcing. A saving of \$0.5m has been achieved in the Buildskills program. The program, which provides training for industry sectors impacted by regulatory changes, has been costing less to run for some time and the additional budget allocation was given up as a saving, which was very generous of the department.

An amount of \$700 000 will be saved in Indigenous workforce development and \$400 000 in Indigenous responsive programs.

**Mr GUNNER:** Is that the Indigenous Workforce Participation Initiatives Program?

**Mr TOLLNER:** No, it is Indigenous workforce development, and the Indigenous Responsive Program. These have been implemented with minimal impact on services due to additional funding provided through the Australian government's Stronger Futures initiatives which supports up to 100 Indigenous apprentices and trainees over four years. It is a very good program. The cut to Territory government money does not detract from the program because it is being funded by the Commonwealth.

**Mr GUNNER:** Your annual report mentioned implementing the new Indigenous Workforce Participation Initiatives Program and underneath mentioned 100 traineeships. What you just said was cuts – the programs have very similar names.

**Mr TOLLNER:** Yes, very similar names.

**Mr WOOD:** What are you cutting? Not in dollar terms, but what are you ...

**Mr TOLLNER:** We are not cutting anything, but there are savings to be made because the amount the Territory was funding is now being funded by the Commonwealth.

**Mr WOOD:** It has been replaced. I was getting a little worried.

**Mr TOLLNER:** Yes, that is right. There are whole-of-government savings of \$455 000. Savings of \$283 000 for marketing and communications have already been achieved. A revised unit structure and new procedures will be implemented on 1 July 2013, including working with the new central marketing bureau located within the Department of the Chief Minister. Savings of \$172 000 associated with the NT Fleet review will be achieved through an internal review of vehicle allocation and usage.



Getting back to your original question, member for Fannie Bay, about employees savings to occur in 2013, we are reducing duplication through consolidation of effort. For instance, shared corporate services with Tourism NT - as people leave or go on leave, we will consider whether things can be done differently, not at all, or should be subsumed by another staff person. There will also be changes in the executive team structure and the number of executive contract officers.

**Mr GUNNER:** That is how you have done it?

**Mr TOLLNER:** That is how we intend to make those savings in employee costs of \$2.59m. They are yet to be achieved, but these are the areas the department is focusing on.

**Mr GUNNER:** Some jobs may have already been reduced and there are more job reductions to come?

**Mr TOLLNER:** There is a consolidation or streamlining or efficiency measures, whatever you want to call it. Fundamentally ...

**Mr GUNNER:** Which is how you are doing it, but there will be job losses and we do not know how many yet?

**Mr WOOD:** What does that mean in jobs?

**Mr GUNNER:** You cannot save \$2.5m by not ...

**Mr WOOD:** They are nice words, but ...

**Mr TOLLNER:** Some of it has happened already.

**Mr GUNNER:** Some has happened and some will happen?

**Mr TOLLNER:** Some will happen but ...

**Mr GUNNER:** That is the methodology you are using.

**Mr TOLLNER:** ... the intention is natural attrition. No frontline staff will lose their job.

**Mr GUNNER:** Not in the Business department, just in Education.

**Mr WOOD:** What about contracts not renewed?

**Mr TOLLNER:** There will be changes to executive contract officers; we have never backed away from that. We have said the top echelon of the public service is not ...

**Mr WOOD:** How many would lose their job?

**Mr TOLLNER:** How long is a piece of string? At this stage ...

**Mr WOOD:** In your department, how many contracts would not be renewed? They are still people with jobs.

**Madam CHAIR:** I take this opportunity to welcome my colleague, the member for Arafura, who is replacing the member for Stuart.

**Mr TOLLNER:** Member for Nelson, I am advised most of that has already been done in relation to those executive contract officers.

**Mr WOOD:** Numbers?

**Mr TOLLNER:** Separations include, to date, nine executive contract staff, with six due to redundancy.

**Mr GUNNER:** How many, in total, have gone from the department to date? How many jobs?

**Mr TOLLNER:** There has been a nett loss of 36 staff.

**Mr GUNNER:** Plus the nine executive contract staff or including them?

**Mr TOLLNER:** Including the nine executive contract staff.

**Mr GUNNER:** How many new executives have been recruited by the department since August?

**Mr TOLLNER:** None.

**Mr GUNNER:** One?

**Mr TOLLNER:** One. The main one.

**Madam CHAIR:** Minister, have you finished that question?

**Mr TOLLNER:** I am done with that question if ...

**Mr GUNNER:** I will ask my other job questions at whole-of-agency rather than now.

**Madam CHAIR:** I was going to suggest everyone takes a 10 minute break to get a cup of coffee. We will recess for 10 minutes. Thanks.

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The committee suspended.

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**Madam CHAIR:** Welcome back from the break. Lynne Walker, the member for Nhulunbuy, has replaced Nicole Manison, member for Wanguri, on the committee. We were going through your answers to written questions, minister.

**Mr TOLLNER:** Yes, that is right.

Question 25:

*Details on all information and data contained within the fiscal strategy, updated fiscal outlook, risks to the updated financial projections, expenses and capital investment, intergovernmental revenue and Territory taxes and royalties.*

Any questions on that should have been asked of me, as Treasurer, a couple of hours ago.

**Madam CHAIR:** Are you rubbing it in?

**Mr GUNNER:** I am sure you answered it then!

**Mr TOLLNER:** I answered that question about five times.

Question 26:

*Full details on all information and data contained within the capital works program and estimated capital expenditure across all government agencies and corporations.*

The details of that can be found on page 27 of Budget Paper No 4.

Question 27:

*Full details of all revenue measures including new taxes and tax increases including levies and charges. Details to include risk impact statements, community and industry consultation plans, economic modelling and revenue projections.*

Again, that is a matter for the previous minister, the Treasurer.

Question 28:

*Full details on the operational impacts across all government entities as a result of all government decisions and policies.*

Specific questions on this will be addressed through this estimates hearing process.

Question 29:

*Full details on the operational impacts across all government entities as a result of the government's savings measures.*

The question is too broad to answer here, but specific questions in relation to the Department of Business were addressed in Question 24.

Question 30:

*Details on the operational impacts across non-government agencies as a result of all government funding decisions and policies.*

NGOs are external to the budget and this question should be posed to the relevant NGOs.

**Madam CHAIR:** I welcome Nicole Manison, member for Wanguri, back to the panel. Nicole has replaced Lynne Walker, the member for Nhulunbuy.

**Mr TOLLNER:** Gee whiz, they are chopping and changing!

**Mr WOOD:** It is a tactic.

**Mr TOLLNER:** It is a tactic, okay.

Question 31:

*Full details on the impacts across all government entities as a result of all increases in government and government corporation charges, prices and tariffs since 26 August 2012.*

The Department of Business came into being in September 2012 comprising former elements of the Department of Business and Employment, the Department of the Chief Minister, and the Department of Justice. Associated staff relocations were finalised in April 2013. Given the Department of Business is a new agency and was only in existence for a short period of time prior to increases in government corporation charges, prices and tariffs, it is not possible to provide an accurate and comparable cost estimate. Regardless, this is an ongoing operational cost that has been factored into forward planning and budgets.

Question 32:

*Full details on all information and data contained within the two most recent reports on government services.*

Again, the question is too broad and expansive in its scope to be answered effectively. Specific questions can be addressed through this hearings process.

Question 33:

*Full details on all the information and data contained within all annual reports produced by all government entities across the last two financial years.*

Again, the question is too broad and expansive in scope to be answered effectively, and specific questions will be answered in this estimates hearing process.

Question 34:

*Full details on all information and data contained within any report produced by a statutory authority of the Northern Territory government within the last five years, and full details on any and all actions of all government entities in response to the report or related to the report.*

The question is too broad and expansive in scope to be answered effectively. Specific questions will be addressed through this estimates hearing process.

The Department of Business has carriage of four statutory authorities: Desert Knowledge Australia; the Northern Territory Licensing Commission; the Work Health Authority; and the Northern Territory Employment and Training Authority.

Question 35:

*Full details on all the information and data contained within any report commissioned by the Northern Territory government and produced within the last five years, and full details on any and all actions of all government entities in response to the report or related to the report.*

Again, the question is far too broad in scope to be answered effectively. The question is largely beyond the scope of the Estimates Committee's terms of reference in that it is not related to the consideration and passage of Budget 2013-14 and relates to activities and events which are properly the responsibility of previous Northern Territory governments. Specific questions in relation to particular reports commissioned by the Northern Territory government since September 2012 or other reports subject to action or implementation after that date are invited, and, if relevant, will be answered to the extent practical during the Estimates Committee hearings or will be taken on notice for consideration and response.

Question 36:

*Full details of all information, data and forecasts contained within reports produced in the last two years in relation to the Northern Territory from Deloitte Access Economics, CommSec, Sensis, Australian Property Monitors, Housing Industry Association, Property Council, Master Builders Association and ANZ, including the response from government entities to these reports.*

This question is too broad and expansive in scope to be answered effectively. Specific questions are invited and will be addressed through this estimates process.

Question 37:

*Full details and all information and data produced by the Australian Bureau of Statistics in relation to the Northern Territory in the last two years, including the response of government entities to these reports.*

Again, this question is far too broad and expansive in scope to be answered effectively. Specific questions are invited and will be addressed through the estimates process.

Question 38:

*Details on all reports and data published on Northern Territory government websites.*

The data requested is too broad in scope and too expansive to collate. Specific questions are invited and will be addressed through the estimates hearing process.

**Madam CHAIR:** Minister, I believe that is all the questions.

**Mr TOLLNER:** That is all the questions, yes.

#### **Agency Related Whole-of-Government Questions**

**Madam CHAIR:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2013-14 as they relate to the Department of Business. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

**Mr GUNNER:** How many staff does the department have as both FTEs and actual numbers of staff?

**Mr TOLLNER:** There is a grand total of 302.6 FTEs across various classifications. I am more than happy to table a chart in relation to that rather than reading them all out.

**Mr GUNNER:** Before you table it I will double check it has everything I want.

**Mr TOLLNER:** Look at it to see. I have a number of copies here so they can be handed out quickly.

**Mr GUNNER:** Does that chart include classifications or levels and the rate of staff separation at each level?

**Mr TOLLNER:** It has the classification and the full-time equivalent count. Twenty-three staff are employed on executive contracts. Since the formation of the Department of Business there have been 13 commencements and 49 separations. The separations include nine executive contract staff, six of which were due to redundancy. Of the 255 staff, 84% are permanent. The remaining 48 staff, or 16%, are temporary.

The Department of Business currently has two workers compensation claims, both for harassment, one of which is new this financial year.

The average age of staff is 45 years. Of 170 staff, 56% are female and 41 staff members have corporate credit cards.

The Department of Business has 76 motor vehicles, 40 of which are pool vehicles. There are three corporate communication staff, one of which is a dedicated media liaison officer.

There are seven Human Resources staff; however, it should be noted the Department of Business has a shared corporate services arrangement with Tourism NT. You have the table which shows full-time equivalents.

**Mr GUNNER:** In your annual report you talk about women in leadership as a program, and you have 11% temporarily promoted. How many are now permanent? That is page 32 of the annual report.

**Mr TOLLNER:** Yes, member for Fannie Bay. The Department of Business does not have an annual report. The department was only formed in September.

**Mr GUNNER:** The previous Department of Business and Employment annual report. There would be a new Department of Business annual report. There has been a change, but this was the Department of Business and Employment. Much of it has been kept. I know you have gained some other aspects.

**Mr TOLLNER:** We are unable to answer that because there have been major changes. It is, in effect, a completely new department.

**Mr WOOD:** Can I ask a question on numbers?

**Mr GUNNER:** Yes.

**Mr TOLLNER:** That is the DBE report; this is now the Department of Business. Over 800 employees went out with DCIS - with the new department ...

**Mr WOOD:** Your annual report said on 30 June 2012 a total of 879 people 'by head count' were employed. Then you say you had 302.6 people. A total of 577 people have gone somewhere else, is that correct?

**Mr TOLLNER:** There were 800 who went out to DCIS ...

**Mr WOOD:** That leaves 79.

**Mr TOLLNER:** Yes, but then staff came across from the Department of Justice, the Department of the Chief Minister and from Tourism NT.

**Mr WOOD:** Technically, 500 people went somewhere.

**Mr TOLLNER:** The information I have is 800 went to DCIS and a range of staff came from the Chief Minister's department, Tourism NT and the Department of Justice. As you can see from those numbers, it is, in effect, almost a new department.

**Mr GUNNER:** Does that mean you scrapped the women in leadership program, which is what I was curious about? When you temporarily promoted someone, did that then go to a permanent promotion? I can show you a copy of the annual report if you want. It was interesting to see people temporarily promoted and I was wondering how that led to – I saw a temporary promotion and wanted to see what the follow through on that was.

**Mr TOLLNER:** It is a little hard because the vast majority of people in that program went across to DICS. Having said that, the Department of Business is still keen to run the program; however, because it is so new, it has not implemented the program within its ranks.

**Mr GUNNER:** I am looking forward to the new annual report.

**Mr TOLLNER:** I am certain we all are.

**Mr GUNNER:** Did you have more questions, member for Nelson?

**Mr WOOD:** Not that broad.

**Mr GUNNER:** How many graduates and apprentices have joined your agency since 26 August 2012?

**Mr TOLLNER:** Two graduates have come into the department and two trainees.

**Mr GUNNER:** The department is now bigger than it was when it was DBE and they had eight –is it smaller than DCIS?

**Mr TOLLNER:** A third of the size.

**Mr GUNNER:** How many people who identify themselves as Indigenous have joined your agency since 26 August 2012 and at what level?

**Mr TOLLNER:** We will have to take that on notice, member for Fannie Bay.

**Mr GUNNER:** No problem. It was at 6.7%, but it was a different department.

**Mr TOLLNER:** Completely.

**Mr GUNNER:** It would be interesting to see the figure now.

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**Question on Notice No 2.9**

**Madam CHAIR:** Member for Fannie Bay, could you please restate the question for the record.

**Mr GUNNER:** How many people who identify themselves as Indigenous have joined your agency since 26 August 2012 and at what level?

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

**Mr TOLLNER:** I do. Let us make it September 2012.

**Madam CHAIR:** The question asked by the member from Fannie Bay of the minister will be number 2.9.

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**Mr GUNNER:** You answered questions about vehicles before so you might have already answered this. Where people are held against a position, what positions are they and what level are those positions? Previously you answered the global fleet question.

**Mr TOLLNER:** Yes, we did. There are six motor vehicles, of which 40 are pool vehicles. Member for Fannie Bay, there is a department-wide review occurring in relation to motor vehicles with NT Fleet. I am happy to take the question on notice.

**Mr GUNNER:** When will the review be completed?

**Mr TOLLNER:** A very good question.

**Mr GUNNER:** The reason I am asking is ...

**Mr TOLLNER:** We are expecting that review to be completed within a month. The issue the department has is there are a number of executive contract officers with motor cars, which is not a great problem, but

there are a number of SAO2s who have motor vehicles allocated under previous contracts. Because the job requirements are now different, they need to negotiate with NT Fleet and others to see what can be done about those motor vehicles. I am happy to take that question on notice or provide further information when the review is completed and those decisions are made.

**Mr GUNNER:** That is what I was going to suggest, minister. Taking it on notice requires you to answer it before the review is finished.

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Are you happy to commit to providing an answer once the review is completed?

**Mr TOLLNER:** We are happy to commit. If someone can make a note we will get you that information. Is there anybody else on the committee who would like that information?

**Mr WOOD:** No.

**Mr GUNNER:** I speak on behalf of the opposition. That completes my whole-of-agency questions.

**Madam CHAIR:** Member for Nelson, do you have any agency-related whole-of-government questions?

**Mr WOOD:** Can I ask the member for Fannie Bay what he has next?

**Mr GUNNER:** Output 8.2, Industry and Innovation.

**Mr WOOD:** The minister raised an issue regarding research and innovation. Perhaps I can wait. I will ask one important general question, minister. Under this output it says:

*Outcome – support Territory industry and individual businesses to build capability, strength and business competitiveness and innovation, expand trade, support major project development, attract investment.*

I have an e-mail from a long standing business in Darwin which has trouble getting jobs. This person is not the only one. I hope you do not get his name, but if you do please do not take it out on him because he is a very hard-working person. He said, 'Numerous contracts are being awarded to interstate companies, more noticeably over the past 18 months'. He mentions a particular contract at Robertson Barracks which was awarded to John Holland and says, 'No surprise. They seem to get all the work at the facility'. That was an electrical contract given to South East Queensland Electricity. The explanation was no one else could do the job. This person thought that was absolutely ridiculous not only because he could do it, but there are other groups like Monadelphous, Nilsen Electrical, MG Electrical and HVLV Electrical. He said the problem is the packages are so large none of the locals can satisfy the financial and reporting requirements put in place by the client.

He said when Sitzler, Macmahon and Laing O'Rourke get together you have to think alarm bells must be ringing. He said now we have an influx of interstate companies bringing inexperienced sub-contractors with them which undercut locals before returning much wiser for the experience, if they remain in business. In the meantime, they are ruining a local business and denying opportunities to locals. How many local contractors get burnt on these so-called prestige projects after interstate head contractors need to adjust their budgets when they find out the real costs? Interstate head contractors should have to employ local subcontractors otherwise people like himself go out of business.

He is not the only one. I saw the tender for the canteen at Taminmin College. It was won by a Queensland company that has been here since 2011. They might be fine, but businesses are saying the system is set up to kill local contractors. Big contractors are getting the jobs, they ring their mates in the main office interstate, bring up an interstate manager, he has contacts interstate so he brings them up as well and, eventually, the locals miss out. This person is fair dinkum. I understand he put in 10 tenders and did not get one. Tenders cost much money to put together and are very complicated.

The government, if it is fair dinkum about helping small business, has to – this discussion has been had before, but if people are coming in from south and undercutting local businesses, which means local families are having to close their businesses and leave town -your government wants cheap contracts but it is being done in an unfair way.

Is the government taking this issue seriously so small business – I know another person in my electorate who did fairly well when the Building the Education Revolution was in place. It was a good program in the Northern Territory - talk to the schools.

**Mr TOLLNER:** I am glad you clarified that.

**Mr WOOD:** In the Northern Territory it did well, and many small and medium-sized businesses gained employment and it helped them along. Businesses of that size are struggling, and I have met many people who are finding it really hard. There are plenty of people who have jobs, but plenty of businesses are missing out at present. This is a classic example of what is happening. That is my statement, but it is also my question. What is the government doing to ensure these businesses do not go out of business?

**Mr TOLLNER:** Member for Nelson, thank you very much for the statement and the question. I concur with many of the things you said. It really does not matter what part of the Territory you live in, you have probably heard similar stories. I will try to address some of the issues you raised, point by point.

Any contract occurring at Robertson Barracks is highly likely an Australian government contract. Australian government contracts bring with them a level of compliance that is not the case with Territory government businesses. For instance, some of the work health and safety requirements of federal government contracts raise the bar quite high for many Northern Territory businesses and there is only a handful of large businesses with accreditation to work on Australian government contracts. That is a serious concern from a Northern Territory point of view. It puts many businesses out of the race immediately because they do not have accreditation to do Australian government work. The type of work coming to the Northern Territory at the moment is very large scale and some big contracts will, potentially, be issued.

It is one of the things the major projects task force is looking at. Specifically, it is working with the Ichthys project to see how we can get more local industry participation. We had a win on the JKC project, as I mentioned in my opening remarks to this committee. That was a large contract which, if it did not go to an interstate company, would have gone to an overseas company. Work through the Department of Business, ICN, the Manufacturers Council of the Chamber of Commerce, and a sustained effort, convinced JKC to break that contract into three manageable bits. Each portion of that contract was allocated to Territory businesses. That was a significant win and it went to show these large companies thinking creatively can get the work done.

In relation to interstate contracts, they do not factor into their contracts some of idiosyncrasies of the Northern Territory. Quite often, we will have companies from interstate quoting Queensland, New South Wales or Victoria prices. They do not quite understand the price differences between the Northern Territory and other parts of the country can be quite substantial at times. This has led to problems in the past where the interstate company will either go to the wall because they realise they cannot do the contract for the price quoted, or they have large variations down the track because they have underquoted. There is some effort required to educate interstate tenderers.

I am reluctant to have a 'Territory only' policy. It is important Territory businesses keep their pencils sharp and remain competitive, not just with interstate businesses but also overseas businesses. That really is the hallmark of business. Having said that, things can be done. In that regard, the department has been working for some time on the procurement review. It is something, in opposition, we were very keen to address. I do not know how many projects are going interstate or overseas, but it is a major bugbear of industry and business in the Territory and there are some problems with some contracts being awarded interstate.

Fortunately, I have some good support beside me. When we talk about business going interstate, local tenderers have won 76% of work - \$143.6m of total contracts awarded of \$188.9m. There is a large proportion going to Territory businesses. The other 24%, whether that should be going interstate or overseas is questionable.

**Mr WOOD:** Minister, the problem I am hearing is companies call themselves Territory businesses. The issue, I believe, is people arrive, set up an office and become a Territory business, whereas there are families with businesses who have been living here for 20 or 30 years.

The component that needs to be added to the weighting is - I do not know how to do it - a social impact needs to be built in. You are not only supporting the business, you are supporting the family and the benefits of keeping that family in the Territory and, to some extent, rewarding people for their longevity in employment in the Northern Territory. If there could be some weighting there, because if this



continues - the two families I know are struggling are both long-term business people and have been here for 30 years. Some of them have been here all their lives and are struggling.

I know there is a figure; however, the trouble with stats is you need to ask which is a long-term Territory business. Who is the bloke who turned up at the canteen at Taminmin ....

**Mr TOLLNER:** I appreciate what you are saying in that regard, although when it comes to local business everybody has a different view. I was in Tennant Creek several months ago and everybody was jumping up and down because Darwin and Katherine people were winning business in Tennant Creek. Their view was it was wrong because we should be supporting local businesses. When they talk about local businesses, they talk about Tennant Creek local businesses.

Talking about local contracting, when I was part of the Australian government - the Australian government does not care where you live in Australia provided you are Australian. I appreciate what you are saying: good, hard-working, long-term business people should be looked at favourably when it comes to dealing with contracts. However, it is a balancing act because somewhere along the line we have to ask where we draw the line. When do we say, because you are a mum and dad business of long-standing in the Territory, you should get priority over somebody who has been in town five minutes?

All these questions are feeding into the procurement review the department is currently undertaking. Whatever we do will not make everyone happy. I have been around long enough to understand procurement will always be a flash point; it will always be a controversial area. The fact is nine out of every 10 tenderers have been done in the neck because they all supply the best product, the best service, but only one of the 10 wins the contract. For that reason, it will always be extraordinarily controversial, but we are doing everything we can to promote local industry participation. We are working with some of the bigger companies to pull contracts to bits to ensure local businesses.

That is another question, what is a local business? Is it someone who set up for five minutes who has an intention of being here for 30 years, or do you need to be here for 30 years before you can? There will always be a gripe somewhere. However, we have to find the best outcome for industry and economic growth in the Northern Territory. That is what we are committed to do.

On a procurement side of things, it is very important to have an open and transparent system ensuring probity auditing is encouraged so people putting in for contracts and tenders have some feeling they are on a level playing field; that someone is not getting an undue leg up.

**Mr WOOD:** Also, the issue of undercutting is common. Whilst it might be advantageous for the budget of a department doing the job, if those companies go bung you are left high and dry. I am glad there is a procurement review. I hope you could ask some of these businesses - maybe have a forum where some of the long-term businesses can put forward their concerns in more detail than me. I am not the experienced business person; I am passing on the message. I feel for these people. When they are on the phone for half an hour saying, 'I have 20 people working for me and I am paying them out of my superannuation', you know things are crook.

You mentioned the Ichthys project. One of your key variables is the local industry content on the Ichthys LNG project is 19%, which is extremely low. When it says industry content, does that mean employment or just materials? It is on page 122.

**Mr TOLLNER:** As of 31 March this year, approximately 19% of the total project commitment, almost \$5.1bn, has been attributed to NT-based businesses.

**Mr WOOD:** There may be other reasons, but 19% still seems relatively low.

**Mr TOLLNER:** It does seem relatively low unless you take it in the context it is a \$35bn project, and \$5.1bn of that is quite significant. Member for Nelson, imagine if it was 80%. There has to be recognition at some time that our capacity and capability to do much of this work is not there.

Whilst much of the rhetoric we run about this department is the employment and training side of things - we want to train up local guys, we want them in these businesses, we want to engage as much local content as possible, quite often in a project of this scale and nature there is no way any NT businesses will have the capacity to provide all the services and products such a project requires. To say 19% of the \$35bn project is a significant slug of work - \$5.1bn coming into a community of 120 000 people.

**Mr WOOD:** Could I follow on from that? There is the INPEX Village. Get away from the politics of where it should or should not be, in the discussion phase ...

**Mr TOLLNER:** You stopped that 240-man camp.

**Mr WOOD:** Yes, it would have been stuck in someone's back yard and gone under water. That is a minor problem ...

**Mr TOLLNER:** It is okay having 3500 there, but you would not want 240.

**Mr WOOD:** There were members of your political party who, obviously, did not agree either. Minister ...

**Mr TOLLNER:** Sorry, I could not help myself.

**Mr WOOD:** That is all right. I have known that for years.

When the Howard Springs INPEX Village was being planned my belief was, in discussions with INPEX through the planning process, 'You are going to make a major change to the rural community. You are going to stick a small town smack in the rural community'. Even going out there today you see how the world has changed in Howard Springs. Part of the discussion was it would disrupt the old rural life.

The other side of the equation is you will do your best to create employment opportunities for people in the rural area. What appears to be happening - and I have had this discussion with Mary Durack from INPEX - is I do not see anything on the ground that is showing the company - Compass ESS, which has a partnership with Larrakia development - is doing anything for locals when it comes to employment; that is, being proactive.

Larrakia Development Corporation certainly is. It has been to the Knuckey Lagoon community, and that is great. A large number of people in the rural area would love jobs, but we have a multinational company, Compass ESS, which works in mining camps all over the place and is not based here, although it has probably set up an office now.

As a government, can you speak to Compass ESS and require them to have a physical presence in the rural area - not a webpage to tick your name, people cannot stand that - and say to the community local jobs will be the first priority, because that is not what appears to be happening. If that does not happen, many people will be unhappy about INPEX because they believe there should be options for people in the rural area. Part-time gardeners, laundry people, cooks, are the people Compass will be looking for. I know people who have applied and been knocked back, in most cases, with no reason given.

I am asking the government and you, as Minister for Business, that your department be proactive and approach Compass ESS and say, 'You must give people in the rural area first opportunity'. There will be managers - I am not talking about that because you need skilled people - so people in the rural area have the opportunity to get a job as part of the INPEX development.

**Mr TOLLNER:** Yes. Everything I understand about INPEX, JKC and all the associated companies is their first priority is to recruit locally. It makes good business sense. If you employ someone locally you do not have to worry about housing them in the workers village, finding a hotel room, or flying them in and out. Currently, 70% of employees on the INPEX project are local people.

**Mr WOOD:** When you say they are local, is that the Darwin region?

**Mr TOLLNER:** In government, when we talk about locals, we talk about Territorians.

**Mr WOOD:** I am not trying to be pedantic, but to some extent rural people have copped a big change in their lives and part of that was to give them an opportunity to get some benefits from that development.

**Mr TOLLNER:** We will not go down that path, but you are tempting me. From a government perspective, we have to look at local as being local Territorians, whether they live in Yuendumu, the Tiwi Islands or Howard Springs. About 70% of people employed on the Ichthys project are locals. Understandably, there are some technical skills people in the Northern Territory do not possess and we need to bring people here. That is the nature of this large project. I can tell you with 100% certainty, the greatest desire of all these companies is to employ a local person first.

**Mr WOOD:** That is not the impression we are getting from that company.

**Mr TOLLNER:** No. As far as trying to get people work, if I was not the Treasurer and Minister for Business I would say get them to ring me and I will make the contact.

**Mr WOOD:** I am putting the ads on my desk and people are taking them.

**Mr TOLLNER:** If you can encourage them, or if you can contact the Support Division within the Department of Business, Doug, Peter or Noelene would be happy to provide you with a personal contact. I do not want to put anybody's name on the public record, but if you chat with them later they can put you in touch with someone there. I am more than keen to ensure people in the rural area, and in our region, get a good run at this.

**Mr WOOD:** I am not saying people cannot apply, but I know the feeling of people out there. Not everyone is happy with it, and it has made an enormous difference and change to the community. For the benefit of INPEX itself – it is their contract, JKC's and Compass's contracts. People see it as INPEX regardless of whether it is Compass. If Compass wants to have that good social relationship, it needs to ensure people have the opportunity. They might not be suitable, but at least give them the opportunity to see if they can fit the jobs wanted on the village. They are not all going to be highly qualified jobs; they are pretty basic jobs. Many older people would like to take on some of that work.

**Mr TOLLNER:** Too easy.

**Mr WOOD:** That is all right. Webpages, for many people, are no good. One of the biggest complaints I get is about - not against JKC - but you fill in a form. It has to be done ...

**Mr TOLLNER:** I thought you were an old luddite; I am looking at you with your computer running.

**Mr WOOD:** Yes, I got a message from Michelle.

**Mr TOLLNER:** An old chook farmer.

**Mr WOOD:** You know Michelle who worked for me, I had a message from her asking, 'Did I see a computer on the table?' Someone else noted it as well.

**Mr GUNNER:** Is it on?

**Mr WOOD:** It is a serious issue. This is a bit project. There will be 3500 people living there. There are employment opportunities and we have to ensure locals get the best chance. I am really glad Larrakia Development Corporation is working so proactively. They went to the community saying, 'This is the project'. Compass has not gone to Coolalinga, Howard Springs or Humpty Doo shops and said, 'Put your name down. This is what is available'.

**Mr TOLLNER:** In fairness, the Larrakia Development Corporation might well have better local connections than Compass.

**Mr WOOD:** That could be right. They should employ Larrakia Development Corporation to do the work.

Thank you for those answers. An important part of our future development is we keep local jobs.

**Madam CHAIR:** I note for *Hansard*, Bess Price, member for Stuart, has joined us and Ms Larisa Lee, member for Arnhem, has vacated her position.

Are there any further questions on whole-of-agency?

**Mr TOLLNER:** Member for Nelson, there is a procurement division within the Department of Business. When you hear these things please contact the department, particularly when you hear of Territory businesses you believe are not getting a fair go. There is a review going on at the moment. We hope to address many of those things but, inevitably, many people will be ...

**Mr WOOD:** Procurement is part of the issue some of them raised with me asking if there was an open review.

Minister, one of these people said they approached a department - I will not say which one – and told them, 'You can make this contract much cheaper if you do something yourself'. They could do it themselves. Next, a new tender came out. He has a bright idea for the department to save some money and the new tender came out which was, 'We are providing this'. He tried to save them money then lost the contract. It is amazing and is what makes people annoyed. Thank you, Madam Chair.

**Madam CHAIR:** That concludes consideration of agency-related whole of government questions.

## **OUTPUT GROUP 8.0 – TERRITORY BUSINESS DEVELOPMENT**

### **Output 8.1 – Asian Engagement, Trade and Investment**

**Madam CHAIR:** We will now proceed to Output Group 8.0 Territory Business Development, Output 8.1 Asian Engagement, Trade and Investment. I note the Chief Minister will answer questions relating to Asian Engagement, Trade and Investment on Wednesday, 19 June 2013.

### **Output 8.2 - Industry and Innovation**

**MADAM CHAIR:** The committee will now consider Output 8.2 Industry and Innovation. Are there any questions?

**Mr GUNNER:** In Industry and Innovation, you are looking at new industry opportunities and are working closely with peak industry bodies to identify those opportunities. That is out of the budget paper, minister. Is this where you are doing work around your key election policy of the three-hub economy?

**Madam CHAIR:** For *Hansard*, Ms Larisa Lee, member for Arnhem, has now resumed her position and Mrs Bess Price has stepped away from the committee table.

**Mr TOLLNER:** Thank you for the question. Yes, and not only. Obviously, the three-hub economy involves more than the Department of Business. There is a significant body of work being undertaken by the Department of Primary Industry and Fisheries, Department of Land Resource Management, Department of Mines and Energy and, of course, the Department of Business, along with the Economic Unit the Chief Minister set up in the Department of the Chief Minister.

There are two major focuses of this government. As Treasurer, one is a belt tightening focus in order to deal with the unconscionable level of debt we have been left. The second is to focus on driving economic growth. Part of that is the focus on the three-hub economy: agriculture, mining and tourism. All departments involved in that business or industry know it is all hands on the wheel to drive that investment and private enterprise interest we want to see in the Northern Territory.

**Mr GUNNER:** The three-hub economy is one of your priorities; you ran a campaign around it. This is where you are identifying those new industry opportunities but, at the moment in the budget paper, your only key deliverable is around Ichthys.

**Mr TOLLNER:** Yes. It is not the only key deliverable; there are a number of major projects.

**Mr GUNNER:** Name one in the budget paper under Industry and Innovation?

**Mr TOLLNER:** There is Sherwin Iron and Roper River Iron Ore.

**Mr GUNNER:** The only one you have in the budget paper as a key deliverable under Industry and Innovation is Ichthys.

**Mr TOLLNER:** The Industry and Innovation area is things like the JKC contract, where the department, ICN and the Manufacturers Council have driven some innovation about how JKC has issued tenders.

**Mr GUNNER:** Excellent; that is really good. We completely support Ichthys, but I am interested to know what you are doing on the three-hub economy. What key deliverables do you have against that?

**Mr TOLLNER:** There is an enormous range of things in a range of different areas depending on which hub we are looking at. For instance, the agriculture side of things ...

**Mr GUNNER:** We will be asking questions elsewhere. Within Industry and Innovation, within your agency and your output, which is working to identify these opportunities, what will you be doing in regard to the three-hub economy?

**Mr TOLLNER:** In relation to tourism, the department is involving itself in quite a bit. I mentioned the recent visit to China and how we are looking at innovative ways of attracting airlines and tourism opportunities for the Northern Territory.

**Mr GUNNER:** I am wondering how we can measure your success. You have 19% as local content for Ichthys. How can we measure what work you are doing on the three-hub economy? How can you look at this output and say what you are doing, how you are doing it, if you are doing it well, what targets have you set, what is happening with the three-hub economy? This is your department and we are looking at identifying new industry opportunities. I am wondering what and how you are going to do it, and how are we going to measure it?

**Mr TOLLNER:** Yes, that is a good question because we have not really put any KPIs in place for ourselves in regard to this apart from saying, 'Let us grow a three-hub economy'. That is quite an easy thing to say, but to do it requires some work around a whole range of different areas, as you can fully appreciate.

To say we are going to double GSP in the next five years, or set a target like that, or aim for a tripling of the Darwin population, for instance ...

**Mr GUNNER:** They are big. I was hoping for a baby step; something you can work towards. That is what I was looking for.

**Mr TOLLNER:** We have said, as a government, we are keen to drive economic growth to see greater private enterprise participation. At the end of the term, I expect we will be judged on how well we have delivered that. Obviously, delivering that brings its own problems which might create a rod for our own backs.

**Mr GUNNER:** We are, minister, 10 months into government. This budget is for the next 12 months. You do not have a target, a KPI, an output, an outcome. You have nothing in Industry and Innovation we can measure the three-hub economy against and your target is there.

**Mr TOLLNER:** No, we have not, apart from an election commitment to grow a three-hub economy. Those hubs are quite clearly identified. People will see, over time, how many farms come online, how much extra horticulture is happening, whether tourism numbers increase or decrease, whether we get more new mines apart from Sherwin, Roper River Iron Ore, Australian Ilmenite and a few others that are looking hopeful.

**Mr GUNNER:** I will ask questions of those ministers. I am wondering, within Industry and Innovation, when working with the peak bodies to identify new industry opportunities, are you setting yourself some goals and targets in respect to the three-hub economy in this section of the department? I know the department is busy; the department is doing many things and always has; however, you came in with an election commitment to develop three hubs. This is where you work with peak business to identify opportunities. At what stage are you going to say, 'We will have something to measure the three-hub economy against'.

**Mr TOLLNER:** The way to measure it is what we have now and what we have in the future.

**Mr GUNNER:** That is done by other ministers - the Mines and Energy minister or the Primary Industry and Fisheries minister. I am wondering, in this section of your department, what you might be doing?. You can take that question on notice. It might be work your department needs to do. At the moment you have the Ichthys project and your election rhetoric was, 'Let us not just hinge it on the Ichthys project'.

**Madam CHAIR:** I take this opportunity to welcome Kon Vatskalis, member for Casuarina, who has taken the place of Nicole Manison, member for Wanguri.

**Mr TOLLNER:** Member for Fannie Bay, in many regards you are right in relation to the three-hub economy. They all, in the main, pertain to other departments. The Department of Business will be a service agency to those departments. What KPIs they set for themselves is a matter for them.

As far as Industry and Innovation is concerned, there is a range of areas where the department is providing support to business on a whole range of issues, but none specifically targeted at the three-hub economy. Of course, the development of the three-hub economy is a government policy. As such, it will sit within

planning for future development of the department. However, as far as saying, 'We will develop agriculture', it is not really a performance target the Department of Business can set for itself.

**Mr GUNNER:** At the moment, the three hubs are not reflected.

Another industry opportunity you have spoken of in great detail – I am moving away from the three-hub economy for a second - as member for Solomon and member for Fong Lim is regional and rural development, our remote development which you said also comes under here. You have asked where the butchers, bakers and the hairdressers are. I am interested to know you, as Minister for Business and Treasurer, have the capacity to do something. What work are you doing to put that in place?

**Mr TOLLNER:** That is almost a whole-of-government approach. You recall a week or so ago, the Chief Minister made a statement saying any remote community wanting to develop and create private sector enterprise and jobs step up and all the resources of government will come your way, and we will do everything we can to ensure those things happen.

To clarify what the Chief Minister is talking about, communities which agree to long-term town plans, leasing, and public access, will be treated like a - I hate using the word - normal community. We will treat them as a mainstream community and put every effort of government into those communities to ensure private enterprise takes hold and grows.

From that side of things, the Department of Business will be very much involved through the partnerships we have with the business enterprise centres where we foster, nurture and mentor business people. We are keen to assist in partnerships between existing businesses and Indigenous people to provide advice. There is a whole range of programs within the department to provide that level of support to nurture and grow businesses in remote communities.

The Chief Minister has had quite an eager response from some communities across the Territory, and we are keen to make a start. However, there is a range of issues: town plans need to be developed and long-term leasing arrangements need to be put in place before you have the capacity for a private business person to borrow money from a bank on a lease to construct a shop, a hairdressing salon, a butcher shop, or a bakery.

There is an enormous amount of goodwill from Territory business people to support that type of business development in remote communities. I was only speaking to a baker last week who has developed bakeries through Papua New Guinea. He would love the opportunity to create bakeries on Indigenous land in the Northern Territory if he can secure long-term leases in partnership with Indigenous people.

**Mr WOOD:** It is amazing that we are going back to square one. We had bakeries in just about every community about 30 years ago. Minister, would the government be interested in - because there are issues with leasing and people having the money to start a business. In Palmerston they used to have an incubator. The idea was the government put the funds in and people could lease a shop or something from the government. Is the government considering that as an option instead of having ...

**Mr TOLLNER:** The business enterprise centres still do a bit of that. They have that capacity. The business enterprise centres are joint initiatives between the Commonwealth and Territory governments. The fact they have lasted through several changes of government is a great testament to their effectiveness in the community. It is good when you have both side of governments agreeing to support business enterprise centres and some of those incubator programs. We are keen to roll those things out in remote Indigenous communities.

**Mr WOOD:** I saw the report about businesses in growth towns. When you analysed it, there was hardly a private business. There were art associations and council businesses, but that single owner business not connected to anyone – it might be the lawn mower repairer or the hairdresser - was very rare. That is the big issue; that is the hurdle we have to get over to encourage single owner enterprise.

**Mr TOLLNER:** Absolutely.

**Madam CHAIR:** Before we go to the next question, we are approaching 11 30 pm. The indicative timing was 11 pm. We have gone over and are able to go to exhaustion. I wanted to get a feel from the committee as to ...

**Mr GUNNER:** I have a number of questions in each of the outputs to go.

**Madam CHAIR:** No, I meant whether we do everything tonight or, if you have many things to ask, if you want the minister to come back in the morning.

**Mr GUNNER:** Do you want to come back in the morning?

**Mr TOLLNER:** I am in your hands. I am here until you all keel over.

**Mr GUNNER:** The original advice was that ...

**Madam CHAIR:** That still stands. If you have three hours to go and would prefer - that is something ...

**Mr WOOD:** There are some big issues here because the Banned Drinker Register has been mentioned.

**Madam CHAIR:** I am putting it out there.

**Mr GUNNER:** We have not reached licensing yet.

**Mr WOOD:** I am happy to keep going a bit longer.

**Ms LEE:** We really need to sleep because we do not have switches like most of you do.

**Mr WOOD:** Switches?

**Ms LEE:** You do not, but the ...

**Mr WOOD:** I am driving for half an hour out bush before I go to bed. I am happy to go to 11 30 pm or midnight.

**Mr GUNNER:** I thought we were going to exhaustion. I am open to the idea. I will be coming back at 8:30 am so it is the same to me.

**Mr TOLLNER:** It does not bother me either way. I am happy to work through till 8.30 am.

**Madam CHAIR:** Should I ask the question again?

**Mr TOLLNER:** Perhaps the member for Fannie Bay will do it while you have a sleep.

**Mr GUNNER:** You all go home and it will be the minister and I.

**Madam CHAIR:** Perhaps I will ask at the end of Output 8.2. Would that help the committee?

**Mr GUNNER:** Yes.

**Mr WOOD:** This output, which is on Territory business and employment ...

**Mr GUNNER:** Do I have the call, Gerry? Have you finished?

**Mr WOOD:** Where are we?

**Mr GUNNER:** Industry and Innovation.

**Mr WOOD:** I have questions on that.

**Mr GUNNER:** So do I, but were you mid-question?

**Mr WOOD:** I will have a bash for a minute. Is that all right?

**Mr GUNNER:** Yes.

**Mr WOOD:** Minister, you said the Northern Territory Research and Innovation Board had been dissolved.

**Mr TOLLNER:** That is correct.

**Mr WOOD:** In the annual report, half the Northern Territory Research and Innovation Fund appears to be held in trust by Charles Darwin University. There is a certain amount of committed funds, some uncommitted funds. Who is now responsible for the operation of that fund overall?

**Mr TOLLNER:** Charles Darwin University will continue running that program. They have quite a bit of unspent money sitting in the fund. That fund will receive more money as the year goes on and will continue to operate the fund in the future.

**Mr WOOD:** Who will do the job of the Northern Territory Research and Innovation Board, which had a role to advise government on priority areas for research and innovation in the Northern Territory, particularly in the fields of tropical and desert knowledge, make recommendations to government on the expenditure of this fund, and report on the performance of the fund in increasing research activity and capacity? Someone has to do that. Someone has to make decisions on where the money goes. The important thing is what are the results of projects funded by this fund because it is a fair bit of money? It is about \$2.3m.

**Mr TOLLNER:** Member for Nelson, the fund currently has about \$400 000 sitting in it. There is another \$240 000 to come into it. They are focusing on business innovation and the like. Previously, funded projects were about 62% research, 32% innovation, and 6% proof of concept. As I said, there is a refocus into innovation. The CDU leverages money into the Northern Territory at a rate of 8:1, of which – sorry, CDU brings in leverage of 17:1.

**Mr WOOD:** CDU is the main fund supplier?

**Mr TOLLNER:** No, they bring research dollars in from the Australian government and other organisations. For every dollar the CDU puts up, they tend to be able to leverage another 17 out of that. For the money provided by the Northern Territory, we get quite a significant bang for our buck by providing it through CDU because they can attract significant funds from other areas.

**Mr WOOD:** Do you have any person or body to overview the fund? Is it the job of the government to overview this fund?

**Mr TOLLNER:** Yes, the department keeps a close eye on what CDU does with the money. CDU, of course, runs the project so we want to ensure we are getting value for it. We are very keen to continue supporting it through the Research and Innovation Awards event, a separate item the Northern Territory government is prime sponsor of.

**Mr WOOD:** If you have scrapped the board, who will advise the government on the priority areas, who will make recommendations to government, and who will report on the performance?

**Mr TOLLNER:** That is done through the department. The department, obviously, has a relationship with CDU on this program. The department keeps a fairly close watch on the program to see how it operates. The department has a big interest in it because, whilst it is not overly large amounts of money the government is putting in, it is still quite significant and the money CDU can leverage is quite significant. Anywhere we put Territory money we want to ensure it is being spent within the priorities of government.

**Mr WOOD:** What were the reasons for scrapping the board? Was it money or you did not like them?

**Mr TOLLNER:** It became redundant. CDU was leveraging quite a large amount of money utilising that. CDU was doing a good job and, slowly, over a period of time, the Northern Territory Research and Investment Board became less and less relevant to that process. The department has a very strong relationship with CDU in this regard; it gets good value for money at this point in time. When things go pear-shaped - if things ever go pear-shaped - there will be a review of the program and we will see how things pan out then.

However, at this stage the feeling is we are getting very good value for money from the contributions we make to CDU, and they are managing that role very well.

**Mr WOOD:** The board met five times in Darwin during 2011-12. Who made the decision it was not going very well? Did the board say, 'There is no point, we do not need to be here', or did someone decide to cut costs?



**Mr TOLLNER:** The board ran out of money and, as part of budget processes, cost cutting and the like, the board was dissolved. We decided we wanted a much more innovative approach with a commercial focus. CDU could deliver that without the cost of a board in place.

**Mr WOOD:** Was it a costly board? You talk about a commercial focus. You had Dr Bruce Walker, Centre for Appropriate Technology; Professor Graham Webb, who owns Crocodylus; Dr Margaret Friedel, Principal Research Officer, Sustainable Ecosystems, CSIRO; Mr Steve Rowe, SRA Information; Professor Jonathan Carapetis, Menzies School of Health Research; Professor Barney Glover; Mrs Bronwyn Langworthy, Powercorp; Graham Mitchell, principal, Foursight Associates Pty Ltd; and Graham Symons, CEO of Business and Employment. That is a pretty good ...

**Mr TOLLNER:** Fantastic people, every single one of them, and they did a great job. We were in a belt tightening situation. Those people are from the length and breadth of the Northern Territory, an admirable thing for a board. However, the more boards the more costs. Decisions were taken to reduce the number of advisory boards and the view was, and still is, we have a good, strong relationship with Charles Darwin University. Barney Glover was on the previous board, as you just mentioned. We want to have a much greater focus on innovation than research, and innovation with a commercial focus. In that regard, our view is we can get much better leverage from CDU than we could through the previous board.

**Mr WOOD:** I did not realise the board was being axed. What projects, under the NT Research and Innovation Fund, were committed as of 30 June 2012? Where can I find what projects are being undertaken and the results of the research? Is that part of the Department of Business annual report?

**Mr TOLLNER:** Can I take that question on notice? There have been none since August and we will have to do some digging to get the information about what occurred prior to then?

**Mr WOOD:** The balance at 30 June was about \$2.2m. If you have used much of that, someone must have been doing some projects.

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**Question on Notice No 2.10**

**Madam CHAIR:** Member for Nelson, please restate the question for the record.

**Mr TOLLNER:** Much of that money was committed, member for Nelson. We are talking about uncommitted money.

**Mr WOOD:** Thank you, Chair. Treasurer, could you give an indication of what projects are presently funded by the NT Research and Innovation Fund and what processes are in place to evaluate the outcomes of those projects?

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

**Mr TOLLNER:** Yes.

**Madam CHAIR:** The question asked by the member for Nelson of the minister has been allocated number 2.10.

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**Mr TOLLNER:** Madam Chair, would it be possible to have a five minute rest?

**Mr WOOD:** He wants a smoke.

**Madam CHAIR:** That is fine. He might have other needs, member for Nelson. We can adjourn for five minutes.

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The committee suspended.

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**Madam CHAIR:** Welcome back. We are continuing with output 8.2.

**Mr GUNNER:** The member for Nelson was asking questions but is not here so I will take the jump. Minister, in your budget 2013 highlights information sheet you mention the competitive tax environment we enjoy in the Northern Territory - the lowest taxing jurisdiction for small and medium-sized enterprises. However, you flagged in your budget overview document you want the Northern Territory to be on par with other states, taxation-wise, by 2016-17. Does that not take away our competitive advantage?

**Mr TOLLNER:** That is really a question for the Treasurer but I am happy to answer it. The reason is the Commonwealth Grants Commission takes a dim view of a jurisdiction not lifting its weight in relation to revenue raising. If we are seen to be not raising our fair share of revenue, we will be penalised by the Commonwealth Grants Commission.

**Mr GUNNER:** That is your Treasurer's answer - but your Business minister's answer? As Business minister, you are taking away the competitive opportunities.

**Mr TOLLNER:** As Business minister, you have missed your opportunity because the Treasurer was on earlier today.

**Mr GUNNER:** In Industry and Innovation, you are creating and identifying new additional opportunities. Are you making the job harder for yourself by removing the competitive advantage?

**Mr TOLLNER:** No, the Northern Territory has natural competitive advantages: geographical location in our region, the fact we have beautiful blue skies, are largely underdeveloped, have some ripe soils and plenty of mineral wealth. The government's view on assisting business to establish is removing impediments to private enterprise investment in the Northern Territory.

**Mr GUNNER:** Increasing taxes is not an impediment?

**Mr TOLLNER:** As you say, we already have a competitive advantage. We need to lift, or at least be seen to try to lift, our revenue-raising efforts in the Northern Territory. That is why we have two revenue-raising measures in this budget in relation to mineral royalties: transfer pricing and head office deductible amounts which can be claimed by interstate and overseas entities.

We are keen to encourage organisations like INPEX, for instance, to locate their head office to the Northern Territory. It makes no sense that a company like INPEX has a project in the Northern Territory yet a head office in Perth. We are doing everything we can to encourage private sector investment in the Northern Territory. Using our revenue-raising measures is an area we are focusing on in order to do that.

**Mr GUNNER:** This question may be more for the policy cohort of the Business department, but will it be providing advice about the impact of potential tax rises on business to you, as Business minister?

**Mr TOLLNER:** Sorry, can you state that again?

**Mr GUNNER:** Your department provides whole-of-government advice for policy and business-related services. If you raise taxes, one of your department's responsibilities will be providing advice on the impact on business?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Will you be running any proposed tax increases past your Department of Business for analysis of its impacts?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** When that happens could we have a copy of that analysis?

**Mr TOLLNER:** The Department of Business provides information to Cabinet when Cabinet is making those assessments. A number of things, as you can imagine, go before Cabinet but do not get signed off on. There is a range of things different departments will have different views on. It is the role of Cabinet to assess that departmental advice and make appropriate decisions.

As far as having that advice go somewhere other than Cabinet, I could not give that guarantee.

**Mr GUNNER:** The Department of Business would have provided advice on the two revenue measures in this budget?

**Mr TOLLNER:** The Department of Business provided advice on those two revenue measures, along with other measures which are part of government policy that relate specifically, and often non-specifically, to business.

**Mr GUNNER:** Would you provide that analysis?

**Mr TOLLNER:** No, because that analysis was provided by the department to the Cabinet and the Cabinet has to take into account all advice it receives, not just advice from one particular department. It provides Cabinet-in-confidence advice without fear or favour to the Cabinet. When it comes to speaking publicly, we expect the Northern Territory government speaks with one mind and we are all moving in the same direction.

**Mr GUNNER:** The Department of Business was consulted on those two revenue measures. Did they develop their analysis internally, or did they consult with affected businesses?

**Mr TOLLNER:** They would have consulted with the businesses affected. For those two revenue-raising measures, the Chief Minister's department would have had a view, along with the Department of Mines and Energy and, possibly, other departments such as the Department of Infrastructure.

**Mr GUNNER:** Businesses affected were consulted by your department before the revenue measures came in?

**Mr TOLLNER:** Departments have to comment on any decision Cabinet makes which relates to that department.

**Mr GUNNER:** I understand that. Did your department form its advice internally, or did it consult the businesses affected? You said it consulted the business affected.

**Mr TOLLNER:** It will consult with businesses affected and will also look internally for ...

**Mr GUNNER:** The businesses affected by the revenue measures were consulted by your Department of Business?

**Mr TOLLNER:** The businesses affected by the revenue measures may not have realised they were being consulted about revenue measures.

**Mr GUNNER:** That sounds almost Maxwell Smart. The businesses consulted on revenue measures might not have realised they were being consulted at the time they were being asked?

**Mr TOLLNER:** Yes. I am sure you can understand the reasons for that. You do not want to signal things which may not eventuate.

**Mr GUNNER:** They did not realise they were providing advice around revenue ...

**Mr TOLLNER:** I will give you an example. There was much scuttlebutt about cuts to the pensioner concession scheme - this was in another department ...

**Mr GUNNER:** That was a cunning consultation plan, was it?

**Mr TOLLNER:** No, it was not the case. You do not want to raise undue concern before a decision is made.

**Mr GUNNER:** Do the businesses now know they were being consulted then?

**Mr TOLLNER:** I cannot comment on that.

**Mr GUNNER:** Your department would have provided policy advice around the power and water price rises and the impact that would have on businesses?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Are you prepared to share that analysis?

**Mr TOLLNER:** No, because the advice the department provides to the Cabinet is Cabinet-in-confidence advice which, by its nature, is not to be shared. It is one avenue of interest Cabinet has to take into account when making these determinations.

**Mr GUNNER:** Internally, you have analysis around the impacts of the power and water price rises on business ...

**Mr TOLLNER:** Yes.

**Mr GUNNER:** ... and modelling, but you are not going to share that. Has that analysis and modelling helped tailor any activities your Business department is doing? You have advice around the impact of these charges on business and ...

**Mr TOLLNER:** In relation to the Power and Water Corporation tariff increases there has been corresponding increase in the ecoBiz NT program. There is recognition there would be a greater take-up rate of energy efficiency measures in a higher-priced electricity environment.

**Mr GUNNER:** Businesses were given six weeks' notice of the power and water price rises coming in. Within that six weeks, were businesses able to access ecoBiz NT grants and make infrastructure changes to the operation of their business?

**Mr TOLLNER:** Yes, because the ecoBiz NT program was never fully expended and there was always money sitting in that program.

**Mr GUNNER:** Let me ask some questions around ecoBiz NT. How many businesses are registered in the NT?

**Mr TOLLNER:** In round terms, 14 500.

**Mr GUNNER:** How many new businesses have registered since September 2012?

**Mr TOLLNER:** Registered for?

**Mr GUNNER:** As businesses since September 2012.

**Mr TOLLNER:** Since the election?

**Mr GUNNER:** Do you have a number for operational versus registered?

**Mr TOLLNER:** We might take that question on notice. Does someone have that detail?

**Mr GUNNER:** It is in the budget books as a variation.

**Mr TOLLNER:** Did you catch all that?

**Mr GUNNER:** I am not sure if *Hansard* caught that.

**Mr TOLLNER:** Let me put that in context. We have lost control of the business registration ...

**Mr GUNNER:** Only national business registration.

**Mr TOLLNER:** National business registration. Many will register with an ABN, and the entirety of it is done through ASIC.

**Mr GUNNER:** What advice does your department now have access to? You might not be doing the registration, but do you have access to the data, the stats?

**Mr TOLLNER:** The department would have access to all that publicly available information from the ASIC website.

**Mr GUNNER:** In relation to answering the question, there is no meaningful change? The department is not doing registrations, but you still have access to the information?

**Mr TOLLNER:** We would have access to all the information.

**Mr GUNNER:** The figure I have at the moment, for a point of reference, is 14 500 registered businesses.

**Mr TOLLNER:** Registered operating businesses?

**Mr GUNNER:** Registered operating businesses.

**Mr TOLLNER:** Yes, there may well be many more registered businesses, but when you break it down ...

**Mr GUNNER:** No, I am comfortable with that number. How many businesses have applied to ecoBiz NT since September 2012?

**Mr TOLLNER:** As at 31 March this year, the ecoBiz NT program has provided \$93 378 in grant funding to eight businesses. To put this into context, the program has recently been expanded. Only one person has been operating the program for much of this year. The program has been expanded. The funding has come in but the program is not fully expended ...

**Mr GUNNER:** Yes. So, \$93 000, eight businesses, and there are 14 500 registered businesses in the Territory. You also said with six weeks' notice businesses had a chance to access ecoBiz NT and adjust, but we have eight businesses at \$93 000?

**Mr TOLLNER:** That is correct.

**Mr GUNNER:** I support the ecoBiz NT program; it is a good program. In responding to power and water price increases on business, that is eight businesses at \$93 000. It is not quite a response to power and water price increases.

**Mr WOOD:** There were only 11 last financial year, so it has not been a roaring success.

**Mr TOLLNER:** It is a bit broader than I have outlined. Not all applications result in grant funding. Some are audits on how to reduce energy costs and the like. A number of applications have not yet been processed. The relevant point you make is it is not a large scale program that 14 000 businesses are accessing. I believe that is the point you are trying to make.

**Mr GUNNER:** You have gone from one person running it to how many now?

**Mr TOLLNER:** There is one at the moment. Two extra are about to start and will cover Central Australia.

**Mr GUNNER:** The previous Business minister, when asked about the impact of power and water price rises on businesses, said the good businesses will survive and the bad businesses will fall over.

**Mr TOLLNER:** That is a broad statement.

**Mr GUNNER:** That was his statement to the House. He said it was like Charles Darwin's theory of evolution. It was not quite the answer we were expecting. Are you keeping any measure on the bad businesses that are falling over?

**Mr TOLLNER:** No, we are not. I do not suspect any businesses are falling over because of power and water price rises.

**Mr GUNNER:** No businesses are falling over?

**Mr WOOD:** My local fish and chip shop is struggling.

**Mr TOLLNER:** You said some bloke in your electorate was using so many gigitalitres of water to make dough.

**Mr WOOD:** I did not say that. My local fish and chip shop, which happens to be just down the road, is struggling because of power increases.

**Mr GUNNER:** The Chamber, and other business organisations, said this has had an impact on business, but you do not believe any businesses are falling over as a result of power and water price rises?

**Mr TOLLNER:** Clearly it will have an impact on businesses. Businesses need to factor in all their cost inputs. Unforeseen costs, such as tariff increases, will impact on a business. If a business goes to the wall because of power and water tariff increases I would be very surprised given, generally, power and water has a small input into business costs. I am not saying no businesses have gone to the wall, but I would be stunned if the sole reason is power and water tariffs.

**Mr GUNNER:** I am unsure all businesses would say power and water is a small impost on their operations.

**Mr TOLLNER:** Let me rephrase that. If a business goes to the wall, there would more than likely be other factors involved than just power and water tariff increases.

**Mr GUNNER:** You are not going back to the former Business minister's statement saying they would be a bad business?

**Mr TOLLNER:** No, I would not say that. Statistics show 70% of small businesses fall over in the first 12 months. It is the risk of enterprise.

**Mr GUNNER:** Your department has analysed the impact of power and water price rises which you will not share – we have already asked that question. Have you used that analysis to target where ecoBiz NT goes? With audits and the help you give business, have you targeted in any way the business sectors you believe will be most impacted by power and water price rises?

**Mr TOLLNER:** These things would be taken into account, but there is no particular targeting of high-energy businesses. It is more about businesses applying than government targeting businesses we can ...

**Mr GUNNER:** You are responding to demand pressure?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Is there any effort to market your services to the sector you believe will be most impacted?

**Mr TOLLNER:** No.

**Mr WOOD:** Member for Fannie Bay, can I ask a question on ecoBiz NT?

**Mr GUNNER:** Yes.

**Mr WOOD:** The budget highlights say you will give \$0.22m additional grants funding to the ecoBiz NT program. What was the previous amount so we know the total?

**Mr TOLLNER:** The previous amount was \$220 000, totalling with the next \$220 000, taking it to \$440 000.

**Mr WOOD:** Considering there has been a low uptake, will there be promotion of ecoBiz NT ...

**Mr GUNNER:** You increased it to \$220 000 in the mini-budget.

**Mr WOOD:** ... otherwise you would not be putting the extra money in.

**Mr TOLLNER:** There has not been a low uptake. There is a gap in ...

**Mr WOOD:** It was 11 last year.

**Mr TOLLNER:** There were 11 last year. Until 31 March there were eight, but we now have 48 applications in the system to date.

**Mr WOOD:** What has made that happen? Has there been a proactive approach from the department?

**Mr TOLLNER:** I do not know about the proactive approach. I imagine word has spread there is money available to assist meeting the cost of efficiency measures.

**Mr WOOD:** It might have been in marketing you spent \$1m on a range of things - advertising and brochures. Was ecoBiz NT part of that?

**Mr TOLLNER:** A range of referrals have come from the Power and Water Corporation, which is constantly dealing with businesses. I imagine they are referring the most at-risk businesses to the department.

**Mr GUNNER:** I was going to move off.

**Mr WOOD:** It is all right, I am glad I caught you.

**Mr GUNNER:** What is the status of the Gearing Up for Growth ...

**Mr TOLLNER:** Sorry, I should have mentioned, I put out a media release on 14 May.

**Mr GUNNER:** About 4 million media releases went out on 14 May.

I do not know if anyone saw that. It took me a while to find the Business minister's media release because it was titled 'Environmental upgrades' or something. I did not realise it was business to start with.

What is the status of the Gearing Up for Growth committee established by the previous government?

**Mr TOLLNER:** I attended a meeting two days ago. They are meeting actively and doing what they have committed to do: gear up for growth - focus on developing for a growing economy.

**Mr GUNNER:** You agree with the previous government about ensuring business, educators, and unions are working collaboratively to ensure these sectors are represented on the Gearing Up for Growth committee and everything is going fine?

**Mr TOLLNER:** In the meeting I had with them they were proactive about things like procurement and what we need in a fast-growing economy. Membership of the committee has been somewhat reduced, but the scope has been increased. It is a good committee, is working and engaging well with business, and has had some good outcomes.

**Mr GUNNER:** I have some questions around tourism, minister, which has had parts absorbed into your department. Has your government provided funding to any airlines since coming to office?

**Mr TOLLNER:** That is a good question. The answer is no, and you have directed it to the right minister. Airline policy and development is a part of the Department of Business.

**Mr GUNNER:** You have provided no funding to any airlines?

**Mr TOLLNER:** No.

**Mr GUNNER:** No co-marketing funding or any type of ...

**Mr TOLLNER:** That will fall to the Tourism minister ...

**Mr GUNNER:** Co-marketing is there?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** If it was a direct subsidy it would come from your department?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** What is the exact amount of funds and staff transferred from Tourism NT to your agency who have transferred to DOB tourism industry development functions?

**Mr TOLLNER:** Eight staff have come across from Tourism. In relation to money that has come across, we will have to take that on notice. It is eight staff. Do you want us to put on notice staff costs along with the operational?

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**Question on Notice No 2.11**

**Madam CHAIR:** Member for Fannie Bay, please restate the question for the records.

**Mr GUNNER:** What is the exact amount of funds and staff transferred from Tourism NT to your agency who have transferred to DOB Tourism industry development functions?

**Madam CHAIR:** Minister, do you accept the question minister?

**Mr TOLLNER:** Yes.

**Madam CHAIR:** The question asked by the member for Fannie Bay of the minister will be allocated number 2.11.

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**Mr GUNNER:** Why does the Department of Business not have explicit deliverables for tourism industry development in Budget Paper No 3?

**Mr TOLLNER:** Member for Fannie Bay, we have assimilated tourism businesses into a much more integrated approach through business generally. The department has tourism business development client managers who provide free and confidential business information services to those tourism businesses. The program assists tourism businesses to enhance their products and services, increase their competitiveness, improve their knowledge, and identify potential partnerships. Tourism is the NT's largest employer - some 1400 people, 12% of the Territory workforce.

Tourism business development client officers are based in Alice Springs, Darwin, Katherine, and Tennant Creek and deliver services to all the regions in the Northern Territory. They are co-located with Territory Business Centre staff in the regions. It is something the government takes quite seriously. Through the department, we have a specific focus on tourism business development through managers in the regions. Many of the programs they operate are generic business programs.

**Mr GUNNER:** On page 123, Business Support Services, you say you will develop tourism businesses across the Territory. There is no key deliverable underneath that.

**Mr TOLLNER:** No, there is a generic business development focus within the department. Falling under that subheading are the tourism business development client managers who have a specific focus and expertise in that area of tourism. As far as the budget papers are concerned, it all comes under Business Development.

**Mr GUNNER:** It might appear in the annual report down the line, but would you agree you do not have three-hub economy targets or tourism targets? It is good to have key deliverables to be measured against. It might be appearing in the annual report down the track but, in this budget paper ...

**Mr TOLLNER:** I do not want to suggest we do not have targets for tourism, mining and agriculture. Those questions are best directed to those ministers. Through the Business department we are not focusing specifically, although we have specifically-focused client managers in relation to tourism. We are focusing on an overall business development strategy.

**Mr GUNNER:** Are you overselling it, minister, when you say you are identifying new industry opportunities and developing tourism business? You say that in the budget books, but ...

**Mr TOLLNER:** No, it is ...

**Mr GUNNER:** I should not hold you to account for that; I should hold other ministers.

**Mr TOLLNER:** No, it is the role of Tourism NT, the Department of Mines and Energy, and the Department of Primary Industry and Fisheries to identify new opportunities. It is the role of the Department of Business to assist people going into new ventures with business skills - if you understand what I am saying. The department has ...

**Mr GUNNER:** You have always been passionate about creating business ...



**Mr TOLLNER:** Absolutely and totally!

**Mr GUNNER:** You are now the Minister for Business.

**Mr TOLLNER:** Yes.

**Mr GUNNER:** I want to see what you are doing.

**Mr TOLLNER:** We are working closely with those three departments I just mentioned. The department's role is to foster and nurture business, and we have specific people who will foster and nurture specific tourism-related businesses. As far as identifying future opportunities and those types of things - whether you are in mining, tourism, or agriculture - that is really a much more specialised role for the respective departments. Those questions should be directed to those ministers.

**Mr GUNNER:** I will not ask the Minister for Business any more questions around that.

**Mr TOLLNER:** If you want to go to tourism, talk to Matt Conlan. I am sure he can tell you where the opportunities lie. When you have identified one, see me and I will steer you to ...

**Mr GUNNER:** You say you will develop tourism businesses ...

**Mr TOLLNER:** I will refer you to Mr Carew ...

**Mr GUNNER:** ... and identify industry opportunities. You say you are going to do these things.

**Mr TOLLNER:** ... who will assist you in developing the skills in order to manage that business.

**Mr GUNNER:** What is the status of the DOB review of the Jetstar agreement and the development of infrastructure at Darwin airport?

**Mr TOLLNER:** On 22 July 2008, the Northern Territory government and Jetstar entered into a five-year agreement to establish a regional international hub in Darwin. Jetstar has continued to invest in the Darwin aviation hub, with three aircraft and associated crew based in Darwin.

Expenditure by Jetstar on the purchase of goods and services from Northern Territory businesses for the years 2011-12 increased by 15.3% on 2010-11. Staff numbers in 2011-12 increased by 22.3%. Expansion of the Darwin International Airport facilities was identified as a key factor in facilitating growth of the aviation hub.

On 11 October 2010, the Darwin International Airport reached a long-term aviation pricing agreement with the Qantas Group. The agreement provides Qantas Group and the Darwin International Airport the certainty they require to grow their businesses.

Darwin International Airport is investing \$60m in total upgrades, including the \$42.5m cost of the terminal expansion project, the biggest undertaken since Darwin International Airport terminal was opened in 1991.

From August 2012, Jetstar reduced the number of aircraft based in Darwin from four to three, citing weaker demand, the high Australian dollar and marginal returns on existing services. Consequently, some reductions in flights to Sydney and Bali were applied for at the time.

Under the agreement, the NT agreed to provide the following support for the establishment of the hub: establishing funding of \$5m and \$3m to support international marketing of routes and destinations over five years. Jetstar has advised the lack of infrastructure at Darwin airport is the key constraint to increasing capacity. Along with that, Jetstar has identified the following obstacles for long-term sustainable growth in its business operating from Darwin International Airport: disproportionately high aviation security charges, the second highest in Australia and in the top five of the airline's global network; a current passenger movement charge of \$48 per departing international passenger, increasing to \$55 per passenger. It is also understood pricing negotiations between Darwin International Airport and Jetstar on behalf of the Qantas Group were protracted.

Northern Territory government officials are currently in discussions with Jetstar and Qantas on a way to move forward. They have a focus on ensuring the NT gets the best outcome from its investment with Jetstar.

**Mr GUNNER:** How many staff in the Department of Business are dedicated to aviation strategies and winning increased inbound airline capacity?

**Mr TOLLNER:** There is one.

**Mr GUNNER:** How many new agreements relating to aviation services have been concluded by the Department of Business since August last year, and at what cost to the NT government?

**Mr TOLLNER:** None and no cost.

**Mr GUNNER:** Has your department provided or committed any funds to Airnorth to further develop its aviation business?

**Mr TOLLNER:** I am sorry, I answered that question incorrectly. The department was very involved with Philippine Airlines and parts of the negotiations with Air Asia, but that came at no additional cost to the department or government.

**Mr GUNNER:** Has your department provided or committed any funds to Airnorth to further develop its aviation business?

**Mr TOLLNER:** No.

**Mr GUNNER:** Following the cuts to non-government organisations in child protection, health, and the youth sector, can you advise if grants to business organisations will be reduced in the business portfolio? There have been cuts to other grants programs in other departments. Are you intending to cut grants programs in business?

**Mr TOLLNER:** Business ...

**Mr GUNNER:** Business grants.

**Mr TOLLNER:** Business associations or industry associations?

**Mr GUNNER:** Grants to business organisations?

**Mr TOLLNER:** Business organisations?

**Mr GUNNER:** For example, are you reducing support to industry bodies like ICN NT?

**Mr TOLLNER:** A review is being conducted into funding to associations. I am interested in a situation where large industry associations are encouraged to stand on their own two feet and not require government grants to operate into the future. No decisions have been made at this stage, but industry associations, trade unions and others are aware the Department of Business is reviewing those grants.

**Mr GUNNER:** In Health, for example, there was a 5% cut to NGOs at one stage. You have not done anything like that in the Department of Business?

**Mr TOLLNER:** Not yet, no.

**Mr GUNNER:** There will be a review ...

**Mr TOLLNER:** We have put the signal out there.

**Mr GUNNER:** ... and at the conclusion of that review ...

**Mr TOLLNER:** Yes, we have put the signal out there that ...

**Mr GUNNER:** ... there may be cuts.

**Mr TOLLNER:** ... there may well be cuts and we are looking at belt tightening in those areas.

**Mr GUNNER:** At this stage there are no cuts to any industry grant or any industry body association?

**Mr TOLLNER:** Yes.

**Mr GUNNER:** Down the track there might be?

**Mr TOLLNER:** Almost inevitably.

**Mr GUNNER:** Thank you, minister, you let me roam across a few outputs and it is much appreciated.

**Mr WOOD:** You have a range of grants, are they all up for a review?

**Mr TOLLNER:** All grants are up for review. The government is in belt tightening mode and every one is being looked at.

**Mr WOOD:** What normally happens with the grants? Does someone assess them? If you go through the annual report there are about five pages of grants. The main one would be the industry development support program, which is \$1.5m. Does someone visit the Australian Hotels Association to see where they spent their money? Is there an acquittal program for those funds?

**Mr TOLLNER:** We are keen to ensure the grants we make fall in line with government priorities and policy and we are getting value for money and providing a service to Territorians. Each grant will be assessed. There is a team in the department currently looking at all the grants. Once they have done a review of those grants they will present it to me, we will further refine it and ensure they are all in line with government priorities, and some decisions will be made. I will be up-front with everyone: we are running a ruler over the entirety of those grants.

**Mr WOOD:** Some of those grants are ecoBiz NT and you have given them an increase. They will be ...

**Mr TOLLNER:** You have found one we have already decided on.

**Mr WOOD:** The other one, which I do not know much about, is \$85 000 to community-based childcare programs. Why is childcare selected as a business which needs financial support?

**Mr TOLLNER:** This harks back to the days when that program was administered through the Department of Education. The program came across to the Department of Business. It was around community-based childcare centres. I imagine, member for Nelson, you are aware of community-based childcare centres run by boards made up of, generally, concerned mums, and the odd dad would be involved. Those childcare centres were inherently thought to tumble every now and again, and the Department of Business was involved with those organisations to provide them with skills to adequately administer a business, in this case in the childcare area, to ensure their longevity.

You would have seen a number of these; I certainly have. You see they have caring people who are providing a wonderful service. If you look at the books, it has all fallen over and they are not meeting this requirement, that requirement, and possibly breaking accounting laws all over the place. It is people with their heart in the right place who do not have many skills in managing a business, which is why the department became involved.

**Mr WOOD:** To make it clear, a childcare centre can apply for funds? Is that how it is, as these funds are between \$1800 and \$7480? Do they apply for a figure?

**Mr TOLLNER:** There is a range of things a community-based childcare centre can access, whether it is computer equipment to help with accounting or buying one-on-one mentoring for the manager. A whole range of services can be provided with those grant funds.

**Mr WOOD:** Since this type of program came in, have any childcare centres gone belly-up? Has this decreased that happening?

**Mr TOLLNER:** Since it has come over to DBE none have gone belly-up. I was around when the one on the RAAF Base went belly-up, but that was before DBE got its hands on the program. It was quite sad because there was some assistance the department could have provided. When it was done through Education, Education did not have the skills or capability to rescue that one. It is quite fortunate it re-opened several years later.

**Mr WOOD:** These grants are really beneficial. Will the government be cutting these grants or is everything up for grabs?

**Mr TOLLNER:** Somewhere along the line, government has to make some tough decisions about certain programs. I make the same comment I did in the Treasury output: I am not in the business of ruling anything out or in. Clearly, there are benefits to this program. I imagine there would not be a cut to this program, although the number of community-based childcare centres is reducing because they seem to be prone to financial problems.

**Mr WOOD:** In relation to Cyclone Carlos, your department gave a number of grants to people on the Daly River called the Natural Disaster Relief and Recovery Arrangements Cyclone Carlos Grants. Is that budgeted for or do you get a Treasurer's Advance if a disaster happens?

**Mr TOLLNER:** It does not come out of the department's budget for the vast majority. I am informed it generally comes through Australian government programs. There may be some from a Treasurer's Advance but, in the main, it is Australian government funding.

**Mr WOOD:** If there is a big flood at Daly River do people have to apply for the funds? Nearly everyone applied for \$25 000.

**Mr TOLLNER:** The Commonwealth would generally set the parameters of what is applied for and the terms by which the department could hand out the money. The department is simply there as an administrative arm to provide payments in accordance with the determination the Commonwealth makes about eligibility.

**Mr WOOD:** Even though it is under grants in the annual report, it is not likely to be cut because it is Commonwealth money?

**Mr TOLLNER:** That is right.

**Mr WOOD:** Other grants do not come under that list. Some are - we can deal with this tomorrow - called Training Programs and Industry Support. Is that part of the next schedule, Accommodation for Costs for Non-Government Organisations? Will that be ...

**Mr TOLLNER:** Training comes up in Output 9.2.

**Mr WOOD:** In the annual report \$1.3m is provided for Accommodation Costs for Non-Government Organisations. Where does that fit in? There is Camp Quality, Heart Foundation, Pensioners' Workshop, Radio Larrakia and Gagudju Association.

**Mr TOLLNER:** It is more likely those things are provided by DCIS. That was the annual report of DBE.

**Mr WOOD:** That is right. I could not see where that would fit ...

**Mr TOLLNER:** No, you had us a bit stunned there for a minute thinking 'What is this?'

**Mr WOOD:** I was seeing if you were awake at 12.35 am. That covers it, Madam Chair.

**Mr TOLLNER:** Can I have an explanation so I know where we are? We have done all of Output 8?

**Mr GUNNER:** I have done all of Output 8 as you allowed me to roam a bit, minister.

**Mr WOOD:** I did a little of Output 8.

**Mr TOLLNER:** Do you want to do more?

**Mr WOOD:** He said he would do all of it.

**Mr TOLLNER:** Tomorrow we will finish Output 8 in its entirety?

**Madam CHAIR:** For the record, the opposition has completed Output 8.2, 8.3 and 8.4. Member for Nelson?

**Mr WOOD:** That is fine.

**Madam CHAIR:** Tomorrow we can commence with the minister and Output Group 9.0.

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**Answer to Question on Notice No 2.11**

**Mr TOLLNER:** Can I add to a question in relation to Tourism NT and the Department of Business? In total, there were eight staff; personnel costs were \$730 000; operational costs were \$590 000; and there was \$80 000 in grants programs that were all transferred into the Department of Business. The total transfer of funds, member for Fannie Bay, was \$1.4m.

**Mr GUNNER:** Thank you.

**Madam CHAIR:** Minister, was that a response to a question taken on notice? What was the question number?

**Mr TOLLNER:** That was a response to a question taken on notice, number 2.11.

**Mr TOLLNER:** That was in relation to Tourism NT to the Department of Business - transferred staff and moneys ...

**Madam CHAIR:** Just so they can be sufficiently matched up, otherwise you will be chasing ...

**Mr TOLLNER:** Part of that question was how many staff and how much money was transferred from Tourism NT to the Department of Business.

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**Madam CHAIR:** That concludes proceedings for today. I thank the minister and his staff for attending. The 2013 Estimates Committee public hearings will resume this morning as agreed. We will see you and your team at 8.30 am - same time, same place.

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The committee suspended.

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